Purchase Order

Dispatch via Print

Purchase Order	Date	Revision	Page
0909019490	10/07/2020		1
Payment Terms	**Freight Terms**		**Ship Via**
0 Days	Free on board at Destination		Common
Buyer	**Phone**		**Currency**
Jacob Charries (090)			USD

Mgmt and Enterprise Services

OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES ADMINISTRATION
122 STATE CAPITOL BUILDING
OKLAHOMA CITY OK 73105

Ship To: OMES - FINANCE
2401 N LINCOLN BLVD
STE 206
OKLAHOMA CITY OK 73105

Supplier: 0000493126
GUIDEHOUSE HOLDING CORPORATION
1800 TYSONS BLVD FL 7
MCLEAN VA 22102-4257

Bill To: OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES ADMINISTRATION
122 STATE CAPITOL BUILDING
OKLAHOMA CITY OK 73105

Tax Exempt? Y **Tax Exempt ID:** 736017987

Line-Sch	Cat CD / Item Id	Description	Quantity	UOM	PO Price	Extended Amt	Due Date
1- 1	84111502 /	Consultant Budget Analysis	1.0000	EA	325,000.0000	325,000.00	10/07/2020

Contract ID: 00000000000000000000005609 Contract Line: 0 Release: 1

State Budget optimization. Analysis of the state's budget structure, benchmarking against relevant entities, a credit rating fitness assessment, and a report containing recommendations for budget realignment.

Contract documents attached

Total PO Amount 325,000.00

COMMENTS:
Contract Period: 10/08/220 through project completion as specified in attached contract documents

Agency Contact: Kasey Boes
Email Address: Kasey.Boes@omes.ok.gov
Phone Number: (405) 205-1776

Supplier Contact: Jeff Bankowski
Email Address: jbankowski@guidehouse.com
Phone Number: (734) 644-0595

Authorized Signature

Dan Sivund

STATE OF OKLAHOMA CONTRACT WITH GUIDEHOUSE, INC. RESULTING FROM SOLICITATION 0900000457

This Contract is entered into between the State of Oklahoma by and through and for the benefit of the Office of Management and Enterprise Services ("Agency") and Guidehouse, Inc. ("Supplier") and is effective as of the date set forth on a properly issued purchase order or, if no effective date is listed, the date of last signature.

Purpose

The Contract is awarded to Supplier for the provision of a State Budget optimization. The optimization, as more readily described in the Statement of Work, is a four step approach that consists of an analysis of the state's budget structure, benchmarking against relevant entities, a credit rating fitness assessment, and a report containing recommendations for budget realignment. .

Due to the unprecedented national and State health threat as well as the aggressive timeline to distribute allowable funds and invest in unbudgeted goods and services, it is crucial and in the State's best interest to promptly engage a supplier to analyze the State's budget, revenues, and expenses to identify immediate cost avoidance, cost-saving opportunities, and more efficient uses of the State budget during the fiscal challenges brought on by the economic disruptions caused by the COVID-19 pandemic. Supplier has the requisite knowledge and capability to provide such immediate and necessary services

Now, therefore, in consideration of the foregoing and the mutual promises set forth herein, the receipt and sufficiency of which are hereby acknowledged the parties agree as follows:

1. The parties agree that Supplier has not yet begun performance of work under the Contract. Upon full execution of the Contract, Supplier may begin work. Issuance of a purchase order is required prior to payment to a Supplier.

2. The following Contract Documents are attached hereto and incorporated herein:

    2.1. Solicitation 0900000457, Attachment A;
    2.2. General Terms, Attachment B; and
    2.3. 0900000457 Negotiated Exceptions to Contract, Final SOW, Attachment F

    Attachments referenced in this section are attached hereto and incorporated herein.

3. Any reference to a Contract Document refers to such Contract Document as it may have been amended. If and to the extent any provision is in multiple documents and addresses the same or substantially the same subject matter but does not create an actual conflict, the more recent provision is deemed to supersede earlier versions.

STATE OF OKLAHOMA **by and through the** **OFFICE OF MANAGEMENT AND** **ENTERPRISE SERVICES**	**Guidehouse, Inc.**
By: Dan Sivard	By: Jeff Bankowski
Name: Dan Sivard	Name: Jeff Bankowski
Title: State Purchasing Director	Title: Partner
Date: 10/7/2020	Date: 10/7/2020

ATTACHMENT A

SOLICITATION NO. 0900000457

This Solicitation is a Contract Document and is a request for proposal in connection with the Contract awarded by the Office of Management and Enterprise Services as more particularly described below. Any defined term used herein but not defined herein shall have the meaning ascribed in the General Terms or other Contract Document.

PURPOSE

The Contract is awarded by the Office of Management and Enterprise Services for the performance of an analysis of the state's revenue and expenses and make recommendations for cost avoidance, cost savings opportunities, and more efficient use of the state budget based on benchmarking against other states and relevant entities, and comparisons across state agencies.

1. Contract Term and Renewal Options

The initial Contract term, which begins on the effective date of the Contract and is valid through the completion of the project duties within.

2. Contract Specifications

A. Obligations of Supplier

i. Develop a series of recommendations for how the State can continue to provide necessary services to Oklahomans while realigning and reimagining how the State funds this work
ii. Make recommendations that include strategies that will mirror ongoing priorities that Standard & Poors, Moody's and Fitch Rating Services emphasize in order to stabilize Oklahoma's current credit analysis and reverse the trajectory towards improving the state's credit rating
iii. Meet with the project team to review their findings and outline potential recommendations, with appropriate quantitative estimates
iv. Provide a report outlining their refined recommendations for budget restructuring to include actionable steps as to how to make the recommended changes, a view as to who can champion these recommendations, and an evaluation of the possible ramifications both immediate and long-term.

ATTACHMENT B

STATE OF OKLAHOMA GENERAL TERMS

This State of Oklahoma General Terms ("General Terms") is a Contract Document in connection with a Contract awarded by the Office of Management and Enterprise Services on behalf of the State of Oklahoma.

In addition to other terms contained in an applicable Contract Document, Supplier and State agree to the following General Terms:

1 Scope and Contract Renewal

1.1 Supplier may not add products or services to its offerings under the Contract without the State's prior written approval. Such request may require a competitive bid of the additional products or services. If the need arises for goods or services outside the scope of the Contract, Supplier shall contact the State.

1.2 At no time during the performance of the Contract shall the Supplier have the authority to obligate any Customer for payment for any products or services (a) when a corresponding encumbering document is not signed or (b) over and above an awarded Contract amount. Likewise, Supplier is not entitled to compensation for a product or service provided by or on behalf of Supplier that is neither requested nor accepted as satisfactory.

1.3 If applicable, prior to any Contract renewal, the State shall subjectively consider the value of the Contract to the State, the Supplier's performance under the Contract, and shall review certain other factors, including but not limited to the: a) terms and conditions of Contract Documents to determine validity with current State and other applicable statutes and rules; b) current pricing and discounts offered by Supplier; and c) current products, services and support offered by Supplier. If the State determines changes to the Contract are required as a condition precedent to renewal, the State and Supplier will cooperate in good faith to evidence such required changes in an Addendum. Further, any request for a price increase in connection with a renewal or otherwise will be conditioned on the Supplier providing appropriate documentation supporting the request.

1.4 The State may extend the Contract for ninety (90) days beyond a final renewal term at the Contract compensation rate for the extended period. If the State

exercises such option to extend ninety (90) days, the State shall notify the Supplier in writing prior to Contract end date. The State, at its sole option and to the extent allowable by law, may choose to exercise subsequent ninety (90) day extensions at the Contract pricing rate, to facilitate the finalization of related terms and conditions of a new award or as needed for transition to a new Supplier.

1.5 Supplier understands that supplier registration expires annually and, pursuant to OAC 260:115-3-3, Supplier shall maintain its supplier registration with the State as a precondition to a renewal of the Contract.

2 Contract Effectiveness and Order of Priority

2.1 Unless specifically agreed in writing otherwise, the Contract is effective upon the date last signed by the parties. Supplier shall not commence work, commit funds, incur costs, or in any way act to obligate the State until the Contract is effective.

2.2 Contract Documents shall be read to be consistent and complementary. Any conflict among the Contract Documents shall be resolved by giving priority to Contract Documents in the following order of precedence:

A. any Addendum;

B. any applicable Solicitation;

C. any Contract-specific State terms contained in a Contract Document including, without limitation, information technology terms and terms specific to a statewide Contract or a State agency Contract;

D. the terms contained in this Contract Document;

E. any successful Bid as may be amended through negotiation and to the extent the Bid does not otherwise conflict with the Solicitation or applicable law;

F. any statement of work, work order, or other similar ordering document as applicable; and

G. other mutually agreed Contract Documents.

2.3 If there is a conflict between the terms contained in this Contract Document or in Contract-specific terms and an agreement provided by or on behalf of Supplier including but not limited to linked or supplemental documents which alter or diminish the rights of Customer or the State, the conflicting terms

provided by Supplier shall not take priority over this Contract Document or Acquisition-specific terms. In no event will any linked document alter or override such referenced terms except as specifically agreed in an Addendum.

2.4 Any Contract Document shall be legibly written in ink or typed. All Contract transactions, and any Contract Document related thereto, may be conducted by electronic means pursuant to the Oklahoma Uniform Electronic Transactions Act.

3 Modification of Contract Terms and Contract Documents

3.1 The Contract may only be modified, amended, or expanded by an Addendum. Any change to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials made unilaterally by the Supplier, is a material breach of the Contract. Unless otherwise specified by applicable law or rules, such changes, including without limitation, any unauthorized written Contract modification, shall be void and without effect and the Supplier shall not be entitled to any claim under the Contract based on those changes. No oral statement of any person shall modify or otherwise affect the terms, conditions, or specifications stated in the Contract.

3.2 Any additional terms on an ordering document provided by Supplier are of no effect and are void unless mutually executed. OMES bears no liability for performance, payment or failure thereof by the Supplier or by a Customer other than OMES in connection with an Acquisition.

4 Definitions

In addition to any defined terms set forth elsewhere in the Contract, the Oklahoma Central Purchasing Act and the Oklahoma Administrative Code, Title 260, the parties agree that, when used in the Contract, the following terms are defined as set forth below and may be used in the singular or plural form:

4.1 **Acquisition** means items, products, materials, supplies, services and equipment acquired by purchase, lease purchase, lease with option to purchase, value provided or rental under the Contract.

4.2 **Addendum** means a mutually executed, written modification to a Contract Document.

4.3 **Amendment** means a written change, addition, correction or revision to the Solicitation.

4.4 **Bid** means an offer a Bidder submits in response to the Solicitation.

4.5 **Bidder** means an individual or business entity that submits a Bid in response to the Solicitation.

4.6 **Contract** means the written, mutually agreed and binding legal relationship resulting from the Contract Documents and an appropriate encumbering document as may be amended from time to time, which evidences the final agreement between the parties with respect to the subject matter of the Contract.

4.7 **Contract Document** means this document; any master or enterprise agreement terms entered into between the parties that are mutually agreed to be applicable to the Contract; any Solicitation; any Contract-specific terms; any Supplier's Bid as may be negotiated; any statement of work, work order, or other similar mutually executed ordering document; other mutually executed documents and any Addendum.

4.8 **Customer** means the entity receiving goods or services contemplated by the Contract.

4.9 **Debarment** means action taken by a debarring official under federal or state law or regulations to exclude any business entity from inclusion on the Supplier list; bidding; offering to bid; providing a quote; receiving an award of contract with the State and may also result in cancellation of existing contracts with the State.

4.10 **Destination** means delivered to the receiving dock or other point specified in the applicable Contract Document.

4.11 **Indemnified Parties** means the State and Customer and/or its officers, directors, agents, employees, representatives, contractors, assignees and designees thereof.

4.12 **Inspection** means examining and testing an Acquisition (including, when appropriate, raw materials, components, and intermediate assemblies) to determine whether the Acquisition meets Contract requirements.

