



STATE OF MICHIGAN ENTERPRISE PROCUREMENT

Department of Technology, Management, and Budget
320 S. Walnut Street 2nd Floor Lansing, MI 48933
P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number 27
to
Contract Number MA18000000879

CONTRACTOR	KPMG LLP
	55 Second Street Suite 1400
	San Francisco CA 94105
	Liam Kelly
	415-932-9040
	liamkelly@kpmg.com
	CV0059169

STATE	Program Manager	Various	Various
STATE	Contract Administrator	Adam Ashley	DTMB
		(517) 855-1376	
		ashleya2@michigan.gov	

CONTRACT SUMMARY				
Financial & Strategic Consulting and Advisory Serv				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
August 20, 2018	August 19, 2021	5 - 12 Months	August 19, 2026	
PAYMENT TERMS		DELIVERY TIMEFRAME		
2%NET15, NET45		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (PRC) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$17,737,441.48	\$0.00	\$17,737,441.48		
DESCRIPTION				
Effective March 24, 2025, the hourly rate in the Schedule B - Pricing is hereby increased from \$438.60 per hour to \$447.00 per hour.				
All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Central Procurement approval.				

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
MDOT	Ryan Mitchell	517-614-7025	MitchellR13@michigan.gov
EXEC	Zachary Kolodin	517-242-0449	kolodinz@michigan.gov
EXEC	Sincerae Remus	517-449-2176	RemusS1@michigan.gov



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		ashleya2@michigan.gov	

CONTRACT SUMMARY				
Financial & Strategic Consulting and Advisory Serv				
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August 20, 2018	August 19, 2021	5 - 12 Months	August 19, 2026	
PAYMENT TERMS		DELIVERY TIMEFRAME		
2%NET15, NET45		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (PRC) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$16,737,441.48	\$1,000,000.00	\$17,737,441.48		
DESCRIPTION				
Effective January 28, 2025, \$1,000,000.00 is added to the Contract for the continuation of the the Michigan Connected Corridor Project for MDOT.				
All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Central Procurement approval, and State Administrative Board approval on 1/28/2025.				

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
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**STATE OF MICHIGAN
ENTERPRISE PROCUREMENT**

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P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **25**
to
Contract Number **MA18000000879**

CONTRACTOR	KPMG LLP
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	San Francisco CA 94105
	Liam Kelly
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STATE	Program Manager	Various	Various
STATE	Contract Administrator	Adam Ashley	DTMB
		517-855-1376	
		ashleya2@michigan.gov	

CONTRACT SUMMARY				
Financial & Strategic Consulting and Advisory Serv				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
August 20, 2018	August 19, 2021	5 - 12 Months	August 19, 2026	
PAYMENT TERMS		DELIVERY TIMEFRAME		
2%NET15, NET45		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (PRC) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$14,937,441.48	\$1,800,000.00	\$16,737,441.48		
DESCRIPTION				
Effective September 24, 2024, The attached Schedule A - Statement of Work and \$1,800,000 are hereby added to the Contract for LEO.				
All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Central Procurement approval, and State Administrative Board approval on 9/24/24.				

**Program Managers
for
Multi-Agency and Statewide Contracts**

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MDOT	Ryan Mitchell	517-614-7025	MitchellR13@michigan.gov
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CN 25: Schedule A – Statement of Work

Background

In response to the Executive Directive No. 2024-1 issued by Governor Gretchen Whitmer on April 29, 2024, the "Building Michigan's Infrastructure Workforce" program has been initiated as a strategic endeavor to bolster the State of Michigan economy through significant investments in infrastructure and workforce development. This directive comes at a pivotal time when the State is poised to receive over nine billion dollars in federal funding through the Inflation Reduction Act (IRA), aimed at enhancing the nation's infrastructure while addressing climate and clean energy goals, amongst other sources including the Bipartisan Infrastructure Law (BIL) and the Creating Helpful Incentives to Produce Semiconductors (CHIPS) Act of 2022. The directive underscores the necessity of not only upgrading physical infrastructure but also investing in human capital to help enable the workforce to be equipped with the skills required for the future.

The Executive Directive sets forth an ambitious plan, directing the LEO and partnership departments MDOT, MIHI, MIO, and EGLE, to establish a robust statewide strategy that meets specific infrastructure workforce development goals. This strategy includes creating clear career pathways, addressing historic inequities, removing barriers to workforce participation, and ultimately training 5,000 new infrastructure workers by 2030. A significant aspect of this initiative is the emphasis on equitable job provisions and the efficient training of a new workforce skilled for the opportunities created by federal and State investments in infrastructure.

SCOPE

The State of Michigan faces several challenges that are impacting and will continue to impact the landscape of the State's workforce. These challenges include:

- An aging workforce in the State of Michigan
- Low unemployment rate
- Working conditions and wages slow to improve
- Too few young workers entering the skilled trades
- More than 41% of construction workforce projected to retire in the next 10 years
- Professional trades will account for 520,000 jobs in the State's economy through 2030; approximately 45,500 job openings are expected annually

LEO has engaged employers and industry leaders to conduct a gap analysis that identifies infrastructure targeted occupational groups (29 occupations in six groups based on this initial study as presented in the NASWA 2023 conference). LEO has also identified five training categories based on skill competencies and training completion timeline, including very short-term programs/support, short-term on-the-job (OJT) training, moderate OJT, long-term OJT, and apprenticeship programs. To confirm the accuracy and reliability of this data, it will be crucial to validate it with other State departments. Establishing and maintaining an ongoing dialogue with MDOT, EGLE, and MIO will be essential. This collaboration will help us cross-check data, address discrepancies, and help enable that all relevant information is consistently up-to-date and accurate.

Furthermore, Contractor understanding emphasizes the importance of inter-departmental collaboration for effective program implementation, leveraging federal funding opportunities while helping ensure

compliance with federal regulations, and prioritizing equity and accessibility to address and rectify historical disparities in infrastructure career and educational opportunities.

Through this lens, Contractor approach the "Building Michigan's Infrastructure Workforce" (BMWFI) program with a commitment to leveraging Contractor experience and resources to support the State in achieving the objectives laid out in the Executive Directive. Contractor proposal is designed to address the complexities of this initiative, helping ensure a strategic and coordinated approach to build a skilled and equitable workforce for the States future infrastructure projects.

General Requirements

Task 1: Strategy, Planning, Organization and Operating Model

Subtask 1.1: Develop Detail Program Scope

Develop the detailed scope of the program with infrastructure agencies and establish an ongoing process to identify and address gaps, including assessing the applicable workforce potential on a program-by-program basis.

Contractor will initiate the process by organizing a series of information gathering sessions with the partnering agencies (MDOT, MIHI, MIO and EGLE) followed by other infrastructure agencies identified during these initial meetings. The number of work sessions and participating agencies will be mutually agreed upon between Contractor and LEO in the project planning phase. These meetings will serve as a platform to understand the unique needs and expectations of each agency, helping ensure that their perspectives are incorporated into the

program's scope. Contractor team will collect detailed data on current workforce capabilities, existing training programs, and projected workforce needs for each agency. This data collection will consist of a combination of interviews, surveys, and analysis of existing documents to gain a thorough understanding of the current landscape.

During these meetings, Contractor will facilitate discussions to identify critical gaps and opportunities in the existing workforce. This collaborative approach will help enable us to gather valuable insights directly from those who are closely involved in the day-to-day operations and strategic planning of these agencies. By leveraging this firsthand knowledge, this will help to inform the scope document to more accurately reflect the realities and needs of the States infrastructure workforce.

1.1.1 Goal Setting and Confirmation of Objectives

This initial step establishes the foundation for the BMIW program by defining clear, achievable goals aligned with the States infrastructure workforce development needs. Key objectives will be outlined, focusing on the long-term vision of training 5,000 new workers by 2030, addressing skill gaps, and fostering sustainable employment growth.