4.13 **Moral Rights** means any and all rights of paternity or integrity of the Work Product and the right to object to any modification, translation or use of the Work Product and any similar rights existing under the judicial or statutory law of any country in the world or under any treaty, regardless of whether or not such right is denominated or referred to as a moral right.

4.14 **OAC** means the Oklahoma Administrative Code.

4.15 **OMES** means the Office of Management and Enterprise Services.

4.16 **Solicitation** means the document inviting Bids for the Acquisition referenced in the Contract and any amendments thereto.

4.17 **State** means the government of the state of Oklahoma, its employees and authorized representatives, including without limitation any department, agency, or other unit of the government of the state of Oklahoma.

4.18 **Supplier** means the Bidder with whom the State enters into the Contract awarded pursuant to the Solicitation or the business entity or individual that is a party to the Contract with the State.

4.19 **Suspension** means action taken by a suspending official under federal or state law or regulations to suspend a Supplier from inclusion on the Supplier list; be eligible to submit Bids to State agencies and be awarded a contract by a State agency subject to the Central Purchasing Act.

4.20 **Supplier Confidential Information** means certain confidential and proprietary information of Supplier that is clearly marked as confidential and agreed by the State Purchasing Director or Customer, as applicable, but does not include information excluded from confidentiality in provisions of the Contract or the Oklahoma Open Records Act.

4.21 **Work Product** means any and all deliverables produced by Supplier under a statement of work or similar Contract Document issued pursuant to this Contract, including any and all tangible or intangible items or things that have been or will be prepared, created, developed, invented or conceived at any time following the Contract effective date including but not limited to any (i) works of authorship (such as manuals, instructions, printed material, graphics, artwork, images, illustrations, photographs, computer programs, computer software, scripts, object code, source code or other programming code, HTML code, flow charts, notes, outlines, lists, compilations, manuscripts, writings, pictorial materials, schematics, formulae, processes, algorithms, data, information, multimedia files, text web pages or web sites, other written or machine readable expression of such works fixed in any tangible media, and all other copyrightable works), (ii) trademarks, service marks, trade dress, trade names, logos, or other indicia of source or origin, (iii) ideas, designs, concepts, personality rights, methods, processes, techniques, apparatuses, inventions, formulas, discoveries, or improvements, including any patents, trade secrets and know-how, (iv) domain names, (v) any copies, and similar or derivative works to any of the foregoing, (vi) all documentation and materials related to any of the foregoing, (vii) all other goods, services or deliverables to be provided by or on behalf of Supplier under the Contract and (vii) all Intellectual Property Rights in any of the foregoing, and which are or were created,

prepared, developed, invented or conceived for the use of benefit of Customer in connection with this Contract or with funds appropriated by or for Customer or Customer's benefit (a) by any Supplier personnel or Customer personnel or (b) any Customer personnel who then became personnel to Supplier or any of its affiliates or subcontractors, where, although creation or reduction-to-practice is completed while the person is affiliated with Supplier or its personnel, any portion of same was created, invented or conceived by such person while affiliated with Customer.

5 Pricing

5.1 Pursuant to 68 O.S. §§ 1352, 1356, and 1404, State agencies are exempt from the assessment of State sales, use, and excise taxes. Further, State agencies and political subdivisions of the State are exempt from Federal Excise Taxes pursuant to Title 26 of the United States Code. Any taxes of any nature whatsoever payable by the Supplier shall not be reimbursed.

5.2 Pursuant to 74 O.S. §85.40, all travel expenses of Supplier must be included in the total Acquisition price.

5.3 The price of a product offered under the Contract shall include and Supplier shall prepay all shipping, packaging, delivery and handling fees. All product deliveries will be free on board Customer's Destination. No additional fees shall be charged by Supplier for standard shipping and handling. If Customer requests expedited or special delivery, Customer may be responsible for any charges for expedited or special delivery.

6 Ordering, Inspection, and Acceptance

6.1 Any product or service furnished under the Contract shall be ordered by issuance of a valid purchase order or other appropriate payment mechanism, including a pre-encumbrance, or by use of a valid Purchase Card. All orders and transactions are governed by the terms and conditions of the Contract. Any purchase order or other applicable payment mechanism dated prior to termination or expiration of the Contract shall be performed unless mutually agreed in writing otherwise.

6.2 Services will be performed in accordance with industry best practices and are subject to acceptance by the Customer. Notwithstanding any other provision in the Contract, deemed acceptance of a service or associated deliverable shall not apply automatically upon receipt of a deliverable or upon provision of a service.

Supplier warrants and represents that a product or deliverable furnished by or through the Supplier shall individually, and where specified by Supplier to perform as a system, be substantially uninterrupted and error-free in operation and guaranteed against faulty material and workmanship for a warranty period of the greater of ninety (90) days from the date of acceptance or the maximum allowed by the manufacturer. A defect in a product or deliverable furnished by or through the Supplier shall be repaired or replaced by Supplier at no additional cost or expense to the Customer if such defect occurs during the warranty period.

Any product to be delivered pursuant to the Contract shall be subject to final inspection and acceptance by the Customer at Destination. The Customer assumes no responsibility for a product until accepted by the Customer. Title and risk of loss or damage to a product shall be the responsibility of the Supplier until accepted. The Supplier shall be responsible for filing, processing, and collecting any and all damage claims accruing prior to acceptance.

Pursuant to OAC 260:115-9-5, payment for an Acquisition does not constitute final acceptance of the Acquisition. If subsequent inspection affirms that the Acquisition does not meet or exceed the specifications of the order or that the Acquisition has a latent defect, the Supplier shall be notified as soon as is reasonably practicable. The Supplier shall retrieve and replace the Acquisition at Supplier's expense or, if unable to replace, shall issue a refund to Customer. Refund under this section shall not be an exclusive remedy.

6.3 Supplier shall deliver products and services on or before the required date specified in a Contract Document. Failure to deliver timely may result in liquidated damages as set forth in the applicable Contract Document. Deviations, substitutions, or changes in a product or service, including changes of personnel directly providing services, shall not be made unless expressly authorized in writing by the Customer. Any substitution of personnel directly providing services shall be a person of comparable or greater skills, education and experience for performing the services as the person being replaced. Additionally, Supplier shall provide staff sufficiently experienced and able to perform with respect to any transitional services provided by Supplier in connection with termination or expiration of the Contract.

6.4 Product warranty and return policies and terms provided under any Contract Document will not be more restrictive or more costly than warranty and return policies and terms for other similarly situated customers for a like product.

7 Invoices and Payment

7.1 Supplier shall be paid upon submission of a proper invoice(s) at the prices stipulated in the Contract in accordance with 74 O.S. §85.44B which requires that payment be made only after products have been provided and accepted or services rendered and accepted.

The following terms additionally apply:

A. An invoice shall contain the purchase order number, description of products or services provided and the dates of such provision.

B. Failure to provide a timely and proper invoice may result in delay of processing the invoice for payment. Proper invoice is defined at OAC 260:10-1-2.

C. Payment of all fees under the Contract shall be due NET 45 days. Payment and interest on late payments are governed by 62 O.S. §34.72. Such interest is the sole and exclusive remedy for late payments by a State agency and no other late fees are authorized to be assessed pursuant to Oklahoma law.

D. The date from which an applicable early payment discount time is calculated shall be from the receipt date of a proper invoice. There is no obligation, however, to utilize an early payment discount.

E. If an overpayment or underpayment has been made to Supplier any subsequent payments to Supplier under the Contract may be adjusted to correct the account. A written explanation of the adjustment will be issued to Supplier.

F. Supplier shall have no right of setoff.

G. Because funds are typically dedicated to a particular fiscal year, an invoice will be paid only when timely submitted, which shall in no instance be later than six (6) months after the end of the fiscal year in which the goods are provided or services performed.

H. The Supplier shall accept payment by Purchase Card as allowed by Oklahoma law.

8 Maintenance of Insurance, Payment of Taxes, and Workers' Compensation

8.1 As a condition of this Contract, Supplier shall procure at its own expense, and provide proof of, insurance coverage with the applicable liability limits set

forth below and any approved subcontractor of Supplier shall procure and provide proof of the same coverage. The required insurance shall be underwritten by an insurance carrier with an A.M. Best rating of A- or better.

Such proof of coverage shall additionally be provided to the Customer if services will be provided by any of Supplier's employees, agents or subcontractors at any Customer premises and/or employer vehicles will be used in connection with performance of Supplier's obligations under the Contract. Supplier may not commence performance hereunder until such proof has been provided. Additionally, Supplier shall ensure each insurance policy includes a thirty (30) day notice of cancellation and name the State and its agencies as certificate holder and shall promptly provide proof to the State of any renewals, additions, or changes to such insurance coverage. Supplier's obligation to maintain insurance coverage under the Contract is a continuing obligation until Supplier has no further obligation under the Contract. Any combination of primary and excess or umbrella insurance may be used to satisfy the limits of coverage for Commercial General Liability, Auto Liability and Employers' Liability. Unless agreed between the parties and approved by the State Purchasing Director, the minimum acceptable insurance limits of liability are as follows:

A. Workers' Compensation and Employer's Liability Insurance in accordance with and to the extent required by applicable law;

B. Commercial General Liability Insurance covering the risks of personal injury, bodily injury (including death) and property damage, including coverage for contractual liability, with a limit of liability of not less than $5,000,000 per occurrence;

C. Automobile Liability Insurance with limits of liability of not less than $5,000,000 combined single limit each accident;

D. Directors and Officers Insurance which shall include Employment Practices Liability as well as Consultant's Computer Errors and Omissions Coverage, if information technology services are provided under the Contract, with limits not less than $5,000,000 per occurrence;

E. Security and Privacy Liability insurance, including coverage for failure to protect confidential information and failure of the security of Supplier's computer systems that results in unauthorized access to Customer data with limits $5,000,000 per occurrence; and

F. Additional coverage required in writing in connection with a particular Acquisition.

8.2 Supplier shall be entirely responsible during the existence of the Contract for the liability and payment of taxes payable by or assessed to Supplier or its employees, agents and subcontractors of whatever kind, in connection with the Contract. Supplier further agrees to comply with all state and federal laws applicable to any such persons, including laws regarding wages, taxes, insurance, and Workers' Compensation. Neither Customer nor the State shall be liable to the Supplier, its employees, agents, or others for the payment of taxes or the provision of unemployment insurance and/or Workers' Compensation or any benefit available to a State or Customer employee.

8.3 Supplier agrees to indemnify Customer, the State, and its employees, agents, representatives, contractors, and assignees for any and all liability, actions, claims, demands, or suits, and all related costs and expenses (including without limitation reasonable attorneys' fees and costs required to establish the right to indemnification) relating to tax liability, unemployment insurance and/or Workers' Compensation in connection with its performance under the Contract.

9 Compliance with Applicable Laws

9.1 As long as Supplier has an obligation under the terms of the Contract and in connection with performance of its obligations, the Supplier represents its present compliance, and shall have an ongoing obligation to comply, with all applicable federal, State, and local laws, rules, regulations, ordinances, and orders, as amended, including but not limited to the following:

A. Drug-Free Workplace Act of 1988 set forth at 41 U.S.C. §81.

B. Section 306 of the Clean Air Act, Section 508 of the Clean Water Act, Executive Order 11738, and Environmental Protection Agency Regulations which prohibit the use of facilities included on the EPA List of Violating Facilities under nonexempt federal contracts, grants or loans;

C. Prospective participant requirements set at 45 C.F.R. part 76 in connection with Debarment, Suspension and other responsibility matters;

D. 1964 Civil Rights Act, Title IX of the Education Amendment of 1972, Section 504 of the Rehabilitation Act of 1973, Americans with Disabilities Act of 1990, and Executive Orders 11246 and 11375;

E. Anti-Lobbying Law set forth at 31 U.S.C. §1325 and as implemented at 45 C.F.R. part 93;

F. Requirements of Internal Revenue Service Publication 1075 regarding use, access and disclosure of Federal Tax Information (as defined therein);

G. Obtaining certified independent audits conducted in accordance with Government Auditing Standards and Office of Management and Budget Uniform Guidance, 2 CFR 200 Subpart F §200.500 et seq. with approval and work paper examination rights of the applicable procuring entity;

H. Requirements of the Oklahoma Taxpayer and Citizen Protection Act of 2007, 25 O.S. §1312 and applicable federal immigration laws and regulations and be registered and participate in the Status Verification System. The Status Verification System is defined at 25 O.S. §1312, includes but is not limited to the free Employment Verification Program (E-Verify) through the Department of Homeland Security, and is available at **www.dhs.gov/E-Verify**;

I. Requirements of the Health Insurance Portability and Accountability Act of 1996; Health Information Technology for Economic and Clinical Health Act; Payment Card Industry Security Standards; Criminal Justice Information System Security Policy and Security Addendum; and Family Educational Rights and Privacy Act; and

J. Be registered as a business entity licensed to do business in the State, have obtained a sales tax permit, and be current on franchise tax payments to the State, as applicable.

9.2 The Supplier's employees, agents and subcontractors shall adhere to applicable Customer policies including, but not limited to acceptable use of Internet and electronic mail, facility and data security, press releases, and public relations. As applicable, the Supplier shall adhere to the State Information Security Policy, Procedures, Guidelines set forth at https://omes.ok.gov/sites/g/files/gmc316/f/InfoSecPPG_0.pdf. Supplier is responsible for reviewing and relaying such policies covering the above to the Supplier's employees, agents and subcontractors.

9.3 At no additional cost to Customer, the Supplier shall maintain all applicable licenses and permits required in association with its obligations under the Contract.

9.4 In addition to compliance under subsection 9.1 above, Supplier shall have a continuing obligation to comply with applicable Customer-specific mandatory

contract provisions required in connection with the receipt of federal funds or other funding source.

9.5 The Supplier is responsible to review and inform its employees, agents, and subcontractors who provide a product or perform a service under the Contract of the Supplier's obligations under the Contract and Supplier certifies that its employees and each such subcontractor shall comply with minimum requirements and applicable provisions of the Contract. At the request of the State, Supplier shall promptly provide adequate evidence that such persons are its employees, agents or approved subcontractors and have been informed of their obligations under the Contract.

9.6 As applicable, Supplier agrees to comply with the Governor's Executive Orders related to the use of any tobacco product, electronic cigarette or vaping device on any and all properties owned, leased, or contracted for use by the State, including but not limited to all buildings, land and vehicles owned, leased, or contracted for use by agencies or instrumentalities of the State.

9.7 The execution, delivery and performance of the Contract and any ancillary documents by Supplier will not, to the best of Supplier's knowledge, violate, conflict with, or result in a breach of any provision of, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or result in the termination of, any written contract or other instrument between Supplier and any third party.

9.8 Supplier represents that it has the ability to pay its debts when due and it does not anticipate the filing of a voluntary or involuntary bankruptcy petition or appointment of a receiver, liquidator or trustee.

9.9 Supplier represents that, to the best of its knowledge, any litigation or claim or any threat thereof involving Supplier has been disclosed in writing to the State and Supplier is not aware of any other litigation, claim or threat thereof.

9.10 If services provided by Supplier include delivery of an electronic communication, Supplier shall ensure such communication and any associated support documents are compliant with Section 508 of the Federal Rehabilitation Act and with State standards regarding accessibility. Should any communication or associated support documents be non-compliant, Supplier shall correct and re-deliver such communication immediately upon discovery or notice, at no additional cost to the State. Additionally, as part of compliance with accessibility requirements where documents are only provided in non-electronic format, Supplier shall promptly provide such communication and any associated support documents in an alternate format

usable by individuals with disabilities upon request and at no additional cost, which may originate from an intended recipient or from the State.

10 Audits and Records Clause

10.1 As used in this clause and pursuant to 67 O.S. §203, "record" includes a document, book, paper, photograph, microfilm, computer tape, disk, record, sound recording, film recording, video record, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form. Supplier agrees any pertinent federal or State agency or governing entity of a Customer shall have the right to examine and audit, at no additional cost to a Customer, all records relevant to the execution and performance of the Contract except, unless otherwise agreed, costs of Supplier that comprise pricing under the Contract.

10.2 The Supplier is required to retain records relative to the Contract for the duration of the Contract and for a period of seven (7) years following completion or termination of an Acquisition unless otherwise indicated in the Contract terms. If a claim, audit, litigation or other action involving such records is started before the end of the seven-year period, the records are required to be maintained for two (2) years from the date that all issues arising out of the action are resolved, or until the end of the seven (7) year retention period, whichever is later.

10.3 Pursuant to 74 O.S. §85.41, if professional services are provided hereunder, all items of the Supplier that relate to the professional services are subject to examination by the State agency, State Auditor and Inspector and the State Purchasing Director.

11 Confidentiality

11.1 The Supplier shall maintain strict security of all State and citizen data and records entrusted to it or to which the Supplier gains access, in accordance with and subject to applicable federal and State laws, rules, regulations, and policies and shall use any such data and records only as necessary for Supplier to perform its obligations under the Contract. The Supplier further agrees to evidence such confidentiality obligation in a separate writing if required under such applicable federal or State laws, rules and regulations. The Supplier warrants and represents that such information shall not be sold, assigned, conveyed, provided, released, disseminated or otherwise disclosed by Supplier, its employees, officers, directors, subsidiaries, affiliates, agents, representatives, assigns, subcontractors, independent contractors, successor or any other persons or entities without Customer's prior express written

permission. Supplier shall instruct all such persons and entities that the confidential information shall not be disclosed or used without the Customer's prior express written approval except as necessary for Supplier to render services under the Contract. The Supplier further warrants that it has a tested and proven system in effect designed to protect all confidential information.

11.2 Supplier shall establish, maintain and enforce agreements with all such persons and entities that have access to State and citizen data and records to fulfill Supplier's duties and obligations under the Contract and to specifically prohibit any sale, assignment, conveyance, provision, release, dissemination or other disclosure of any State or citizen data or records except as required by law or allowed by written prior approval of the Customer.

11.3 Supplier shall immediately report to the Customer any and all unauthorized use, appropriation, sale, assignment, conveyance, provision, release, access, acquisition, disclosure or other dissemination of any State or citizen data or records of which it or its parent company, subsidiaries, affiliates, employees, officers, directors, assignees, agents, representatives, independent contractors, and subcontractors is aware or have knowledge or reasonable should have knowledge. The Supplier shall also promptly furnish to Customer full details of the unauthorized use, appropriation, sale, assignment, conveyance, provision, release, access, acquisition, disclosure or other dissemination, or attempt thereof, and use its best efforts to assist the Customer in investigating or preventing the reoccurrence of such event in the future. The Supplier shall cooperate with the Customer in connection with any litigation and investigation deemed necessary by the Customer to protect any State or citizen data and records and shall bear all costs associated with the investigation, response and recovery in connection with any breach of State or citizen data or records including but not limited to credit monitoring services with a term of at least three (3) years, all notice-related costs and toll free telephone call center services.

11.4 Supplier further agrees to promptly prevent a reoccurrence of any unauthorized use, appropriation, sale, assignment, conveyance, provision, release, access, acquisition, disclosure or other dissemination of State or citizen data and records.

11.5 Supplier acknowledges that any improper use, appropriation, sale, assignment, conveyance, provision, release, access, acquisition, disclosure or other dissemination of any State data or records to others may cause immediate and irreparable harm to the Customer and certain beneficiaries and may violate state or federal laws and regulations. If the Supplier or its affiliates, parent company, subsidiaries, employees, officers, directors, assignees, agents,

representatives, independent contractors, and subcontractors improperly use, appropriate, sell, assign, convey, provide, release, access, acquire, disclose or otherwise disseminate such confidential information to any person or entity in violation of the Contract, the Customer will immediately be entitled to injunctive relief and/or any other rights or remedies available under this Contract, at equity or pursuant to applicable statutory, regulatory, and common law without a cure period.

11.6 The Supplier shall immediately forward to the State Purchasing Director, and any other applicable person listed in the Notices section(s) of the Contract, any request by a third party for data or records in the possession of the Supplier or any subcontractor or to which the Supplier or subcontractor has access and Supplier shall fully cooperate with all efforts to protect the security and confidentiality of such data or records in response to a third party request.

11.7 Customer may be provided access to Supplier Confidential Information. State agencies are subject to the Oklahoma Open Records Act and Supplier acknowledges information marked confidential information will be disclosed to the extent permitted under the Open Records Act and in accordance with this section. Nothing herein is intended to waive the State Purchasing Director's authority under OAC 260:115-3-9 in connection with Bid information requested to be held confidential by a Bidder. Notwithstanding the foregoing, Supplier Confidential Information shall not include information that: (i) is or becomes generally known or available by public disclosure, commercial use or otherwise and is not in contravention of this Contract; (ii) is known and has been reduced to tangible form by the receiving party before the time of disclosure for the first time under this Contract and without other obligations of confidentiality; (iii) is independently developed without the use of any of Supplier Confidential Information; (iv) is lawfully obtained from a third party (without any confidentiality obligation) who has the right to make such disclosure or (v) résumé, pricing or marketing materials provided to the State. In addition, the obligations in this section shall not apply to the extent that the applicable law or regulation requires disclosure of Supplier Confidential Information, provided that the Customer provides reasonable written notice, pursuant to Contract notice provisions, to the Supplier so that the Supplier may promptly seek a protective order or other appropriate remedy.

12 Conflict of Interest

In addition to any requirement of law or of a professional code of ethics or conduct, the Supplier, its employees, agents and subcontractors are required to disclose any outside activity or interest that conflicts or may conflict with the best interest of the State. Prompt disclosure is required under this section if the activity or interest is

related, directly or indirectly, to any person or entity currently under contract with or seeking to do business with the State, its employees or any other third-party individual or entity awarded a contract with the State. Further, as long as the Supplier has an obligation under the Contract, any plan, preparation or engagement in any such activity or interest shall not occur without prior written approval of the State. Any conflict of interest shall, at the sole discretion of the State, be grounds for partial or whole termination of the Contract.

13 Assignment and Permitted Subcontractors

13.1 Supplier's obligations under the Contract may not be assigned or transferred to any other person or entity without the prior written consent of the State which may be withheld at the State's sole discretion. Should Supplier assign its rights to payment, in whole or in part, under the Contract, Supplier shall provide the State and all affected Customers with written notice of the assignment. Such written notice shall be delivered timely and contain details sufficient for affected Customers to perform payment obligations without any delay caused by the assignment.

13.2 Notwithstanding the foregoing, the Contract may be assigned by Supplier to any corporation or other entity in connection with a merger, consolidation, sale of all equity interests of the Supplier, or a sale of all or substantially all of the assets of the Supplier to which the Contract relates. In any such case, said corporation or other entity shall by operation of law or expressly in writing assume all obligations of the Supplier as fully as if it had been originally made a party to the Contract. Supplier shall give the State and all affected Customers prior written notice of said assignment. Any assignment or delegation in violation of this subsection shall be void.

13.3 If the Supplier is permitted to utilize subcontractors in support of the Contract, the Supplier shall remain solely responsible for its obligations under the terms of the Contract, for its actions and omissions and those of its agents, employees and subcontractors and for payments to such persons or entities. Prior to a subcontractor being utilized by the Supplier, the Supplier shall obtain written approval of the State of such subcontractor and each employee, as applicable to a particular Acquisition, of such subcontractor proposed for use by the Supplier. Such approval is within the sole discretion of the State. Any proposed subcontractor shall be identified by entity name, and by employee name, if required by the particular Acquisition, in the applicable proposal and shall include the nature of the services to be performed. As part of the approval request, the Supplier shall provide a copy of a written agreement executed by the Supplier and subcontractor setting forth that such subcontractor is bound by and agrees, as applicable, to perform the same covenants and be subject to

the same conditions and make identical certifications to the same facts and criteria, as the Supplier under the terms of all applicable Contract Documents. Supplier agrees that maintaining such agreement with any subcontractor and obtaining prior written approval by the State of any subcontractor and associated employees shall be a continuing obligation. The State further reserves the right to revoke approval of a subcontractor or an employee thereof in instances of poor performance, misconduct or for other similar reasons.