Through a series of structured working sessions with key stakeholders from partnering agencies such as MDOT, MIHI, MIO, and EGLE, as well as additional infrastructure agencies identified early on, the aim is to establish clear, consensus-driven goals aligned with the State's infrastructure workforce development needs. These sessions will focus on defining a set of achievable objectives, with an overarching aim to assess applicable new funding opportunities, train 5,000 new workers by 2030, effectively address existing skill gaps, and promote sustainable employment growth within the States infrastructure sector. Leveraging the insights gathered from the initial information-gathering phase, the goal-setting process will confirm that the program's scope and objectives accurately reflect the realities and needs of the States infrastructure workforce, laying a strong foundation for the program's strategic direction and execution.

1.1.2 Agency Coordination and Governance Framework

To help foster collaboration and oversight, a robust governance framework will be developed. This task will involve two key actions:

- Development of an Interagency Communication Framework: LEO has established regular meetings and monthly lead discussions with partnering agencies and other relevant stakeholders. Contractor will review the existing communication framework and confirm it clearly specifies coordination and decision-making processes, outlines roles and responsibilities of each agency's representatives, and defines meeting outcomes in order to increase the effectiveness and consistency of these discussions.
- Formalization of Collaboration through MOUs: LEO has existing Memorandums of Understanding (MOUs) or interagency agreements with some departments. These agreements have laid the groundwork for collaboration, but further efforts are required to enhance these partnerships. Specifically, additional work is needed to foster robust data-sharing mechanisms, reporting standards, and strong financial partnerships. To help enable proper execution, the MOUs should be signed at the Department Director level. Contractor will review gaps or identify the need for new MOUs or revisions to the existing MOUs. This may involve recommending leading practices to help refine existing agreements, reduce gaps, and inform new ones that LEO needs to establish to cover the necessary aspects of interagency cooperation.. This formalized governance structure will not only delineate the operational aspects of collaboration but also verify accountability and shared commitment towards achieving the program's goals.

By accomplishing these steps, the BMIW program will establish a solid foundation for interagency cooperation, promoting efficient program execution and alignment with shared objectives.

1.1.3 Gap Assessment by Asset Class and Partnering Agency

Following the initial rounds of information-gathering sessions, a gap analysis will be conducted across different asset classes and partnering agencies, including MDOT, MIHI, MIO and EGLE, to identify discrepancies between the current state of the workforce and the future needs as reported by each agency. Contractor will start with reviewing any existing gap analyses related to infrastructure funding programs, specifically anything the State may have already completed for BIL programs. Leveraging the information gathered in the previous steps and data research, Contractor will verify the accuracy of existing gap analysis and recommend any changes. For funding opportunities that have not been analyzed by LEO or other partnering agencies, Contractor will establish an analysis that identifies the labor shortage by asset class and partnering agency.

This analysis will involve evaluating workforce potential, primarily for the three major infrastructure acts: BIL, IRA, and CHIPS, on a program-by-program basis, including but not limited to:

- Broadband Equity Access and Deployment (BEAD) Program
- National Highways Performance Program (NHPP)
- Major Rehabilitation for Rivers and Harbors Program
- Surface Transportation Block Grant (STBG) Program
- US Department of Energy (DOE) Weatherization Assistance Program (WAP)
- Bridge Formula Program (BFP)
- Home efficiency Rebates Program

Contractor will assess factors such as skill shortages, demographic and equity imbalances, and the effectiveness of existing training programs in these critical sectors. By thoroughly examining these areas, Contractor will identify specific workforce gaps and opportunities for targeted development to meet the future demands of the State's infrastructure projects. This phase will also include an assessment of workforce potential, identifying untapped resources and opportunities for workforce development. By examining trends and forecasting future demands, Contractor can identify areas where additional training and resources are needed. This detailed analysis will form the foundation for developing targeted strategies to address the identified gaps and enhance workforce capabilities.

1.1.4 Scope/Inventory of Workforce Program Documentation and Review

Once the gap analysis and workforce potential assessment are completed, Contractor will draft a detailed document outlining infrastructure agencies workforce programs objectives, target population, key performance metric, industry partners, funding stream, timelines, and governing local, State, and federal policies or requirement. This document will integrate the insights gained from the initial engagement and analysis phases. The draft scope document will be circulated among stakeholders for feedback, confirming that all relevant parties have the opportunity to review and suggest revisions.

Contractor will facilitate a series of review sessions with stakeholders to discuss the draft scope document, address any concerns, and incorporate feedback. The number of review sessions will be agreed upon between Contractor and LEO in the project planning phase. This iterative process will confirm that the final scope document aligns with the program's goals, and has the buy-in of all involved parties. The finalized scope document will serve as a roadmap for the successful implementation of the BMIW program, providing clarity on the objectives, timelines, and responsibilities.

SUBTASK 1.1 DELIVERABLES:

- Stakeholder meeting agenda, presentations and meeting minutes
- Goal and objectives document
- Program governance framework
- Gap analysis and workforce potential report
- Draft and final detailed scope of workforce program

Subtask 1.2 Federal Funding Analysis and Strategy

Assists in coordination with other lead agencies to identify potential federal funding opportunities on a program-by-program basis that can be used for workforce development and barrier removal.

Contractor has been closely following infrastructure funding such as the BIL, IRA, and CHIPS and Science Act and remains connected to the evolving legislation at federal, State, and regional levels. Contractor have developed tools to quickly identify new federal funding opportunities for Contractor clients. The process will involve a collaborative effort with key State agencies. The aim is to not only pinpoint these funding opportunities but also to coordinate a unified

funding strategy that aligns with the overarching goals of the BMWI program, helping ensure a robust approach to financial planning and resource allocation.

1.2.1 Utilizing Existing Working Groups

Contractor will support the formation of a dedicated working group comprising representatives from LEO, other State agencies, and Contractor professionals. This working group will be responsible for coordinating efforts to identify federal funding opportunities. Contractor will define the roles and responsibilities of each working group member to help ensure a clear and focused approach. Initial coordination meetings will be scheduled to establish the working group's objectives, discuss potential funding sources, and outline the steps required to pursue these opportunities.

During these working group meetings, Contractor will facilitate discussions to identify key federal funding programs that align with the goals of the BMIW program that may have not already been identified or discussed. Contractor will also develop a strategic plan for approaching these funding opportunities, including timelines for application submissions and responsibilities for each working group member. This structured approach will allow the working group to operate efficiently and effectively in securing necessary funding.

1.2.2 Funding Opportunity Identification

To paint a complete picture of the federal funding landscape (including grants, subsidies, and programs that support workforce development and barrier removal), Contractor will review existing analyses and any

tracking tools developed by LEO against Contractor internal database and toolset. Contractor will leverage Contractor in-house tool, *Infrastructure Insights* that monitors federal infrastructure program fundings nation-wide. This tool uses data inputs from scraping federal funding databases, reviewing government announcements, and leveraging Contractor network of contacts within federal agencies to capture current information on federal funding opportunities. It captures application deadlines, eligibility criteria, and potential benefits for all the funding programs available under BIL, IRA, and CHIPS. Data from the *Infrastructure Insights* will be used to identify missing federal funding opportunities LEO or State partnering agencies may not be tracking. Please note that while *Infrastructure Insights* presents high-quality information and captures data of the major programs, it may not capture the entire universe of infrastructure projects in the nation.

The opportunity tracking will be shared with LEO and the working groups and updated regularly to confirm that all relevant opportunities are considered. Contractor will also prepare briefing documents for each identified funding opportunity, providing an overview of the program, its relevance to the BMIW initiative, and the steps required to apply. These briefings will help working groups prioritize and strategize their efforts in securing federal funding. Regular coordination meetings will be held to discuss progress on the tracking of funding opportunities, address any challenges, and strategize next steps. The frequency of the coordination meetings will be agreed upon between Contractor and LEO in the project planning phase.

SUBTASK 1.2 DELIVERABLES:

- Federal funding opportunity data and briefing documents produced by Contractor's *Infrastructure Insights* tool
- Meeting agendas and minutes for working group meetings

Subtask 1.3 Investment Tracking Framework, KPIs, and System

Develop a tracking system to track monetary investments in workforce as a result this Executive Directive and overall results .