13.4 All payments under the Contract shall be made directly to the Supplier, except as provided in subsection A above regarding the Supplier's assignment of payment. No payment shall be made to the Supplier for performance by unapproved or disapproved employees of the Supplier or a subcontractor.

13.5 Rights and obligations of the State or a Customer under the terms of this Contract may be assigned or transferred, at no additional cost, to other Customer entities.

14 Background Checks and Criminal History Investigations

Prior to the commencement of any services, background checks and criminal history investigations of the Supplier's employees and subcontractors who will be providing services may be required and, if so, the required information shall be provided to the State in a timely manner. Supplier's access to facilities, data and information may be withheld prior to completion of background verification acceptable to the State. The costs of additional background checks beyond Supplier's normal hiring practices shall be the responsibility of the Customer unless such additional background checks are required solely because Supplier will not provide results of its otherwise acceptable normal background checks; in such an instance, Supplier shall pay for the additional background checks. Supplier will coordinate with the State and its employees to complete the necessary background checks and criminal history investigations. Should any employee or subcontractor of the Supplier who will be providing services under the Contract not be acceptable as a result of the background check or criminal history investigation, the Customer may require replacement of the employee or subcontractor in question and, if no suitable replacement is made within a reasonable time, terminate the purchase order or other payment mechanism associated with the project or services.

15 Patents and Copyrights

Without exception, a product or deliverable price shall include all royalties or costs owed by the Supplier to any third party arising from the use of a patent, intellectual property, copyright or other property right held by such third party. Should any third party threaten or make a claim that any portion of a product or service provided by Supplier under the Contract infringes that party's patent, intellectual property,

copyright or other property right, Supplier shall enable each affected Customer to legally continue to use, or modify for use, the portion of the product or service at issue or replace such potentially infringing product, or re-perform or redeliver in the case of a service, with at least a functional non-infringing equivalent. Supplier's duty under this section shall extend to include any other product or service rendered materially unusable as intended due to replacement or modification of the product or service at issue. If the Supplier determines that none of these alternatives are reasonably available, the State shall return such portion of the product or deliverable at issue to the Supplier, upon written request, in exchange for a refund of the price paid for such returned goods as well as a refund or reimbursement, if applicable, of the cost of any other product or deliverable rendered materially unusable as intended due to removal of the portion of product or deliverable at issue. Any remedy provided under this section is not an exclusive remedy and is not intended to operate as a waiver of legal or equitable remedies because of acceptance of relief provided by Supplier.

16 Indemnification

16.1 Acts or Omissions

A. Supplier shall defend and indemnify the Indemnified Parties, as applicable, for any and all liability, claims, damages, losses, costs, expenses, demands, suits and actions of third parties (including without limitation reasonable attorneys' fees and costs required to establish the right to indemnification) arising out of, or resulting from any action or claim for bodily injury, death, or property damage brought against any of the Indemnified parties to the extent arising from any negligent act or omission or willful misconduct of the Supplier or its agents, employees, or subcontractors in the execution or performance of the Contract.

B. To the extent Supplier is found liable for loss, damage, or destruction of any property of Customer due to negligence, misconduct, wrongful act, or omission on the part of the Supplier, its employees, agents, representatives, or subcontractors, the Supplier and Customer shall use best efforts to mutually negotiate an equitable settlement amount to repair or replace the property unless such loss, damage or destruction is of such a magnitude that repair or replacement is not a reasonable option. Such amount shall be invoiced to, and is payable by, Supplier sixty (60) calendar days after the date of Supplier's receipt of an invoice for the negotiated settlement amount.

16.2 Infringement

Supplier shall indemnify the Indemnified Parties, as applicable, for all liability, claims, damages, losses, costs, expenses, demands, suits and actions of third parties (including without limitation reasonable attorneys' fees and costs required to establish the right to indemnification) arising from or in connection with Supplier's breach of its representations and warranties in the Contract or alleged infringement of any patent, intellectual property, copyright or other property right in connection with a product or service provided under the Contract. Supplier's duty under this section is reduced to the extent a claimed infringement results from: (a) a Customer's or user's content; (b) modifications by Customer or third party to a product delivered under the Contract or combinations of the product with any non-Supplier-provided services or products unless Supplier recommended or participated in such modification or combination; (c) use of a product or service by Customer in violation of the Contract unless done so at the direction of Supplier, or (d) a non-Supplier product that has not been provided to the State by, through or on behalf of Supplier as opposed to its combination with products Supplier provides to or develops for the State or a Customer as a system.

16.3 Notice and Cooperation

In connection with indemnification obligations under the Contract, the parties agree to furnish prompt written notice to each other of any third-party claim. Any Customer affected by the claim will reasonably cooperate with Supplier and defense of the claim to the extent its interests are aligned with Supplier. Supplier shall use counsel reasonably experienced in the subject matter at issue and will not settle a claim without the written consent of the party being defended, which consent will not be unreasonably withheld or delayed, except that no consent will be required to settle a claim against Indemnified Parties that are not a State agency, where relief against the Indemnified Parties is limited to monetary damages that are paid by the defending party under indemnification provisions of the Contract.

16.4 Coordination of Defense

In connection with indemnification obligations under the Contract, when a State agency is a named defendant in any filed or threatened lawsuit, the defense of the State agency shall be coordinated by the Attorney General of Oklahoma, or the Attorney General may authorize the Supplier to control the defense and any related settlement negotiations; provided, however, Supplier shall not agree to any settlement of claims against the State without obtaining advance written concurrence from the Attorney General. If the Attorney General does not authorize sole control of the defense and settlement negotiations to Supplier, Supplier shall have authorization to equally

participate in any proceeding related to the indemnity obligation under the Contract and shall remain responsible to indemnify the applicable Indemnified Parties.

16.5 Limitation of Liability

A. With respect to any claim or cause of action arising under or related to the Contract, neither the State nor any Customer shall be liable to Supplier for lost profits, lost sales or business expenditures, investments, or commitments in connection with any business, loss of any goodwill, or for any other indirect, incidental, punitive, special or consequential damages, even if advised of the possibility of such damages.

B. Notwithstanding anything to the contrary in the Contract, no provision shall limit damages, expenses, costs, actions, claims, and liabilities arising from or related to property damage, bodily injury or death caused by Supplier or its employees, agents or subcontractors; indemnity, security or confidentiality obligations under the Contract; the bad faith, negligence, intentional misconduct or other acts for which applicable law does not allow exemption from liability of Supplier or its employees, agents or subcontractors.

C. The limitation of liability and disclaimers set forth in the Contract will apply regardless of whether Customer has accepted a product or service. The parties agree that Supplier has set its fees and entered into the Contract in reliance on the disclaimers and limitations set forth herein, that the same reflect an allocation of risk between the parties and form an essential basis of the bargain between the parties. These limitations shall apply notwithstanding any failure of essential purpose of any limited remedy.

17 Termination for Funding Insufficiency

17.1 Notwithstanding anything to the contrary in any Contract Document, the State may terminate the Contract in whole or in part if funds sufficient to pay obligations under the Contract are not appropriated or received from an intended third-party funding source. In the event of such insufficiency, Supplier will be provided at least fifteen (15) calendar days' written notice of termination. Any partial termination of the Contract under this section shall not be construed as a waiver of, and shall not affect, the rights and obligations of any party regarding portions of the Contract that are not terminated. The determination by the State of insufficient funding shall be accepted by, and shall be final and binding on, the Supplier.

17.2 Upon receipt of notice of a termination, Supplier shall immediately comply with the notice terms and take all necessary steps to minimize the incurrence of costs allocable to the work affected by the notice. If a purchase order or other payment mechanism has been issued and a product or service has been accepted as satisfactory prior to the effective date of termination, the termination does not relieve an obligation to pay for the product or service but there shall not be any liability for further payments ordinarily due under the Contract or for any damages or other amounts caused by or associated with such termination. Any amount paid to Supplier in the form of prepaid fees that are unused when the Contractor certain obligations are terminated shall be refunded.

17.3 The State's exercise of its right to terminate the Contract under this section shall not be considered a default or breach under the Contract or relieve the Supplier of any liability for claims arising under the Contract.

18 Termination for Cause

18.1 Supplier may terminate the Contract if (i) it has provided the State with written notice of material breach and (ii) the State fails to cure such material breach within thirty (30) days of receipt of written notice. If there is more than one Customer, material breach by a Customer does not give rise to a claim of material breach as grounds for termination by Supplier of the Contract as a whole. The State may terminate the Contract in whole or in part if (i) it has provided Supplier with written notice of material breach, and (ii) Supplier fails to cure such material breach within thirty (30) days of receipt of written notice. Any partial termination of the Contract under this section shall not be construed as a waiver of, and shall not affect, the rights and obligations of any party regarding portions of the Contract that are not terminated.

18.2 The State may terminate the Contract in whole or in part immediately without a thirty (30) day written notice to Supplier if (i) Supplier fails to comply with confidentiality, privacy, security, environmental or safety requirements applicable to Supplier's performance or obligations under the Contract; (ii) Supplier's material breach is reasonably determined to be an impediment to the function of the State and detrimental to the State or to cause a condition precluding the thirty (30) day notice or (iii) when the State determines that an administrative error in connection with award of the Contract occurred prior to Contract performance.

18.3 Upon receipt of notice of a termination, Supplier shall immediately comply with the notice terms and take all necessary steps to minimize the incurrence

of costs allocable to the work affected by the notice. If a purchase order or other payment mechanism has been issued and a product or service has been accepted as satisfactory prior to the effective date of termination, the termination does not relieve an obligation to pay for the product or service but there shall not be any liability for further payments ordinarily due under the Contract or for any damages or other amounts caused by or associated with such termination. Such termination is not an exclusive remedy but is in addition to any other rights and remedies provided for by law. Any amount paid to Supplier in the form of prepaid fees that are unused when the Contract or certain obligations are terminated shall be refunded. Termination of the Contract under this section, in whole or in part, shall not relieve the Supplier of liability for claims arising under the Contract.

18.4 The Supplier's repeated failure to provide an acceptable product or service; Supplier's unilateral revision of linked or supplemental terms that have a materially adverse impact on a Customer's rights or obligations under the Contract (except as required by a governmental authority); actual or anticipated failure of Supplier to perform its obligations under the Contract; Supplier's inability to pay its debts when due; assignment for the benefit of Supplier's creditors; or voluntary or involuntary appointment of a receiver or filing of bankruptcy of Supplier shall constitute a material breach of the Supplier's obligations, which may result in partial or whole termination of the Contract. This subsection is not intended as an exhaustive list of material breach conditions. Termination may also result from other instances of failure to adhere to the Contract provisions and for other reasons provided for by applicable law, rules or regulations; without limitation, OAC 260:115-9-9 is an example.

19 Termination for Convenience

19.1 The State may terminate the Contract, in whole or in part, for convenience if it is determined that termination is in the State's best interest. In the event of a termination for convenience, Supplier will be provided at least thirty (30) days' written notice of termination. Any partial termination of the Contract shall not be construed as a waiver of, and shall not affect, the rights and obligations of any party regarding portions of the Contract that remain in effect.

19.2 Upon receipt of notice of such termination, Supplier shall immediately comply with the notice terms and take all necessary steps to minimize the incurrence of costs allocable to the work affected by the notice. If a purchase order or other payment mechanism has been issued and a product or service has been accepted as satisfactory prior to the effective date of termination, the termination does not relieve an obligation to pay for the product or service but

there shall not be any liability for further payments ordinarily due under the Contract or for any damages or other amounts caused by or associated with such termination. Such termination shall not be an exclusive remedy but shall be in addition to any other rights and remedies provided for by law. Any amount paid to Supplier in the form of prepaid fees that are unused when the Contract or certain obligations are terminated shall be refunded. Termination of the Contract under this section, in whole or in part, shall not relieve the Supplier of liability for claims arising under the Contract.