To effectively track the workforce development investments, services participants receive (support services, advising, and assessment testing), and the program outcomes (completion, skills/credential gains, employment, and earnings), LEO needs to have a reliable system to capture that information consistently across workforce program participants, as well as across funding recipients. From Contractor experience with similar projects,

Contractor have found that such tracking systems often are developed independently and are challenging to share among users. In addition, independent developers often have to create multiple revisions of the tool to produce all the information requested by the funding agency. Developing and utilizing this data collection tool will save time and resources for both LEO and the funding recipients.

1.3.1 Framework and KPI Development

Contractor, in collaboration with LEO, will engage with the Department of Technology, Management, and Budget (DTMB) to develop an approach to data collection. Contractor are not proposing the development of any new large-scale data collection tools but would instead leverage MI existing systems or a simple tool that could be easily integrated/interface with MI existing systems. If the State collects participant-level data, Contractor would prefer to use that data. To streamline the data collection process, Contractor propose two approaches:

1. **1. Utilizing existing Workforce Development Systems:** Participants will be required to register with a local Michigan Works! Agency or an already LEO contracted training center that allows data to be collected within the statewide workforce development case management system or similar reporting structure, consistent with other workforce programs. This approach promotes consistency and security in data handling and facilitates co-enrollment in other State and federal workforce programs.
2. **2. Participant Surveys:** Grantees could require participants to complete a survey using Microsoft Forms developed by Contractor. This approach facilitates straightforward data collection while maintaining flexibility in capturing relevant participant information.

Contractor will identify and define core grant project performance metrics that measure the outcomes and impact of the grant programs. These metrics will be tailored to each grant program's specific objectives and target populations while fostering consistency across programs to facilitate comparison and aggregation. Aligned with the WIOA primary performance indicators, Contractor will use the following metrics to measure employment outcome, skill development, and economic impact:

- Employment Rate 2nd Quarter After Exit,
- Employment Rate 4th Quarter After Exit,
- Median Earnings,
- Credential Attainment,
- and Measurable Skill Gains

Contractor will work closely with department staff to refine and finalize the proposed metrics so they align with program goals and LEO expectations.

In parallel, Contractor will conduct targeted stakeholder meetings with LEO and pertinent entities to thoroughly delineate the tracking essentials, reporting stipulations, and the anticipated outcomes crucial for the workforce development initiative. This concerted effort is pivotal for pinpointing and establishing a set of Key Performance Indicators (KPIs) that resonate with the program's strategic goals, crafted to precisely gauge achievements and yield actionable insights into the initiative's success. Simultaneously, Contractor is committed to formulating an elaborate tracking framework—detailing the systematic approach for data acquisition, analysis, and reporting anchored by the chosen KPIs—thereby constructing a robust infrastructure for monitoring program efficacy and steering a knowledge-driven strategy for workforce development investment oversight.

1.3.2 Data Collection Tool Assessment, Design, and Development

Contractor will review any existing tools developed by LEO and partnering agencies, such as MIO to gauge the functionality, feasibility, and adaptability of these tools in fulfilling the data collection requirements. Contractor assessment will be based on the following criteria:

1	2	3	4	5
<p>Development of Unified System: To facilitate the collection of the participant services data and help standardize data elements across multiple sites and staff, Contractor propose to develop a web-based data collection tool housed on the State's environment that funding recipients can securely access to enter data on participant services.</p>	<p>Functionality: In its contemplated form, this tool will allow people from multiple locations to input data on the same participant while at the same time providing privacy and security by limiting access to users. Contractor will have access to all the data to create program-wide results.</p>	<p>Adapting and Reducing Burden: Contractor propose this tool to: (1) take the pressure off individual funding recipients to each create individual data collection tools and (2) facilitate a uniform information provided by all funding recipients.</p>	<p>Sustainability: During the project's life, the data collection tool will be hosted on LEO's environment.</p>	<p>Federal reporting compliance: The data collection tool will be compliant with federal reporting requirements and allow LEO to easily extract data to compile federal data reports.</p>

If an existing tool is deemed appropriate to serve as the foundation of the tracking system, Contractor will identify any missing data components and make recommendations to enhance the current tool.

One approach would be to deploy an Application Programming Interface (API), particularly for managing co-enrollment in programs such as the WIOA and BMIW-funded programs. Contractor would start by defining the specific data requirements needed for seamless interaction between Michigan Works! and other external systems. This involves identifying the critical data points that must be shared to maintain consistency and accuracy across platforms.

Next, Contractor will develop an API with endpoints for data entry, retrieval, updates, and deletion. Security is paramount, and Contractor will implement strong security measures, including encryption for data transmission and authentication protocols, to safeguard the data.

Let's walk through a typical scenario of co-enrollment in a WIOA or BMIW-funded program. A participant enrolls, which triggers the API. The API then automatically sends the participant's data from the respective program's system to Michigan Works!, either creating a new participant record or updating an existing one. Any changes in the participant's status, such as completing a training, are immediately synchronized across both systems, helping ensure accurate and up-to-date tracking and reporting.

Given the short timeframe, LEO must facilitate securing data-sharing agreements with the respective data owners and assist Contractor in gaining access to the data.

However, if no existing tools can be used to fulfill this task or the gap between the existing tools and the task objectives is too large, Contractor will design a new data collection tool using Microsoft Forms that meets the abovementioned criteria.

Contractor recently developed similar data collection tools in another State and Contractor can build upon the work completed and customize it for LEO data collection needs. To help LEO staff and funding recipients effectively use the data collection tools, Contractor will provide training and assistance, consisting of:

1. Training sessions: Contractor will conduct up to three training sessions to help LEO staff and funding recipients learn how to use the data collection tools, covering topics such as setting up forms, customizing questions, and exporting data.
2. User guide: Contractor will develop a user guide in PowerPoint to help LEO staff and funding recipients navigate the data collection tools independently.

SUBTASK 1.3 DELIVERABLES:

- Workforce Investment Tracking Dashboard
- Training Materials and User Guide

Subtask 1.4 Organization and Operating Model

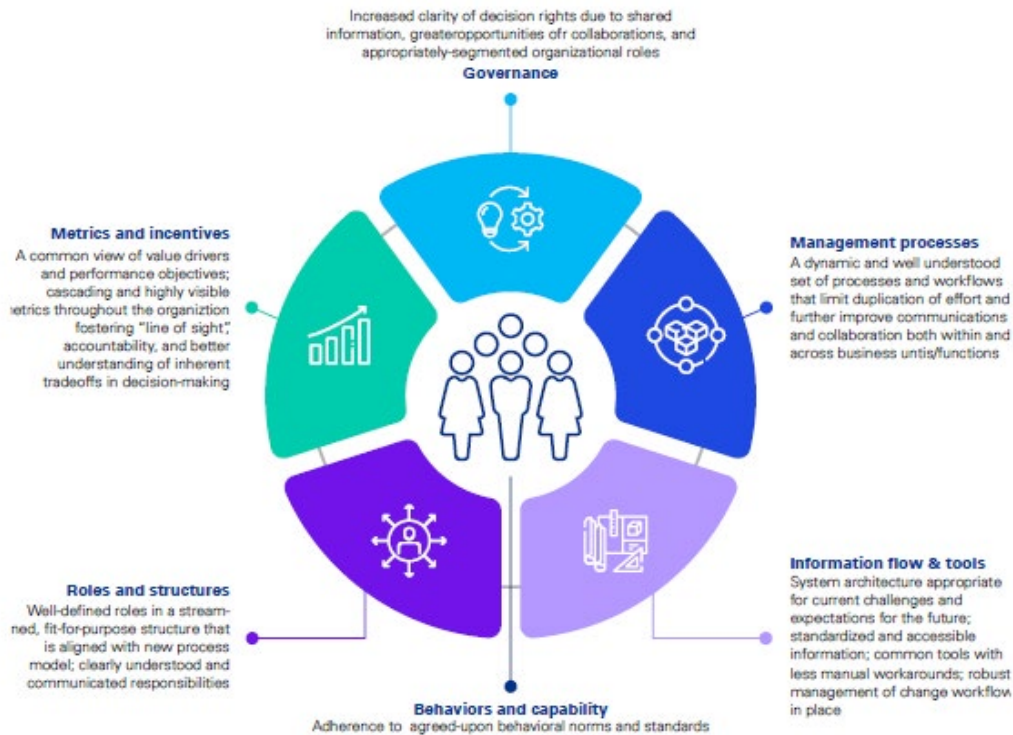
Assess and design the organization and operating model, and assist with convening departments for implementation

In enhancing the BMIW program's organizational and operating model, this task is structured to support the program's scalability and execution of the Executive Directive effectively. This involves a detailed assessment and restructuring to meet the program's expanding requirements, helping ensure operational efficiency and alignment with strategic goals. An assessment of the current organizational and governance structure and operating model will be

conducted to identify necessary adjustments to support the program's scale. This includes determining programmatic and staffing needs and facilitating discussions for the implementation of the Executive Directive. Contractor approach to organizational strategy is driven and supported by the need to recognize and enhance the fundamental operating model layers that make up any organization and consider elements from governance and processes to technologies and tooling (please see graphic below for a complete view of all elements).

1.4.1: Organizational Assessment and Design

Contractor will complete a thorough evaluation of the current organizational and governance structures and the operating model to pinpoint areas requiring adjustments to support the BMIW program’s expansion. Contractor will gather and analyze existing documentation, workflows, and stakeholder feedback to identify both organizational needs and potential skill gaps. Based on these findings, a redesigned organizational framework will be developed, incorporating proposed structures, roles, workflows, and the necessary tools and technologies to effectively support the program's objectives. This design phase will prioritize stakeholder input to confirm the new model aligns with practical needs and strategic goals.



1.4.2: Implementation Planning

Following the organizational redesign and establishment of the governance structure, the focus shifts to planning the implementation of the new model. A proper plan should outline the steps, timelines, and responsible parties for the transition. Contractor will leverage any existing implementation planning established by LEO, incorporate new information collected through the previous tasks, and update the implementation plan to confirm its relevancy. Key activities also include allocating necessary resources, identifying and planning for potential risks, and developing a robust communication strategy to inform and engage all stakeholders. During this process, Contractor will closely work with communications leaders from LEO, EGLE, MDOT, and MIO and align the communication strategy with the visions and expectations of these agencies. This plan aims to facilitate a seamless transition to the new organizational structure with reduced disruption to the program's ongoing activities.

1.4.3: Model Implementation and Transition

The final subtask executes the implementation plan, transitioning to the new organizational and operating model. Contractor will closely work with LEO to understand the agency’s operating implementation status and build upon the agency’s existing efforts to accomplish the operational transition. This phase emphasizes monitoring the transition process closely, making necessary adjustments based on operational feedback and unforeseen challenges. The goal is to help enable the BMIW program to move smoothly to its new structure, thereby enhancing its capacity to meet its goals effectively and efficiently.

SUBTASK 1.4 DELIVERABLES:

- Organizational Assessment Report
- Recommended Operating Model
- Implementation Discussion Summary and Plan

Task 2: Program Development

This task is dedicated to a thorough review and enhancement of existing workforce programs, alongside the creation and integration of innovative programmatic elements tailored for the BMIW initiative. The process encompasses a thorough evaluation of current offerings, the strategic alignment of resources to bolster BMIW objectives, and the formulation of novel program approaches.

Subtask 2.1 Workforce Program Evaluation and Pathway Development

Develop a pathway to meet the State's goal of training 5,000 new infrastructure workers by 2030

An effective career pathway consists of rigorous and high-quality education, training, and other services that aligns with the skill needs of industries and prepares an individual to be successful in any of a full range of secondary or postsecondary education options as well as obtaining industry-recognized credentials. Contractor will begin with a thorough, in-depth review of the State's existing workforce

system and identify unmet needs of both job seekers and employers. Based on the evaluation findings Contractor will incorporate new programmatic elements and (re)align existing programs to better support the infrastructure workforce development. More details of each step are provided as follows.

2.1.1 Review Existing Systems and Identify Gaps

Compiles and reviews existing workforce development programs and identify aspects that work/ need improvement

Contractor will conduct a workforce readiness assessment using quantitative and qualitative analysis. Contractor approach aims to provide a holistic understanding of the State's existing workforce programs and identify service gaps and unmet needs. The review will focus on LEO, partnering agencies, and other organizations that provide vital support to developing the talent pipeline in the State. Contractor will first analyze workforce program administrative data,

publicly available data, and [Contractor Signals](#) to extract insights to evaluate the State's workforce services using the following guiding questions:

Topic	Quantitative Questions
Customer Satisfaction and Experience	How do participants rate their overall experience and satisfaction with the workforce services received by the one-stop system?
	Are there differences in satisfaction levels discernible between those who received individualized attention (e.g., career counseling) and those who did not?
Service Accessibility and Efficiency	How promptly can job seekers access the primary services provided by post-initial contact with program staff?
	What is the average duration between an individual's registration and the first primary training or counseling session?
Efficacy of Training Programs	How do the employment rates of participants who completed training programs compare with those who did not complete these programs?
Support Services Impact	What proportion of participants in training programs transition to higher education or advanced vocational training?

Topic	Quantitative Questions
	Does the provision of financial assistance significantly influence the completion rate of training or education modules?
Retention and Long-Term Outcomes	What proportion of individuals who secured employment through training assistance sustained their jobs for over a year?
Digital and Remote Service Efficacy	How effectively do the existing programs provide digital resources and online platforms in aiding job seekers compared to traditional in-person services?
	For education programs that offer remote learning options, how do completion rates and skill gains compare with in-person formats?
Employer Perspective and Partnerships	How do local employers perceive the quality of candidates referred by the programs?
	What is the feedback from companies or organizations partnered with training programs for internships or job placements?
Tailoring and Customization	How effective are tailored or customized training programs in catering to the specific needs of different demographics (e.g., veterans and people who are disabled)?
	Are there variations in the effectiveness of workforce services based on demographics or regional differences?

Contractor recognize that LEO’s involvement in data collection, stakeholder engagements, and other information gathering efforts will be crucial to the success of this assessment process. Contractor expect that the program administrative data will be provided by E&T through a mutually agreed upon data sharing process between Contractor and LEO. For data that is not currently collected by LEO, such as customer satisfaction and digital and remote service efficacy, Contractor will design survey instruments to understand job seekers’ and program participants’ perspectives and distill actionable insights.

In addition to the quantitative analysis, Contractor will conduct documentation reviews (e.g. MOUs, service agreements, etc.), surveys, and stakeholder interviews to assess six areas of the State’s existing workforce programs. The number of documentations review, survey sessions, and stakeholder interview sessions will be determined and agreed upon between Contractor and LEO in the project planning phase.

- **Across-agency partnership.** A highly functioning workforce system is usually driven by effective partnerships across agencies, including WIOA partners, State required and recommended partners, and additional partners.
- **Industry sectors and employer engagement.** Industry leaders and employers should be actively engaged in workforce program design and provide feedback on skill competencies in a given career ladder and other program elements.
- **Education and training programs design.** The evaluation focuses on:
 - What are the State’s strategies to service target populations and in-need communities?
 - How are employers engaged to review and modify the competency models and align these models with industry standards?
 - How are work-based learning, on-the-job training, job shadowing, apprenticeship, fellowships, and other employment opportunities currently used and support the infrastructure sector?
 - Do the existing programs consider credit for prior learning, embedding academic content, designing curricular to allow for multiple entry/exit points, and designing self-paced curricular to allow flexibility

- Do the existing programs provide appropriate financial aid information, wrap-around services, case-management service, career assistance, student-specific academic plan, academic support service
- **Funding needs and sources.** This is to understand how existing funding sources from partnering agencies are blended and additional funding needs to support customers using an integrated, shared customer, shared service, and shared cost approach.
- **Policies and program alignment.** Contractor will review State statutory and identify regulatory barriers to implementing effective workforce programs.
- **Systems change and performance measures.** Contractor will evaluate how the current system identifies, develops, and defines short-term and long-term system, program, and participant outcomes.