20 Suspension of Supplier

20.1 Supplier may be subject to Suspension without advance notice and may additionally be suspended from activities under the Contract if Supplier fails to comply with confidentiality, privacy, security, environmental or safety requirements applicable to Supplier's performance or obligations under the Contract.

20.2 Upon receipt of a notice pursuant to this section, Supplier shall immediately comply with the notice terms and take all necessary steps to minimize the incurrence of costs allocable to the work affected by the notice. If a purchase order or other payment mechanism has been issued and a product or service has been accepted as satisfactory prior to receipt of notice by Supplier, the Suspension does not relieve an obligation to pay for the product or service but there shall not be any liability for further payments ordinarily due under the Contract during a period of Suspension or suspended activity or for any damages or other amounts caused by or associated with such Suspension or suspended activity. A right exercised under this section shall not be an exclusive remedy but shall be in addition to any other rights and remedies provided for by law. Any amount paid to Supplier in the form of prepaid fees attributable to a period of Suspension or suspended activity shall be refunded.

20.3 Such Suspension may be removed, or suspended activity may resume, at the earlier of such time as a formal notice is issued that authorizes the resumption of performance under the Contract or at such time as a purchase order or other appropriate encumbrance document is issued. This subsection is not intended to operate as an affirmative statement that such resumption will occur.

21 Certification Regarding Debarment, Suspension, and Other Responsibility Matters

The certification made by Supplier with respect to Debarment, Suspension, certain indictments, convictions, civil judgments and terminated public contracts is a material representation of fact upon which reliance was placed when entering into the Contract.

A determination that Supplier knowingly rendered an erroneous certification, in addition to other available remedies, may result in whole or partial termination of the Contract for Supplier's default. Additionally, Supplier shall promptly provide written notice to the State Purchasing Director if the certification becomes erroneous due to changed circumstances.

22 Certification Regarding State Employees Prohibition From Fulfilling Services

Pursuant to 74 O.S. § 85.42, the Supplier certifies that no person involved in any manner in development of the Contract employed by the State shall be employed to fulfill any services provided under the Contract.

23 Force Majeure

23.1 Either party shall be temporarily excused from performance to the extent delayed as a result of unforeseen causes beyond its reasonable control including fire or other similar casualty, act of God, strike or labor dispute, war or other violence, or any law, order or requirement of any governmental agency or authority provided the party experiencing the force majeure event has prudently and promptly acted to take any and all steps within the party's control to ensure continued performance and to shorten duration of the event. If a party's performance of its obligations is materially hindered as a result of a force majeure event, such party shall promptly notify the other party of its best reasonable assessment of the nature and duration of the force majeure event and steps it is taking, and plans to take, to mitigate the effects of the force majeure event. The party shall use commercially reasonable best efforts to continue performance to the extent possible during such event and resume full performance as soon as reasonably practicable.

23.2 Subject to the conditions set forth above, non-performance as a result of a force majeure event shall not be deemed a default. However, a purchase order or other payment mechanism may be terminated if Supplier cannot cause delivery of a product or service in a timely manner to meet the business needs of Customer. Supplier is not entitled to payment for products or services not received and, therefore, amounts payable to Supplier during the force majeure event shall be equitably adjusted downward.

23.3 Notwithstanding the foregoing or any other provision in the Contract, (i) the following are not a force majeure event under the Contract: (a) shutdowns, disruptions or malfunctions in Supplier's system or any of Supplier's telecommunication or internet services other than as a result of general and widespread internet or telecommunications failures that are not limited to Supplier's systems or (b) the delay or failure of Supplier or subcontractor personnel to perform any obligation of Supplier hereunder unless such delay

or failure to perform is itself by reason of a force majeure event and (ii) no force majeure event modifies or excuses Supplier's obligations related to confidentiality, indemnification, data security or breach notification obligations set forth herein.

24 Security of Property and Personnel

In connection with Supplier's performance under the Contract, Supplier may have access to Customer personnel, premises, data, records, equipment and other property. Supplier shall use commercially reasonable best efforts to preserve the safety and security of such personnel, premises, data, records, equipment, and other property of Customer. Supplier shall be responsible for damage to such property to the extent such damage is caused by its employees or subcontractors and shall be responsible for loss of Customer property in its possession, regardless of cause. If Supplier fails to comply with Customer's security requirements, Supplier is subject to immediate suspension of work as well as termination of the associated purchase order or other payment mechanism.

25 Notices

All notices, approvals or requests allowed or required by the terms of any Contract Document shall be in writing, reference the Contract with specificity and deemed delivered upon receipt or upon refusal of the intended party to accept receipt of the notice. In addition to other notice requirements in the Contract and the designated Supplier contact provided in a successful Bid, notices shall be sent to the State at the physical address set forth below. Notice information may be updated in writing to the other party as necessary. Notwithstanding any other provision of the Contract, confidentiality, breach and termination-related notices shall not be delivered solely via e-mail.

If sent to the State:
State Purchasing Director
2401 North Lincoln Boulevard, Suite 116
Oklahoma City, Oklahoma 73105

With a copy, which shall not constitute notice, to:
Purchasing Division Deputy General Counsel
2401 North Lincoln Boulevard, Suite 116
Oklahoma City, Oklahoma 73105

26 Miscellaneous

26.1 Choice of Law and Venue

Any claim, dispute, or litigation relating to the Contract Documents, in the singular or in the aggregate, shall be governed by the laws of the State without regard to application of choice of law principles. Pursuant to 74 O.S. §85.14, where federal granted funds are involved, applicable federal laws, rules and regulations shall govern to the extent necessary to insure benefit of such federal funds to the State. Venue for any action, claim, dispute, or litigation relating in any way to the Contract Documents, shall be in Oklahoma County, Oklahoma.

26.2 No Guarantee of Products or Services Required

The State shall not guarantee any minimum or maximum amount of Supplier products or services required under the Contract.

26.3 Employment Relationship

The Contract does not create an employment relationship. Individuals providing products or performing services pursuant to the Contract are not employees of the State or Customer and, accordingly are not eligible for any rights or benefits whatsoever accruing to such employees.

26.4 Transition Services

If transition services are needed at the time of Contract expiration or termination, Supplier shall provide such services on a month-to-month basis, at the contract rate or other mutually agreed rate. Supplier shall provide a proposed transition plan, upon request, and cooperate with any successor supplier and with establishing a mutually agreeable transition plan. Failure to cooperate may be documented as poor performance of Supplier.

26.5 Publicity

The existence of the Contract or any Acquisition is in no way an endorsement of Supplier, the products or services and shall not be so construed by Supplier in any advertising or publicity materials. Supplier agrees to submit to the State all advertising, sales, promotion, and other publicity matters relating to the Contract wherein the name of the State or any Customer is mentioned or language used from which, in the State's judgment, an endorsement may be inferred or implied. Supplier further agrees not to publish or use such advertising, sales promotion, or publicity matter or release any informational pamphlets, notices, press releases, research reports, or similar public notices concerning the Contract or any Acquisition hereunder without obtaining the prior written approval of the State.

26.6 Open Records Act

Supplier acknowledges that all State agencies and certain other Customers are subject to the Oklahoma Open Records Act set forth at 51 O.S. §24A-1 *et seq*. Supplier also acknowledges that compliance with the Oklahoma Open Records Act and all opinions of the Oklahoma Attorney General concerning the Act is required.

26.7 Failure to Enforce

Failure by the State or a Customer at any time to enforce a provision of, or exercise a right under, the Contract shall not be construed as a waiver of any such provision. Such failure to enforce or exercise shall not affect the validity of any Contract Document, or any part thereof, or the right of the State or a Customer to enforce any provision of, or exercise any right under, the Contract at any time in accordance with its terms. Likewise, a waiver of a breach of any provision of a Contract Document shall not affect or waive a subsequent breach of the same provision or a breach of any other provision in the Contract.

26.8 Mutual Responsibilities

A. No party to the Contract grants the other the right to use any trademarks, trade names, other designations in any promotion or publication without the express written consent by the other party.

B. The Contract is a non-exclusive contract and each party is free to enter into similar agreements with others.

C. The Customer and Supplier each grant the other only the licenses and rights specified in the Contract and all other rights and interests are expressly reserved.

D. The Customer and Supplier shall reasonably cooperate with each other and any Supplier to which the provision of a product and/or service under the Contract may be transitioned after termination or expiration of the Contract.

E. Except as otherwise set forth herein, where approval, acceptance, consent, or similar action by a party is required under the Contract, such action shall not be unreasonably delayed or withheld.

26.9 Invalid Term or Condition

To the extent any term or condition in the Contract conflicts with a compulsory applicable State or United States law or regulation, such Contract term or

condition is void and unenforceable. By executing any Contract Document which contains a conflicting term or condition, no representation or warranty is made regarding the enforceability of such term or condition. Likewise, any applicable State or federal law or regulation which conflicts with the Contract or any non-conflicting applicable State or federal law or regulation is not waived.

26.10 Severability

If any provision of a Contract Document, or the application of any term or condition to any party or circumstances, is held invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable and the application of such provision to other parties or circumstances shall remain valid and in full force and effect. If a court finds that any provision of this contract is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

26.11 Section Headings

The headings used in any Contract Document are for convenience only and do not constitute terms of the Contract.

26.12 Sovereign Immunity

Notwithstanding any provision in the Contract, the Contract is entered into subject to the State's Constitution, statutes, common law, regulations, and the doctrine of sovereign immunity, none of which are waived by the State nor any other right or defense available to the State.

26.13 Survival

As applicable, performance under all license, subscription, service agreements, statements of work, transition plans and other similar Contract Documents entered into between the parties under the terms of the Contract shall survive Contract expiration. Additionally, rights and obligations under the Contract which by their nature should survive including, without limitation, certain payment obligations invoiced prior to expiration or termination; confidentiality obligations; security incident and data breach obligations and indemnification obligations, remain in effect after expiration or termination of the Contract.

26.14 Entire Agreement

The Contract Documents taken together as a whole constitute the entire agreement between the parties. No statement, promise, condition,

understanding, inducement or representation, oral or written, expressed or implied, which is not contained in a Contract Document shall be binding or valid. The Supplier's representations and certifications, including any completed electronically, are incorporated by reference into the Contract.

26.15 Gratuities

The Contract may be immediately terminated, in whole or in part, by written notice if it is determined that the Supplier, its employee, agent, or another representative violated any federal, State or local law, rule or ordinance by offering or giving a gratuity to any State employee directly involved in the Contract. In addition, Suspension or Debarment of the Supplier may result from such a violation.

26.16 Import/Export Controls

Neither party will use, distribute, transfer or transmit any equipment, services, software or technical information provided under the Contract (even if incorporated into other products) except in compliance with all applicable import and export laws, conventions and regulations.

ATTACHMENT F

STATE OF OKLAHOMA CONTRACT WITH GUIDEHOUSE, INC. RESULTING FROM SOLICITATION NO. 0900000457

NEGOTIATED EXCEPTIONS TO CONTRACT

The negotiated exceptions set forth below hereby supersede the exceptions set forth in Supplier's Bid, which pages shall be deemed not to constitute a portion of the Contract.