2.1.2 Develop New Programmatic Elements

Designs new programmatic elements for workforce development programs if existing workforce programs do not meet the State's needs or federal program criteria

The assessment findings in Step 1 will inform the development of new programmatic elements so that the career pathways programs will be aligned with the vision of the Executive Directive and federal program requirements. Contractor will conduct thorough research and identify leading practices to address systematic and/or programmatic gaps. In addition to desk research (through academic journal articles, industry briefings, TEGs, and other research products), Contractor will leverage Contractor strong connections

and experience working with high performing workforce areas, State labor agencies, and State and local economic agencies to identify success stories and promising practices to enhance the State's career pathways system.

2.1.3 Align Existing Programs to Support Infrastructure Workforce Development

Align existing program options to support individual infrastructure program needs and opportunities.

To help increase the return on existing resources, Contractor will review existing workforce programs, including the training and credentialing components, identify service gaps, and recommend concrete steps to enhance the existing programs and align them with the State's infrastructure workforce development priorities. Contractor will also highlight existing, successful programs/practices that have

been shown to effectively address infrastructure workforce skills gaps in the State. Contractor will draft a scaling plan to help the State disseminate these practices in a broader region and generate a larger impact and economies of scale.

If a program is considered ineffective or obsolete, Contractor will recommend modifications to the existing programs and pivot them to align with the infrastructure industry. Examples of modification include:

- Engaging additional partners, education and training providers, and wrap-around service providers
- Enhancing entry points and recruitment strategies for target populations
- Modifying competency models with employers and developing valid career ladders
- Incorporating industry-recognized and postsecondary credentials if possible
- Reducing inefficiencies and duplications in service delivery; enhancing training response capabilities
- Promoting work-based learning opportunities through engagements with business and industry
- Accelerating contextualized learning strategies
- Providing flexible delivery methods and holistic wrap-around services

SUBTASK 2.1 DELIVERABLES:

- A workforce program evaluation report that documents or identifies (1) strengths and gaps of the current workforce service delivery system, including review of the State's career pathways systems, (2) new programmatic components that may enhance the State's career pathways design, and (3) a plan to

scale and modify existing career pathways strategies to better support the development infrastructure talent pipeline.

Subtask 2.2 New Program Design

Design new program approaches for training programs and workforce supports

Contractor will leverage and work with LEO and US Chamber of Commerce Foundation Talent Pipeline Management model as well as other potential data points that LEO provides via other trusted sources and review the national competency models related to advanced manufacturing, construction, information and technology, and other infrastructure sectors. The number of data sources to analyze will be discussed and agreed upon between Contractor and LEO during the project planning phase. Through

this exercise, LEO along with employers, educators, workforce development professionals and community stakeholders will develop a clear understanding of the knowledge, skills and abilities needed in a job, occupation, and industry. This information will guide the design of new programs to achieve the program's objectives.

During the design phase, Contractor will conduct an evaluation aligned with federal standards to enhance the new programs' competitiveness. This involves benchmarking against relevant federal programs and thoroughly assessing current training systems. By understanding and integrating practices from successful federal initiatives, Contractor can identify key performance metrics and strategies to enhance competitiveness. Additionally, leveraging the strengths of existing training systems allows us to identify areas where they excel and pinpoint opportunities for improvement to meet and exceed federal standards.

Stakeholder engagement is crucial in the planning and programming processes. Contractor will support LEO in convening key stakeholders and fostering a collaborative environment where diverse perspectives can be gathered and integrated into the planning process. This approach actively involves stakeholders, allowing them to contribute valuable insights and experience. Engaging stakeholders in meaningful dialogue during the planning and programming phases incorporates informed perspectives and relevant issues.

Focusing on competitiveness and leveraging stakeholder input will help set realistic and achievable goals. This process begins with defining clear objectives based on federal benchmarks and stakeholder feedback. Establishing measurable objectives allows the creation of ambitious yet attainable goals. Contractor will develop detailed, actionable plans outlining the necessary steps to achieve these objectives, including timelines, resource allocation, and performance metrics. This structured approach facilitates progress monitoring and adjustments to stay on track.

Contractor's aim is not just to align new programs with federal standards but also to do so in a way that leverages the strengths of existing training systems, enhancing competitiveness. Actively consulting with stakeholders and involving them in planning and programming is not just a process; it's a strategic approach that helps set and achieve realistic goals, enhancing overall effectiveness and impact. This collaborative and strategic method is not just a way of working; it's a commitment to continuous improvement and delivering high-quality outcomes for all involved.

The core of the "Workforce Program Design Framework" consists of three primary activities:

- **Strategic Partnership Development:** Engage, convene, and link key demand side and supply side workforce partners positioned to support a robust workforce plan across various project and sector needs.
- **Planning:** Leverage local workforce partners' capacity to support planning activities and formulate strategies that meet project needs and advance equity in communities and for underrepresented workers.
- **Mature Strategies and Programs:** Design, deliver, and scale workforce strategies, programs, and practices with a track record for delivering and opening access to high quality training for diverse communities that include underrepresented workers.

In developing the **strategic partnerships**, LEO will convene partners with different strengths and areas of experience, inventory available resources, and develop effective strategies to deploy these resources. Contractor will help prepare meeting agendas and presentation materials to help enable productive discussions. In addition to MDOT, MIHI, MIO and EGLE, partners may include State and local workforce board leaders, employer and industry associations, unions, labor management partnerships, community colleges and education and training providers, community-based organizations, and various ETA competitive grantees, and designing and articulating a vision in accordance with the Executive Directive.

To help the State advance job quality and equity priorities, Contractor will gather feedback from job seekers and employers from different backgrounds/communities, particularly women, people of color, and those from disadvantaged communities. Their voices provide valuable insights and prepare us to be responsive to the needs of a diverse pool of population. In addition, Contractor plan to engage philanthropies interested in workforce, job quality, and infrastructure investments to leverage their resources to support and amplify LEO's efforts to advance equitable workforce development strategies.

The **planning** stage is articulated in Section 1, Strategy and planning section. In addition, Contractor aims to address the historic racial and gender inequities in access to infrastructure career and education opportunities by applying leading practices to connect a diverse pool of workers to good jobs and high-quality education and training opportunities.

The third step is to identify, document, and disseminate **mature strategies and program** components effective in addressing skills gaps, removing barriers-to-employment, and promoting retention and progression in high quality jobs in infrastructure. Contractor will rank promising practices identified based on their strengths, weaknesses, benefits, costs, and applicability to the State and incorporate the appropriate elements to in the program design.

SUBTASK 2.2 DELIVERABLES:

- A Design Document for New Programmatic Elements that summarizes program objectives, stakeholders' roles and responsibilities, implementation timeline, and risk management steps.

Task 3: Tracking Approach Design

Develop a tracking approach to monitor workforce goals, supply, duties and potential service gaps

Contractor has curated an array of workforce data and developed an in-house econometric forecast dashboard to predict labor demand at the county level by occupation and by sector. This tool allows us to pinpoint local labor market trends and respond to major economic shifts that impact infrastructure workforce supply and demand. The labor market projections, along with the established workforce goals set forth by LEO will be presented on a series of interactive dashboards to allow LEO leadership to glean real-time labor market intelligence.

LEO is partnering with Michigan Center for Data and Analytics. Contractor will work with LEO to assess data needs and create synergy to complete the tracking approach design efficiently.

Factors that impact labor market supply will also be presented using dashboards:

- The number of existing infrastructure workers in the State and regions
- The number of future infrastructure workers, including those who are receiving education and training, and the expected completion/graduation dates of these workers
- The estimated count of future infrastructure workers who are currently residing in other States and potentially will join the infrastructure workforce in the State of Michigan

With these real-time reporting tools, LEO leadership and partner agencies can identify service gaps, understand program progress, and take corrective actions to confirm workforce programs are being implemented as intended.

Based on Contractor experience, these metrics should provide a detailed view of program performance and compliance with State and federal requirements. Below are examples of the metrics Contractor will consider:

1	Participation Rates	<ul style="list-style-type: none"> • Number of individuals enrolled in workforce development programs. • Demographic breakdown of participants (age, gender, ethnicity). • Enrollment rates by geographic region.
2	Completion Rates	<ul style="list-style-type: none"> • Percentage of participants who complete training programs. • Completion rates by program type and duration. • Demographic breakdown of program completers.
3	Job Placement Rates	<ul style="list-style-type: none"> • Percentage of program completers who secure employment in the infrastructure sector. • Time to job placement post-completion. • Job placement rates by type of job (defined by industry or sector, occupation, and wage) and geographic region.
4	Wage Growth	<ul style="list-style-type: none"> • Average starting wages of program completers. • Wage growth over time for program alumni. • Comparison of wage growth to industry averages
5	Certification Attainment	<ul style="list-style-type: none"> • Number of certifications awarded to participants. • Types of certifications obtained. • Certification attainment rates by demographic and geographic breakdown.
6	Program Satisfaction	<ul style="list-style-type: none"> • Participant satisfaction rates based on surveys and feedback. • Employer satisfaction rates with program graduates. • Satisfaction trends over time.
7	Retention Rates	<ul style="list-style-type: none"> • Retention rates of participants in the workforce after job placement. • Long-term retention rates (1 year, 3 years, 5 years). • Factors influencing retention.
8	Training Quality and Effectiveness	<ul style="list-style-type: none"> • Evaluation scores of training programs. • Feedback from participants and employers on training quality. • Improvement in skills and competencies post-training.
9	Demographic Data	<ul style="list-style-type: none"> • Detailed demographic profiles of participants. • Analysis of demographic trends over time. • Identification of underrepresented groups in the program.
10	Funding Utilization	<ul style="list-style-type: none"> • Amount of funding allocated to each program. • Percentage of funding utilized for direct training, support services, and administration. • Efficiency of funding utilization (cost per participant, cost per successful placement).

Contractor will analyze UI wage data and WIOA participant data provided by LEO to compile and present these measures. For data that are currently not collected by LEO, such as program satisfaction and training quality and effectiveness, Contractor will design survey instruments to glean into insights regarding these measures. The survey process should be on-going that allows LEO to continuously evaluate program outcomes.

TASK 3 DELIVERABLES:

- A tracking approach design report

Task 4: Infrastructure Workforce Plan

Assist the development of statewide infrastructure workforce plan including outreach, engagement, and tracking other efforts

Subtask 4.1 Infrastructure Workforce Plan Development

To help prepare the statewide infrastructure workforce plan (Plan) development, Contractor will clearly document the workforce program evaluation approach, data and assumptions, findings, recommendations to develop programmatic components, and strategies to align existing resources with infrastructure workforce needs. This draft will detail the

design of new program approaches for targeted sectors and occupations within the infrastructure space, components of which include program objectives, stakeholder engagement, funding resources, target customers, training and education design, skills competency requirements, and a career advancement model.

Throughout the Plan development process, Contractor will collaborate closely with LEO and partner agencies to verify that the reports align with their expectations and requirements. Contractor will collect feedback and make any necessary revisions to the reports to address concerns, clarify points of confusion, and verify that the Plan is accurate, thorough, and actionable.

The Plan will be structured into seven sections: (1) Executive Summary, (2) Analysis Approach, (3) Analysis Assumptions, (4) Summary Statistics and Data Management, (5) Leading Practice Research and Evaluation, (6) Alternative Approach, and (7) Metrics, Conclusions, and Recommendations. More details can be found in Task 3: Metrics and Tracking.

Contractor will support LEO in conducting outreach, stakeholder engagement, and information gathering. Contractor will follow LEO's guidance and design an outreach framework, prepare outreach materials, submit them to leadership of LEO and partnering departments to confirm the outreach approach and support is in alignment with the vision and expectations of LEO and its partnering departments.

4.1.1 Communications and Outreach Framework

Contractor has placed significant value and investment in helping public and private sector entities better manage organizational and operational issues. To this end, Contractor team consists of professionals dedicated to helping organizations deliver on their transformation goals by building stakeholder awareness through the execution and delivery of strategic communication activities. Contractor phased Communications and Outreach Framework focuses on five key elements that put stakeholders at the heart of the strategy development to help enable us to engage with stakeholders as early as possible, understand stakeholder expectations, facilitate awareness of the modernized system, and deliver the right message, at the right time, through the right channel.

Integrated Communication and Outreach Stages				
Make it Clear	Make it Known	Make it Real	Make it Happen	Make it Stick
Communication Objectives				
Develop communications and engagement strategy	Build early awareness, create excitement and build buzz	Enable employees and key stakeholders to envision what the change looks like	Prepare all employees, key stakeholders, and target audience groups for the system transition	Celebrate go-live, provide ongoing tips and tricks, enable feedback channels, remind of future releases
Key Considerations				
<ul style="list-style-type: none"> ✓ Identify target audience ✓ Map target audience ✓ Prioritize target audience ✓ Identify existing communication channels ✓ Define governance roles and processes ✓ Begin to plan audience-specific communications 	<ul style="list-style-type: none"> ✓ Develop outreach campaign activities ✓ Develop public relations material ✓ Equip identified stakeholders with talking points to share 	<ul style="list-style-type: none"> ✓ Deploy outreach campaign activities ✓ Deploy public relations material 	<ul style="list-style-type: none"> ✓ Continue to conduct outreach campaign activities ✓ Continue to cascade public relations material ✓ Track and measure outreach campaign activities and public relations material 	<ul style="list-style-type: none"> ✓ Continue to conduct outreach campaign activities ✓ Continue to cascade public relations material ✓ Track and measure outreach campaign activities and public relations material

4.1.2 High-level Communications, Outreach, and Engagement Strategy

- **Engagement:** Contractor will draw together the key insights and analysis to develop a concise strategy that outlines prioritized target audiences, engagement approaches, and key communication messages and channels. This will be used to inform Contractor subsequent outreach activities, with the view to updating the strategy once Contractor have the benefit of conducting some initial engagement and understanding, rather than predicting stakeholder attitudes and concerns and what messages will likely resonate with them.
- **Develop Key Messages:** As part of the strategy, Contractor will develop key messages introducing the program, demonstrating common visions, missions, and priorities.
- **Channels Identification:** The strategy will also identify appropriate communication channels for each target audience group and be used to inform an initial suite of communication materials to test stakeholder reaction and refine Contractor messaging.

4.1.3 Communication Materials

Compelling visual communications are an integral part of the communication process that can powerfully convey critical messaging using various channels and connect emotionally with the target audience groups. Contractor uses industry-standard Adobe and Microsoft software to create visually exciting artifacts from printed brochures, posters, and press releases to video, scripts, animation, social media and website content, and other digital outputs.

Getting the visualizations right is essential to the successful implementation of your strategy. Contractor believe that this approach will help LEO to start engaging as quickly as possible while reducing the unintentional risk of adverse sentiment, misunderstanding, or misperception.

Any communications materials prepared by Contractor will be developed under the guidance of LEO, and will be reviewed and approved by LEO-E&T's Communication and Outreach team before they are distributed. Contractor will not perform any distribution or outreach to media or press on behalf of LEO.

SUBTASK 4.1 DELIVERABLES:

- Training Pathways and Support Structure Plan
- Draft Statewide Infrastructure Workforce Plan

Subtask 4.2 Final Infrastructure Workforce Plan Submission

Incorporate feedback and Finalize workforce development plan

Contractor plans to take an iterative review approach to validate that the Plan presents accurate information and reflects LEO's visions and expectations. After the submission of the draft Statewide Infrastructure Workforce Plan on January 15, 2025, Contractor expects to receive the initial round of feedback from LEO no later than Jan 31, 2025. Contractor will address comments and concerns of LEO leadership and staff, and then submit a revised draft to LEO

for the second round of review in March 2025. If LEO approves, the second draft may be shared with partner agencies; further revisions will be made to incorporate partners' comments. In April 2025 the third draft will be submitted to LEO leadership, and Contractor will make further refinement to address any final comments and be prepared to submit the final report by May 1, 2025. This iterative approach helps enable a refined Plan to serve as an effective roadmap to implement the Executive Directive state-wide. More details about reporting can be found in Section "Metrics and Tracking".