Term & Section	Language
Attachment B, State General Terms, Indemnification, Acts or Omissions, § 16.1.A.	**Section 16.1.A shall be deleted in its entirety and replaced with the following:** Supplier shall defend and indemnify the Indemnified Parties, as applicable, for any and all liability, third-party claims, damages, losses, costs, expenses, demands, suits and actions of third parties (including without limitation reasonable attorneys' fees and costs required to establish the right to indemnification) directly resulting from any action or claim for bodily injury, death, or property damage brought against any of the Indemnified parties to the extent arising from any negligent act or omission or willful misconduct of the Supplier or its agents, employees, or subcontractors in the execution or performance of the Contract.
Attachment B, State General Terms, Indemnification, Infringement, § 16.2.	**Section 16.2 shall be deleted in its entirety and replaced with the following:** Supplier shall indemnify the Indemnified Parties, as applicable, for all liability, third party claims, damages, losses, costs, expenses, demands, suits and actions of third parties (including without limitation reasonable attorneys' fees and costs required to establish the right to indemnification) directly resulting from Supplier's infringement of any U.S. patent, intellectual property, copyright or other property right in connection with a product or service provided under the Contract. Supplier's duty under this section is reduced to the extent a claimed infringement results from: (a) a Customer's or user's content; (b) modifications by Customer or third party to a product delivered under the Contract or combinations of the product with any non-Supplier-provided services or products unless Supplier recommended or participated in such modification or combination; (c) use of a product or service by Customer in violation of the Contract unless done so at the direction of Supplier, or (d) a non-Supplier product that has not been provided to the State by, through or on behalf of Supplier as opposed to its combination with products Supplier provides to or develops for the State or a Customer as a system.
Attachment B, State General Terms, Limitation of Liability § 16.5.	**Section 16.5 shall be deleted in its entirety and replaced with the following:** A. For any claim or cause of action arising under or related to the contract, to the extent permitted by the Constitution and the laws of the State of Oklahoma, neither party shall be liable to the other for punitive, special, or consequential damages, even if it is advised of the possibility of such damages. B. Supplier's aggregate liability for damages of any kind under the contract shall be limited to the lesser of: (A) fees payable to Supplier under the Contract or (B) $2,000,000. The limitation of liability under this subsection shall not limit damages, expenses, costs, actions, claims, and liabilities arising from or related to property damage, bodily injury or death caused by Supplier, its employees, agents or subcontractors; indemnity, security or confidentiality obligations under the contract and the bad faith, negligence, intentional misconduct or other acts for which applicable law does not allow exemption from liability. C. The State's aggregate liability to Supplier shall be limited to the amount of fees owed for services satisfactorily provided by Supplier under the terms of the contract.

Guidehouse

The State of Oklahoma Budget Assessment Due to the COVID-19 Pandemic

Statement of Work (SOW)

October 6, 2020

Provided to:

The State of Oklahoma
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1.0 Our Understanding

Oklahoma is facing unprecedented challenges as it responds to the devasting impacts of the COVID-19 pandemic. In Oklahoma, there have been more than 1,000 deaths and 89,000 confirmed cases of COVID-19 and countless unanticipated expenditures related to the response. The State of Oklahoma received $1.5 billion of Federal Coronavirus Relief Funding (CRF) to attempt to assist the State in its response to the pandemic. While CRF and other COVID-19 related Federal funding is providing assistance for certain expenditures, it is not enough to mitigate the detrimental budget impacts resulting from the lost economic productivity.

As with the rest of the world, COVID-19 has touched the State of Oklahoma and the lockdown measures introduced to arrest its spread has negatively impacted the State's economy. To a net energy-producing state like Oklahoma, this is creating compounding impacts in the demand for crude oil and natural gas, threatening fiscal revenues. Against this backdrop, Oklahoma faces the economic and fiscal challenges that many other states experience; threats from automation, declining gas tax revenues, public sector debts and liabilities – all the while striving to maintain its creditworthiness.

The State of Oklahoma requires an analysis of its budget, along with its revenues and expenses, to identify immediate cost avoidance, cost-saving opportunities, and more efficient use of the State budget during the fiscal challenges brought on by the economic disruptions caused by the COVID-19 pandemic.

1.1 Why Guidehouse?

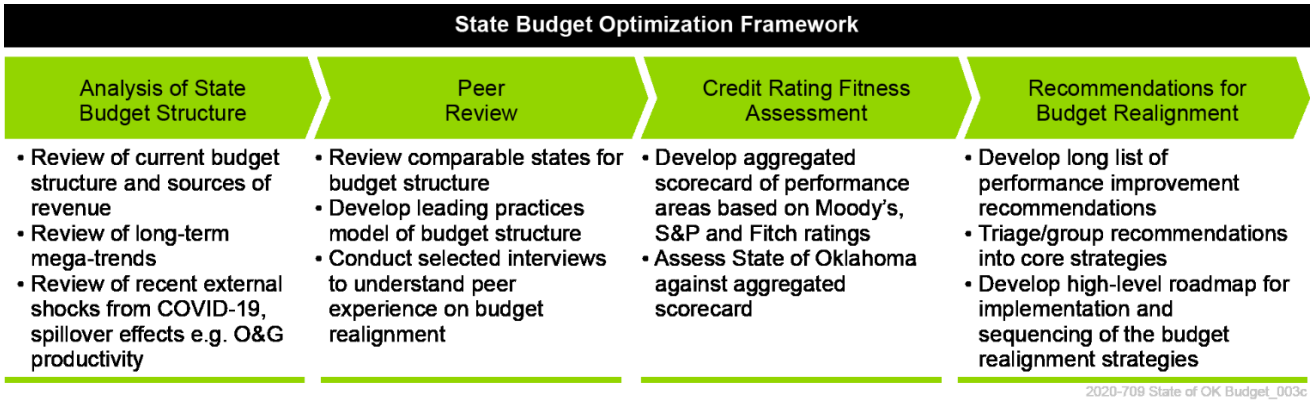
We believe that our Guidehouse team can be a critical partner in Oklahoma's budget assessment efforts as the State recovers from COVID-19, from helping to lay the groundwork for funding optimization efforts through supporting and sustaining a supporting implementation plan. In particular:

We Know the State of Oklahoma. Our team has an unparalleled knowledge of the Executive Branch of Oklahoma. Our two key team members for this engagement Jeff Bankowski and Katy Chesson also served as members of the team that performed the Executive Branch Agency Collaboration engagement. We will be able to leverage that knowledge to hit the ground running on this budget assessment. Additionally, we know the Secretaries and many agency directors. Our established relationships will help us collect critical information required for this assessment.

We Bring a Team with Business and Technical Depth. We have the experience and capabilities to provide the State with valuable insights and analysis of the budget. Our team is comprised of certified public accountants, certified internal auditors, and finance and economics professionals.

1.2 Our Approach

For this engagement, we will utilize our State Budget Optimization Framework, a four-step approach that consists of an analysis of the budget structure, benchmarking, credit rating fitness assessment, and finally recommendations for budget realignment.



State Budget Optimization Framework

The first step is an analysis of the State's budget structure: in this we will be looking to understand the structure of the State's budget, dependency on macroeconomic forces, and the impact of the COVID-19 pandemic on the State's budget. The purpose of this step is to understand the State's historic budgets and the past, present, and future driving forces to begin identifying opportunity areas for budget reallocation and realignment. Although the review will consider state revenue, we will primarily focus on the state's expenditures and expense structure, as much of the revenue is already dedicated to specific purposes. We understand the historic budgets will not incorporate the unforeseen expenditures and revenue impacts caused by the COVID-19 pandemic. As such, we will perform a separate, but coinciding, analysis on the State's revenue and expenditures directly and indirectly related to the COVID-19 pandemic.

The State's prudent budgeting practices that have been enacted over the last several years, including proactive responses to address budget shortfalls, budgeting only 95 percent of key operating fund revenue, and a low debt burden, have well positioned Oklahoma to overcome the current challenges. While the projected revenue losses for the next budget cycle can be supported, in part, by various fund reserves, the State will most likely require reduced service-level expenditure and cost-saving actions.

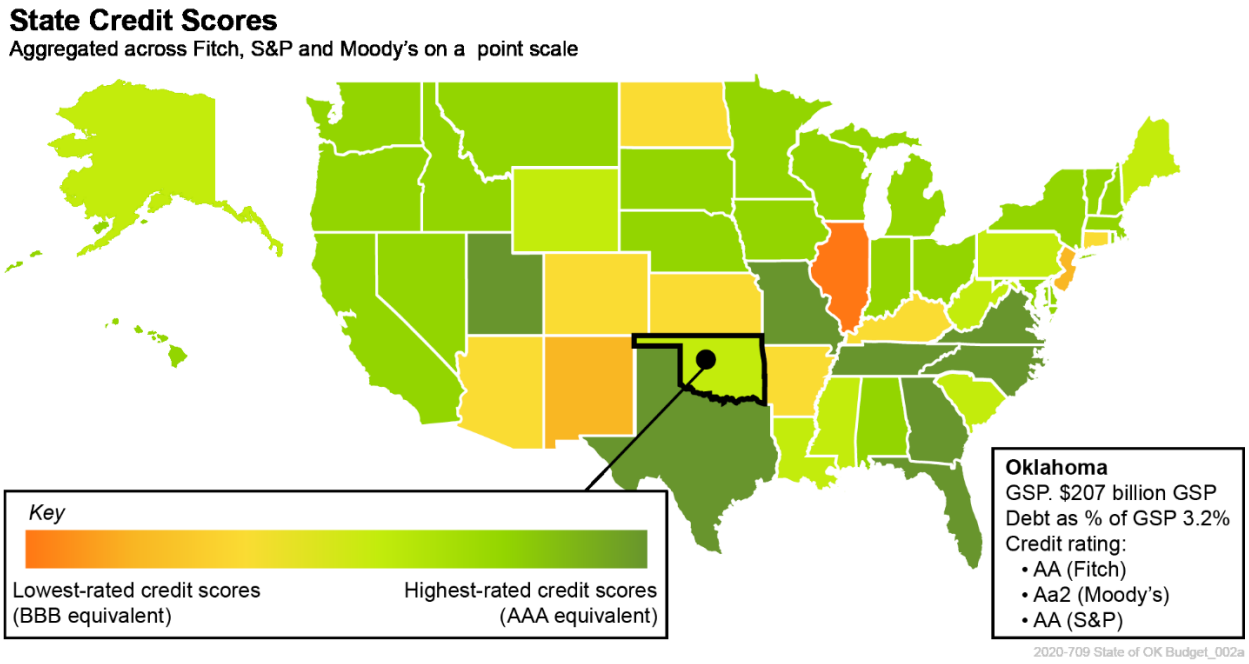
The second step is a review of Oklahoma's peers: in this step we will want to review the budget structures of comparable states, and develop a 'leading practices model' that selects the best examples and assembles this into a template that describes the attributes of leading practice. During this step, we will look at items such as, but not limited to:

- Current services provided by the State that other states have outsourced to not only create cost savings, but provide better, more efficient, and more effective services to constituents
- Agency level budget reviews against comparable agencies in other states to identify administrative cost outliers
- COVID-19 related revenue and expenditure impacts (including other peer States response actions within the last four months)

This benchmarking activity will help us develop recommendations to restructure budget expenses and maintain the State's credit rating. This analysis will identify whether Oklahoma is leading or lagging in relation to its peers. Guidehouse will review states with

similar sized budgets, similar population size, and similar economic base in this benchmark analysis.

The third step will involve undertaking a Credit Rating Fitness Assessment: in this step we will focus on maintaining the State's strengths within the criteria used by Standard & Poor's, Moody's and Fitch Rating Services and by identifying areas for improvement. Although all states are subject to the greater macroeconomic disruption of COVID-19, Oklahoma is particularly at risk to global oil market volatility, which credit rating agencies fear may prolong the state's recession and slow its recovery.



In response, we will consider research and trends in how credit rating agencies assess states, particularly in times of economic disruptions. Generally, credit rating agencies favorably view the use of rainy-day funds or similar reserve funds to smooth budget gaps during budgetary shortfalls. Recent fiscal performance and a strong GDP to reserve fund balance ratio allow Oklahoma to use these funds over the short-term to address the shortfall, which demonstrates the State's ability to respond to economic disruptions and maintain adequate service levels and pay for expenditures. Importantly, Guidehouse will develop a long-term plan to replenish reserves, which credit rating agencies prioritize when projecting long-term credit risk.

Additionally, Guidehouse will develop additional recommendations that will preserve the State's credit rating, such as a strategy to maintain low debt metrics that alleviate the fixed cost burden on future budgets and to ensure that pensions and other similar obligations remain manageable, even as investments may incur losses in the current market environment.