SUBTASK 4.2 DELIVERABLES:

- Training Pathways and Support Structure Plan
- Draft Statewide Infrastructure Workforce Plan
- Final Statewide Infrastructure Workforce Plan

Task 5: Metrics and Tracking

Develop reports and technology to track program metrics and develop data sharing approach

Contractor will develop a set of metrics to assess program success and track progress towards goals, compatible with both State and federal reporting requirements. This involves creating a technology-enabled reporting system for real-time data sharing and analysis. Contractor will propose and identify any additional metrics, and define core performance metrics that seek to accurately and effectively measure the outcomes and impact of programs. These metrics will be tailored to each program's specific objectives and target populations while fostering consistency

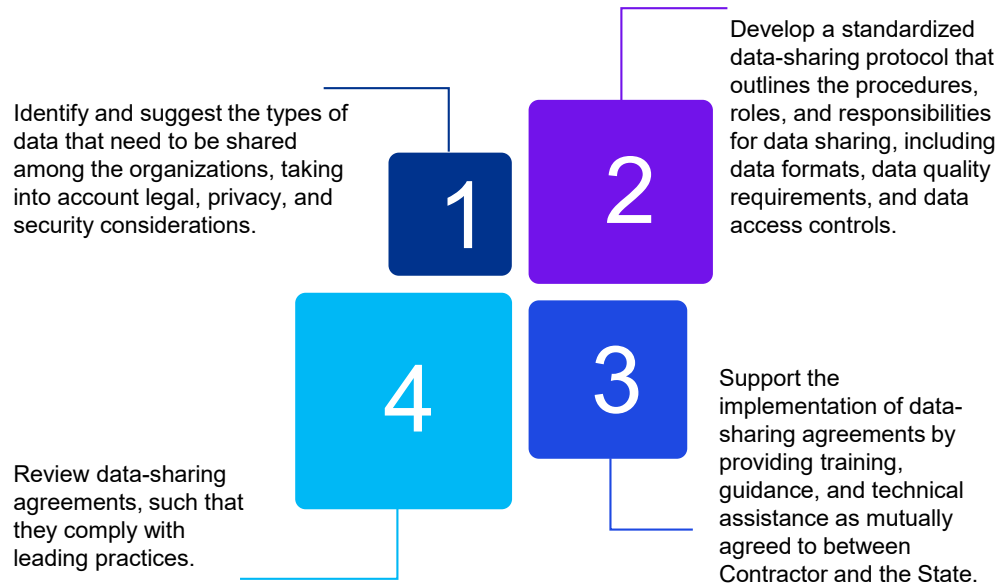
across programs to facilitate comparison and aggregation. Examples of core performance metrics include job placement rates, skill development, and economic impact. Contractor will work with LEO to refine and finalize the proposed metrics, so that they align with program goals and stakeholder expectations.

Subtask 5.1 Establishing Data Sharing Agreements

Recognizing the importance of data sharing for effective collaboration and decision-making, Contractor will work with key stakeholders to help establish data-sharing agreements that facilitate the exchange of information among all parties involved.

Data-sharing agreements must be established between E&T and UIA, with Contractor as the LEO contractor. These agreements will outline the terms and conditions for data sharing, helping ensure that data is securely shared and accessed in strict compliance with all relevant regulations. This approach will facilitate seamless data integration from various sources, enhancing overall data quality and reliability.

If LEO were to use a Contractor tool, SOM would retain ownership of all data resulting from this project and the right to maintain control over its data. DTMB will need to be engaged to address data privacy and security. Contractor will:



Subtask 5.2 Monitoring and Continuous Improvement

Once the tracking system is fully operational, Contractor will assist in monitoring its performance and making continuous improvements. Contractor will build upon LEO's existing monitoring procedures, identify new monitoring components, and establish a process where program progress and data sharing can be easily tracked and reported. Contractor will leverage a feedback mechanism to gather input from users and identify any issues or areas for improvement. This feedback will be used to make ongoing adjustments and enhancements to the tracking system. Higher monitoring efforts will be placed on more complex programs, for example, programs with a relatively long training duration and a sophisticated partnership model.

By evaluating incoming grant performance data, producing summary documents, reports, dashboards, and infographics, and maintaining open communication with LEO staff, Contractor aims to support effective monitoring, evaluation, and decision-making for the workforce development programs. This wide-ranging approach will help improve programs performance, enhance resource allocation, and ultimately contribute to better outcomes for the citizens of the State. The following section outlines Contractor's approach to evaluating incoming performance data in collaboration with LEO staff, producing summary documents, reports, dashboards, and infographics, and communicating with department staff regarding specific questions.

5.2.1 Evaluating Incoming Performance Data

The Contractor team will work closely with LEO staff to evaluate incoming performance data. Contractor will:

1. Develop a systematic process for reviewing and validating performance data, determining it meets established quality standards and is consistent with programmatic and compliance requirements.
2. Analyze the data to identify trends, patterns, and anomalies that may indicate issues or areas for improvement.

5.2.2 Producing Summary Documents, Reports, Dashboards, and Infographics

To support effective monitoring, evaluation, and communication of workforce development programs performance, Contractor will produce a range of summary documents, reports, dashboards, and infographics, tailored to the needs of LEO and select stakeholders. These Summary Documents, Reports, Dashboards, and Infographics will:

1. Provide a clear, concise, and visually engaging overview of program performance, highlighting key metrics, trends, and findings.
2. Help enable Workforce Development program managers and funding recipients to track progress against objectives, identify areas for improvement, and make data-driven decisions.
3. Facilitate sharing insights and leading practices among stakeholders, fostering a culture of learning and continuous improvement.

5.2.3 Create Monthly Status, Interim and Final Reports

Creating interim and final evaluation reports is a crucial step in the Workforce Development Planning process, as it provides a clear and concise understanding of the findings and observations to stakeholders. The reports created for this project will present a thorough analysis of the Workforce Development Planning process, including the findings, conclusions, methodologies, assumptions, included and excluded data, documented practices, alternatives not implemented, and a summary of the benefits and drawbacks of the observed metrics. The reports will be well-structured, easy to understand, visually appealing, with clear and concise graphics and charts that help to illustrate the key findings and conclusions.

Contractor will provide monthly status reports during the project to keep LEO updated on the progress, findings, and preliminary conclusions. These reports will allow LEO to provide feedback, request clarifications, and guide the project direction. Contractor will provide an interim report midway through the project to promote transparency and keep all stakeholders informed of the progress.

At the conclusion of the project, Contractor will deliver a final report that synthesizes all findings, conclusions, and observations derived from the analysis.

Both interim and final reports will include the following components:

1. **Executive Summary:** A high-level overview of the project, including key findings, conclusions, and observations, intended for senior leadership and other stakeholders.
2. **Methodologies:** A detailed description of the methods employed in the analysis, including data collection, statistical techniques, and qualitative research methods.
3. **Assumptions:** A thorough list of assumptions made during the project, explaining the rationale behind each assumption and its potential impact on the findings.
4. **Included and Excluded Data:** A clear explanation of the data sources used in the analysis, along with a rationale for including or excluding specific data sets.
5. **Evaluated Practices:** A thorough documentation of the practices evaluated during the project, highlighting their effectiveness, challenges, and potential for improvement.
6. **Alternatives Not Implemented:** A discussion of alternative approaches and methodologies considered but not implemented, along with the reasons for their exclusion.
7. **Metrics:** A summary of the proposed metrics, including their benefits, drawbacks, and potential implications for the grant programs and grantees.

Contractor understand it is important for LEO to be able to continue using and benefiting from the deliverables developed through this engagement. Contractor will conduct knowledge transfer and facilitate

up to three working sessions to train LEO staff and equip them with the knowledge to maintain and use these work products in house.

5.2.4 Visualization and Infographics

To enhance the readability and impact of the reports, Contractor will include visual aids and infographics that clearly illustrate key findings, trends, and relationships. These may consist of charts, graphs, tables, and other visual elements designed to convey complex information in an accessible and engaging manner.