The fourth step will synthesize our findings and provide a set of recommendations for budget realignment: we will provide the State of Oklahoma's Chief Operating Officer a report outlining our recommendations for budget restructuring, highlighting actionable steps to implement the recommended changes, identifying necessary stakeholders that can

champion these recommendations, and evaluating the ramifications to the budget and state credit rating in the immediate and long-term. This will include a series of budget modifications that may include cost cutting, cost avoidance, or other recommendations that change how the State uses its budget in response to the shortfall created by the COVID-19 pandemic. We will do this judiciously, by considering the materiality of impacts on service levels to citizens. Finally, we will also provide a supporting strategy to stabilize and enhance the State's credit rating.

We will help the State navigate this complex initiative by driving efficiency and accountability and ensuring we make the Governor's vision of Oklahoma as a Top 10 state a reality.

2.0 Scope of Work

This Statement of Work (SOW) is aligned with our previous RFP submission and acts as an outline of project scope for services, to support the State of Oklahoma's budget assessment efforts due to the COVID-19 pandemic. This proposed scope is based on our initial understanding of support needed by the State. It provides a general description of the engagement's project activities, deliverables, fee schedule as well as staffing. This SOW will be subject to, and governed by, all the terms and conditions of any potential professional services agreement that is established with Guidehouse.

2.1 Scope Overview

Our approach is rooted in our methodology previously leveraged with the State of Oklahoma Executive Branch Agency Collaboration Assessment and will help us hit the ground running to better to support the State by identifying cost avoidance areas, cost-saving opportunities, and more efficient use of the State budget during the fiscal challenges brought on by the economic disruptions caused by the COVID-19 pandemic. The methodology described above provides a fact-based approach to understand current operational performance, improvement areas, redesign options, and target outcomes, all while continuing to engage key stakeholders and the Office of the COO through the process. To that end, each week we will provide our real-time insights and recommendations for immediate cost-saving opportunities so the State may implement desired actions as soon as possible.

Executive Overview
Phase 1: Analysis of State Budget Structure and Current Situation

• Confirm with the State its existing strategy, priorities, and investment focus due to the financial implications of the current pandemic
  ○ State's Strategy and Deployment of CARES and other funds to alleviate COVID-19 pandemic
• Reconciliation and discussion of existing budget implementation plan
  ○ Walkthrough of Initial February 3, 2020 Executive Budget for 2021 with final Legislative approved budget on May 4, 2020 for 2021
• Appraise and understand the State's approach to forecast state revenue including key drivers and recent Oil and Gas external shocks due to COVID-19

Phase 2: Peer Review
• Define and identify comparable states for budget evaluation • Perform desk research and leading practice review on budget assessment using National Association of State Budget Officers (NASBO) and Government Finance Officers Association (GFOA) • If agreeable, perform peer interview of 3 states regarding budget realignment in current COVID-19 pandemic and fiscal environment
Phase 3: Credit Rating Fitness Assessment
• Develop aggregated scorecard based on key criteria of each rating agency • Assess Oklahoma against scorecard and identify opportunities for improvement
Phase 4: Recommendations for Budget Realignment
• Develop list of performance improvement recommendations • Prioritize recommendations based on impact and ease • Develop high-level roadmap for implementation and sequencing

Note: Due to the recent Covid-19 pandemic, Guidehouse has planned to do all work remotely and/or facilitated virtually. Guidehouse already has the necessary project management, human capital, and technological platforms in place to both accommodate this type of flexible project arrangement and integrate with OMES and the State in-flight remote work policies and practices.

2.2 Scope Detail

2.2.1 Phase 1: Analysis of State Budget Structure and Current Situation

The purpose of this phase is to confirm the Governor's short-term and long-term strategy for the State as well as validate project approach; and appraise and understand the current state of the budget including revenue and expenditures due to the COVID-19 pandemic.

2.2.1.1 Phase 1 Key Activities

1. Validate our understanding and methodology through a discussion with the COO, OMES and/or the Oklahoma Tax Commission for state revenue certification process by the State Board of Equalization
2. Following this validation (and any resulting adjustments required to our process), we will develop a Project Management Plan that: outlines the participation structures (Working Group, Steering Committee) for State stakeholders, establishes a weekly meeting cadence, risk assessment and issue resolution plan and an approach for secure transmission file
3. Submit Key Document Request List to the State within 3 business days of award and manage document, data and information intake process
4. Initiate Weekly Status meetings to share project updates, information, and quick win recommendations that could be implemented immediately
5. Obtain budget and expenditure listing by Cabinet and Agency, Boards, and Commissions (ABCs) as well as legislative sub-committee using State-approved 2021 budget, and begin deep dive analysis, prioritizing areas of significant expenditure outlay:
    a. Education
    b. General Government
    c. Human Services
    d. Health and Social Services
    e. Natural Resources and Regulatory Affairs
    f. Public Safety
    g. Other
6. Analyze current and near-term (36 month) revenue impacts from reduced oil and gas consumption, resulting from COVID-19
7. Within the first week, we will conduct up to five (5) interviews with leadership including but not limited to COO and Secretary of Budget to capture factors affecting current and projected future performance, fiscal complexity, and drivers for structural fiscal change such as:
    a. CARES and Federal Pandemic Funding,

b. Medicare Expansion (State Question 802)
c. Oil and Gas – Short and Long-Term Outlook volatility due to COVID-19

8. Synthesize insights generated from this phase into a 20-25 page (executive slide deck format) Current State Assessment report

2.2.1.2 Phase 1 OMES and/or Other State Employee Obligations

1. Confirm Guidehouse's understanding and project methodology
2. Review and approve the Project Management Plan
3. Provide requested documents
4. Attend stakeholder meetings
5. Review and approve the Current State Assessment

2.2.1.3 Phase 1 Deliverables

- Methodology validation discussion with OMES and OTC
- Project Management Plan
- Initial Document Request List
- Weekly Status Reports (ongoing through all phases)
- Five (5) interviews with State of Oklahoma leadership, including the COO and Secretary of the Budget
- 20-25-page Current State Assessment that includes a COVID-19 Revenue Impact Analysis and initial Expenditure Impact Analysis

2.2.2 Phase 2: Peer Review

The purpose of this phase is to review comparable states for budget structure and develop leading practices and key insights for expenditure and budget realignment.

2.2.2.1 Phase 2 Key Activities

1. Work with OMES to define up to five (5) other states for peer review, e.g. Texas, Missouri, Utah, Kansas etc.
2. Conduct desktop-based research and analysis of a selection of the budgets of other state's equivalent agencies (shown in table below) to identify past practices and potential future opportunities. Entities may include but not limited to the peer agencies of those State of Oklahoma departments listed below which account for more than 92% of state expenditures from the 2021 Executive Budget:

#	Agency Name
1	Oklahoma Health Care Authority
2	State Department of Education
3	Department of Human Services
4	Department of Transportation
5	State Regents for Higher Education
6	Department of Corrections

#	Agency Name
7	Department of Mental Health and Substance Abuse Services
8	Office of Management and Enterprise Services
9	Department of Health
10	Department of Rehabilitation Services
11	Department of Public Safety
12	Department of Career and Technology Education
13	Department of Veteran Affairs
14	Office of Juvenile Affairs
15	Department of Commerce

3. Where appropriate, conduct up to six (6) interviews with agency/department CEOs, Executive Directors, CFOs, Finance Directors (or equivalent) to understand peer experience on budget realignment
4. Develop 10-15-page (executive slide deck format) Peer Review Findings document, summarizing research and findings, disaggregated by each of the peer states studied
5. Within the Peer Review Findings document, include a Leading Practices Model that classifies key typologies of budget optimization (e.g. cost take-out, refinancing, real estate rationalization, shared services, P3s etc.)

2.2.2.2 Phase 2 OMES and/or Other State Employee Obligations

1. Provide any additional requested documents
2. Collaborate with Guidehouse to identify up to five (5) other states for peer review
3. Attend stakeholder meetings
4. Review and approve the Leading Practices Model
5. Review and approve the Peer Review Findings document

2.2.2.3 Phase 2 Deliverables

- Weekly Status Reports (ongoing through all phases)
- Definition of up to five (5) peer states to be included within review
- Up to six (6) interviews with peer agency leaders
- Leading Practices Model, classifying the key typologies of budget optimization
- 10-15-page Peer Review Findings document

2.2.3 Phase 3: Credit Rating Fitness Assessment

The purpose of this phase is to evaluate the three major rating agencies (S&P, Moody's and Fitch) to develop a Balanced Scorecard of key performance areas / scoring criteria used in evaluation and apply that to the State.

2.2.3.1 Phase 3 Key Activities

1. Obtain credit rating agency reports for the State of Oklahoma for the last two years with a focus on recent reports that encompass the health pandemic and Oklahoma's projected actions including the usage of Rainy Day and other Savings funds.
2. Extract key performance areas / scoring criteria and harmonize into a Balanced Scorecard that includes growth prospects, sector risk profile, demographic and industry trends, as well as economic composition and concentration including any post-COVID-19 forecasts. The Balanced Scorecard will include criteria weightings, where necessary.
3. We will then apply the Balanced Scorecard to Oklahoma's current state. This will reference the Current State Assessment developed in Phase 1, but also include new supporting analyses required to conduct the Credit Rating Fitness Assessment (such as wider socioeconomic data).
4. We will identify gaps and opportunities between Oklahoma's performance against the Credit Rating Fitness Assessment and document findings in a short (10-15 page) report.

2.2.3.2 Phase 3 OMES and/or Other State Employee Obligations

1. Provide any additional requested documents
2. Review and approve the Balanced Scorecard
3. Review and approve the Credit Rating Fitness Assessment Report

2.2.3.3 Phase 3 Deliverables

- Weekly Status Reports (ongoing through all phases)
- Balanced Scorecard of key performance areas / scoring criteria
- 10-15-page Credit Rating Fitness Assessment Report, including methodology, assessment, gaps and opportunities

2.2.4 Phase 4: Recommendations for Budget Realignment

The purpose of this phase is to synthesize research from the prior phases into a prioritized insights and recommendations for Budget Alignment.

2.2.4.1 Phase 4 Key Activities

1. Develop list of Budget Realignment recommendations. This will include, for example: business process outsourcing (BPO), shared services agreements, public-private partnerships (P3s), adjusted business practices (e.g. working from home as a result of COVID-19), management and organizational review, service duplication and differentiation, real estate rationalization, contract optimization, technology and platform rationalization, and other opportunities that become evident through our research and peer review process
2. Each of these recommendations will be classified and prioritized by potential impacts including: opportunity reduction ($ value saving), anticipated service-level impacts including any compounded by COVID-19), ease of implementation, and

synergistic/dependent opportunities where recommendations may mutually reinforce or depend on each other

3. Develop overall Budget Realignment Framework that outlines the key typologies/buckets of opportunity areas, and birds eye view of the portfolio of recommendations
4. We will also develop a short 'leave behind' document – a Budget Realignment Toolkit – targeted at agency/departmental leads that will provide prompts on how they might think about budget realignment opportunities

2.2.4.2 Phase 4 OMES and/or Other State Employee Obligations

1. Provide any additional requested documents
2. Review and approve the Budget Realignment Report
3. Review and approve the Budget Realignment Toolkit
4. Attend Read-out Session

2.2.4.3 Phase 4 Deliverables

- Weekly Status Reports (ongoing through all phases)
- 20-25-page Budget Realignment Report including Budget Realignment Framework
- 2-page Budget Realignment Toolkit
- Read-out Session to OMES and selected stakeholders

3.0 Value-Added Services

The following value-added services are aligned with our previous RFP submission. The following services and fees are not within the scope or pricing of the above-mentioned SOW; however, these services could be performed for an additional fee at the request of the State of Oklahoma.

Service	Description	Time	Price
Qualitative Review of Global Megatrends	This work would include a qualitative review of the global megatrends – demographic changes, technological advancement, climate change, global power shifts and urbanization - that are likely to inform Oklahoma's long-term trajectory. This would allow the team to identify specific budgetary aspects relevant to these long-term trends and provide budget recommendations with these in consideration.	Additional 3-5 days, upfront	$17,000
Scenario Modeling of 3-year Fiscal Impacts of COVID-19 on State and Local Agencies	COVID-19 is likely to continue well into 2021. State and Local agencies will feel the effects of it through depressed tax receipts (e.g. sales tax, hotel occupancy tax etc.) and reduced service revenue (e.g. transit ridership). While the focus of this solicitation is on state expenditures, undertaking a quantitative analysis into the fiscal impacts of COVID-19 using economic models such as IMPLAN will allow us to develop 3-year forecasts of the shortfall in State and Local receipts.	Additional 30 days	$215,000
10-year 'New Normal' Economic and Workforce Development Strategy	COVID-19 has fundamentally disrupted the consumption-based economic model upon which the country runs. Some industries will bounce back, but others may become obsolete. State governments will carry – either directly or indirectly – COVID related debt liabilities going forwards. Oklahoma will need to consider the post COVID world, and where new sources of economic growth may exist within that.	Additional 4-6 months	$450,000 - $750,000

Service	Description	Time	Price
	An economic development strategy would be a bottom-up analysis of the state's economic assets, combined with an analysis of trends and quantitative strategies for the attraction, retention and growth of new economic clusters. Together with tailored strategies to ensure the workforce of the future is relevant and productivity in Oklahoma's new economic context, an Economic and Workforce Development Strategy will outline the vision, strategy for the new normal, as well as the operating model and roadmap of practical actions for the State to transition to its new economic paradigm.		

4.0 Our Team

As part of this SOW, we have identified key members that would comprise Guidehouse's core leadership and management team along with several Subject Matter Experts available to provide support when required. The proposed organization chart is depicted in **Figure 1**, and bios for all these team members are included in the following section.

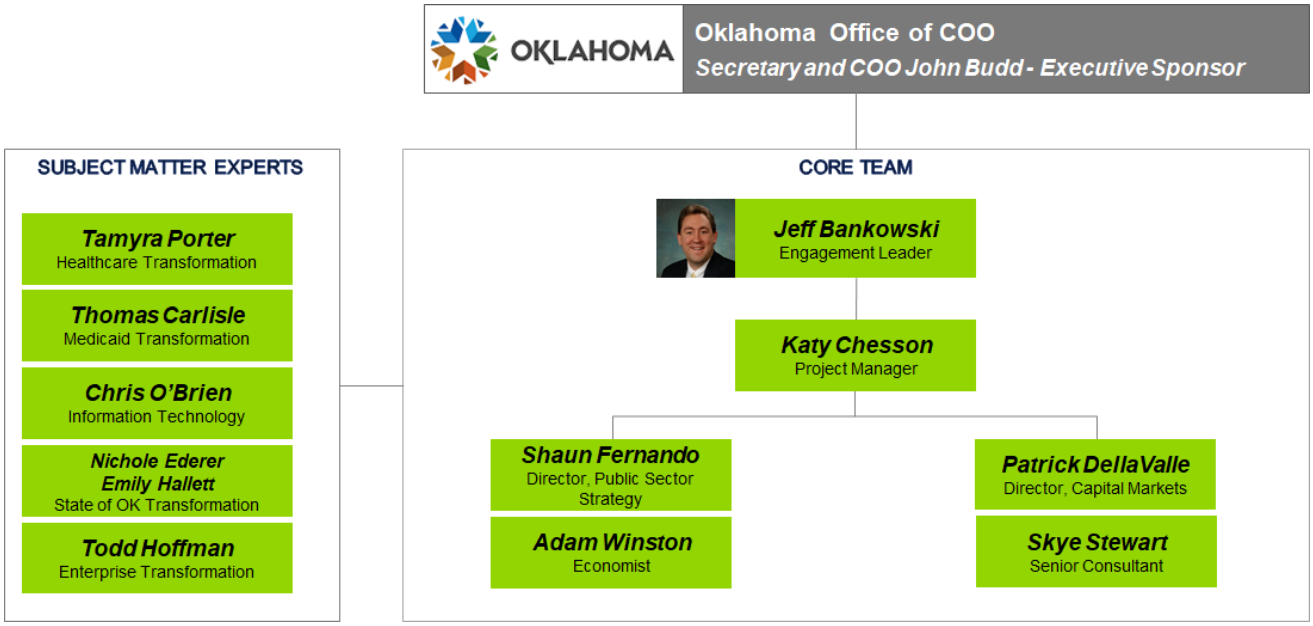


Figure 1. Organizational Chart

4.1 Select Team Bios

4.1.1 Jeff Bankowski

Role	Engagement Leader
Jeff Bankowski is Guidehouse's State and Local Government Transformation and Financial Effectiveness Leader and has more than 25 years of experience leading enterprise performance improvement and financial transformation in the public, private, and nonprofit sectors. Previously, Mr. Bankowski was the Chief Performance Officer and Transformation Director for the State of Michigan. In 2018, Mr. Bankowski was selected by the Association of Government Accountants (AGA) as a national award winner in recognition of a state government professional who exemplifies and promotes excellence in government transformation. Mr. Bankowski is a Board Member for the National Association of Chief Administrators (NASCA) composed of Cabinet level/senior public and private leaders that provide operational support and transformational change to state and local government. Mr. Bankowski has advised the Governors of Oklahoma and Michigan on enterprise roadmaps to achieve their transformational vision for each respective State.	

4.1.2 Katharine (Katy) Chesson

Role	Project Manager
Katharine has over seven years of experience managing teams and subject matter experts in technical financial statement audits for large private sector entities. Katharine has extensive experience in internal controls, process improvements, detailed analysis, and regulatory compliance. Before joining Guidehouse, Katharine work of Ernst & Young, primarily focusing on providing assurance services related to the tax provision for international companies across multiple industries such as, energy, mining, wholesale, and real estate. Katharine has provided technical analysis and assurance related to a bankruptcy of a large oil and gas company, pre-merger valuation and analysis for a private energy company, and technical analysis related to purchase price adjustments for an international wholesale entity. Additionally, Katharine spent three years work for a Fortune 500 oil and gas company where she focused on financial analysis, SEC reporting, and federal regulatory compliance. During this time, she assisted in a large process evaluation, re-design, and implementation. Katharine specializes in quantitative analysis, process improvements, internal controls, and organizational re-design.	

4.1.3 Shaun Fernando

Role	Director, Public Sector Strategy
Shaun is a Director within Guidehouse's State and Local Practice focusing on strategy and economics for states and infrastructure. He has over 10 years' experience as a management consultant in addressing the needs of societies and economies. His expertise is in developing the strategic rationale, business case and management systems for cities and states to plan and implement economic development, sustainability and smart city initiatives. Shaun has worked on a number of high-profile and transformational engagements such as developing the UAE's Green Growth strategy to decouple its economy from hydrocarbons, Ethiopia's urbanization strategy to create a new middle class, and market-based sustainable city plans for Los Angeles and San José. Recently, his work is bringing him to explore issues around the future of mobility;	

Role	Director, Public Sector Strategy
specifically vehicle electrification and autonomy, the energy-transport nexus and creating equitable transportation systems.	

4.1.4 Patrick DellaValle

Role	Director, Capital Markets
Patrick DellaValle is a Director in Banking, Insurance and Capital Markets practice. Mr. DellaValle is a highly skilled capital markets and trading professional with experience in complex financial products including securities, derivatives, and loans. Mr. DellaValle has strong expertise in understanding rating agency and market benchmarks along with trading, transaction management, valuation and credit modeling across a range of Fixed Income asset classes. This includes commercial and Municipal Debt such as State, Local, and Revenue Bond transactions. Mr. DellaValle has direct experience with underwriting municipal securities, while working as an Analyst at Financial Security Assurance, a monoline bond insurer, where he helped evaluate more than 50 transactions for a wide range of municipalities.	

4.1.5 Todd Hoffman

Role	Enterprise Transformation Partner
Todd Hoffman is a Partner in the State and Local Government Advisory Practice in Texas. He has more than 31 years of experience helping companies and governments develop innovative strategies to improve performance. Mr. Hoffman has worked with transportation, retail, government, and energy companies. In the public sector, Mr. Hoffman has served clients as they seek to enhance services to citizens, reduce costs, increase efficiency, and implement process improvements. Mr. Hoffman is a leader with strong project and program management, implementation delivery, and architecture skills experience. He has led large-scale engagements including organizational design, shared services, procurement, internal controls, and operational effectiveness. Mr. Hoffman led the organizational redesign of the State of Arkansas supporting Governor's Hutchinson's vision for transformation and shared services.	

4.1.6 Thomas Carlisle

Role	Director, Medicaid Transformation
Thomas Carlisle a Director and offers a unique perspective at a time of great change in healthcare, having previously served as Chief Financial Officer (CFO) for the Arkansas Division of Medical Services and Interim CFO for the Kansas Division of Healthcare Finance, which administer each state's Medicaid program. More recently, Thomas served as the Interim VP of Finance for Virginia Commonwealth University (VCU) Health System's Virginia Premier Health Plan—one of the largest health plans in the Commonwealth of Virginia. Thomas is a Certified Public Accountant (CPA) and has public accounting experience at a Big Four accounting firm. He has executive leadership in the financial operation of state Medicaid programs, health plans, federal reporting, compliance and monitoring of government healthcare laws, regulations and policies, analysis of state and federal legislative policy changes, development and drafting of state plan amendments, and audits at the state and provider levels.	

5.0 Pricing

Guidehouse proposes an 8-week engagement to complete all four Phases and provide for a fee of $325,000. In addition, the pricing for this proposal is also categorized below into the four separate phases.

Due to our existing relationship and deep understanding of the State, we understand that the pricing as stated represents a significant investment on the part of the State, and as part of this engagement, Guidehouse will look to identify process and programmatic efficiencies and cost savings that may meet and/or exceed the engagement costs as estimated.

Table 1. Project Pricing

Phase	Duration	Pricing
Phase 1: Analysis of State Budget Structure and Current Situation	4 weeks	$140,000
Phase 2: Peer Review	2 weeks	$45,000
Phase 3: Credit Rating Fitness Assessment	Concurrent: 2 weeks	$35,000
Phase 4: Recommendations for Budget Realignment	4 weeks	$105,000
	TOTAL	**$325,000**

In addition, we have provided our rate card below to help price any additional scopes of service requested by the State in support of these Budget Assessment and Realignment efforts.

Table 2. Ad Hoc Staffing Rates

Ad Hoc Staffing Hourly Rates:	
Engagement Partner	$399.00
Engagement Director	$280.00
Project Manager	$225.00
Senior Consultant	$170.00
Consultant	$145.00
Subject Matter Experts	$281.00

5.1 Fee Schedule

Billing for this project will occur on a monthly basis and will not exceed either the total amount for each phase or the project total amount.

5.2 Assumptions

- Due to the recent COVID-19 pandemic, Guidehouse and OMES will be flexible with scheduling, incorporate virtual interactions, and will make other accommodations as necessary.

- Guidehouse is not permitted to provide OMES with legal advice or make any representations regarding questions of legal interpretation. OMES should consult with their attorneys with respect to any legal matters or items that require legal interpretation, under Federal, state or other type of law or regulation.
- Any quantification of savings provided by Guidehouse shall be high-level estimates only. Any deeper audit or verification of those proposed savings will be considered outside of this scope.
- All materials, data, information, opinions and other information requested by Guidehouse and provided to Guidehouse by OMES will be accurate and complete.
- All materials, data, information, opinions and other information requested by Guidehouse will be turned around within 3 business days.
- The tasks for which Guidehouse will have responsibility are given a high priority by OMES and other State staff and others with whom we will need to interact and that they respond to data requests, calls, interview requests, meetings and other interactions required in the course of the engagement, on a timely basis.
- OMES will provide a Project Manager to help coordinate interviews, document requests, etc.

guidehouse.com