5.2.5 Collaboration and Feedback

Throughout the report development process, Contractor will collaborate closely with LEO staff to validate that the reports align with their expectations and requirements. Contractor will incorporate feedback from the department and make any necessary revisions to the reports to address concerns, clarify points of confusion, and verify that the final deliverables are accurate, thorough, and actionable. Contractor aims to empower the department with valuable insights and actionable guidance to improve grant program design, performance, and impact.

Deliverables:

- Program Metrics Framework
- Initial and Final Evaluation Reports

Project Management

Assist with overall project management and support of the LEO team in implementing the Executive Directive

Contractor will establish a Project Management Office (PMO) within LEO to oversee the implementation of the Building Michigan's Infrastructure Workforce program (BMIW) program. This will involve setting up the PMO structure, defining roles and responsibilities, and assigning experienced Contractor project managers and support staff to the PMO. The PMO will serve as the central hub for project coordination, helping ensure that all activities are aligned with the program's objectives.

The PMO will be equipped with the necessary tools and resources to effectively manage the program, The toolkit is based on industry standards, specifically, the Project Management Institute (PMI)'s program and project management bodies of knowledge (PMBOK).

Contractor will work with LEO leadership to develop a project plan, outlining key activities, timelines, milestones, and responsibilities. This plan will serve as a roadmap for the program, helping ensure that all tasks are clearly defined and assigned to the appropriate team members.

The project plan will include detailed schedules, risk management strategies, and contingency plans to address potential challenges. Regular updates and reviews will be conducted to confirm that the plan remains on track and adjustments are made as mutually agreed.

Project Kick-Off: Contractor will conduct a Project Kickoff Meeting to announce the official start of the project and will involve all known project stakeholders. Contractor team will plan and lead the project kickoff activities. Contractor'll provide LEO with suggested agenda topics and together review and finalize these and coordinate appropriate team participation. Contractor recognize the Kickoff Meeting sets the stage for Contractor collaborative working relationship. Contractor will provide the tools, resources, and focus necessary to make the Kickoff Meeting with the LEO project team an informative and productive start to the project work.

Establish Project Management Office (PMO): To help enable seamless project execution, Contractor will establish a dedicated PMO within LEO. The PMO will serve as the central hub for project coordination, providing structure, guidance, and oversight. This involves defining roles and responsibilities, assigning experienced project managers, and support staff to the PMO.

Develop a Robust Project Plan: Contractor recognizes the importance of a well-defined project plan to guide the implementation of BMIW. Working closely with LEO, Contractor will develop a project plan that encompasses all critical aspects of the program. This includes identifying key activities, establishing timelines, setting milestones, and clearly defining responsibilities.

Implement Risk Management Strategies: With the inherent complexities of a program like BMIW, effective risk management is essential. Contractor will work closely with LEO leadership to identify potential risks and develop risk management strategies. Regular risk assessments will be conducted, and the risk management plan will be updated as mutually agreed to address emerging challenges.

Monitor Project Progress: To help enable the successful execution of the program, Contractor will closely monitor project progress against the established plan. Contractor will utilize Contractor's project tracking system to capture key metrics and milestones while conducting regular progress reviews.

Facilitate Effective Communication: Open and transparent communication is crucial for project success. Contractor will provide regular updates to LEO leadership and stakeholders on the progress, challenges, and achievements of the program. These updates will be delivered through weekly project management meetings, weekly progress reports, and presentations, fostering ongoing collaboration and stakeholder engagement.

Provide Administrative Support: Contractor will assist LEO in the preparation and management of project documentation, including meeting minutes, reports, and presentations. Contractor will verify that all documentation is accurate, thorough, and easily accessible to all relevant parties. Additionally, Contractor will provide logistical support for meetings and workshops allowing LEO to focus on strategic and operational activities.

Deliverables:

- Kickoff Meeting Agenda, Presentation, and Minutes.
- Project Management Plan (PMP) including Risk Management Plan
- Detailed Project Schedule
- Weekly Progress Reports
- Meeting Documentation including meeting minutes, reports, and presentations.

Assumptions

- Contractor fee assumes that there will be a maximum of 10 events (one in each for the 10 prosperity regions) which will require Contractor support.
- Contractor may engage a subcontractor to support roadshow events, SOM should maintain oversight and have the authority to sign off on this process. SOM will designate specific individuals or

departments within SOM who will be responsible for this oversight and validation. This will promote accountability and that all necessary checks are thoroughly conducted.

- The majority of the work will be completed remotely apart from key stakeholder meetings and presentations. Contractor will request LEO Project Manager approval prior to planning any travel.
- The scope of work will be for the following asset classes only: Transportation, Clean Energy, Technology, and Broadband

Key Personnel

Workforce Development

 James Moore, Ph. D. <i>Workforce Development Practice Lead</i>	
 Alice Yu, Ph. D. <i>Workforce Development and Economic Services</i>	 Michelle Lin <i>Workforce Data and Labor Market Information</i>
 John Collins <i>Workforce Program Evaluation</i>	 Rukayat Adeoti <i>Workforce Development Compliance</i>
 David Jung <i>Labor Market Information and Workforce Planning</i>	 Isha Gangal <i>Workforce Program Development</i>

Infrastructure Programs

 Prakash Ganesh <i>Infrastructure Program and Strategy Lead</i>	
 Gareth Lifton <i>EGLE Programs</i>	 Dan Adleman <i>MDOT Programs</i>
 Madison White <i>MHI Programs</i>	 Suzie Heap <i>MIO Coordination</i>
 Karim Haddad <i>Infrastructure Program Data and Financial Tracking</i>	 Jeffrey Phillips <i>Infrastructure Program Funding</i>

Schedule B – Pricing

Contractor schedule assumes that LEO will provide all requested information and the LEO will be available to review and provide comments in a timely manner.

#	Task	Anticipated Schedule	Budget
1	Strategy and Planning and Organization and Operating Model	August to November 2024	\$485,000
2	Program Development	August 2024 to January 2025	\$330,000
3	Tracking Approach Design	August 2024 to January 2025	\$150,000
4	Workforce Development Plan	August 2024 to May 2025	\$365,000
5	Metrics and Tracking	August 2024 to April 2025	\$470,000

The estimated budget for this engagement is a lump sum fee of **\$1,800,000**. Fees will be billed upon completion of the scope of services described herein.



**STATE OF MICHIGAN
ENTERPRISE PROCUREMENT**

Department of Technology, Management, and Budget
320 S. Walnut Street 2nd Floor Lansing, MI 48933
P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number 24
to
Contract Number MA18000000879

CONTRACTOR	KPMG LLP
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	San Francisco CA 94105
	Liam Kelly
	415-932-9040
	liamkelly@kpmg.com
	CV0059169

STATE	Program Manager	Various	Various
STATE	Contract Administrator	Adam Ashley	DTMB
		517-855-1376	
		ashleya2@michigan.gov	

CONTRACT SUMMARY				
Financial & Strategic Consulting and Advisory Serv				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
August 20, 2018	August 19, 2021	5 - 12 Months	August 19, 2026	
PAYMENT TERMS		DELIVERY TIMEFRAME		
2%NET15, NET45		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (PRC) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$14,637,441.48	\$300,000.00	\$14,937,441.48		
DESCRIPTION				
Effective 7/30/24, \$300,000 is added to the Contract for the continuation of the the Michigan Connected Corridor Project for MDOT.				
All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Central Procurement approval, and State Administrative Board approval on July 30, 2024.				

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
MDOT	Ryan Mitchell	517-614-7025	MitchellR13@michigan.gov
EXEC	Zachary Kolodin	517-242-0449	kolodinz@michigan.gov
EXEC	Sincerae Remus	517-449-2176	RemusS1@michigan.gov



STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 320 S. WALNUT ST., LANSING, MICHIGAN 48933
 P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **23**
 to
 Contract Number **18000000879**

CONTRACTOR	KPMG LLP
	55 Second Street , Suite 1400
	San Francisco, CA 94105
	Liam Kelly
	415-932-9040
	liamkelly@kpmg.com
	CV0059169

STATE	Program Manager	Various	SW
Contract Administrator	Adam Ashley	DTMB	
	(517) 855-1376		
	ashleya2@michigan.gov		

CONTRACT SUMMARY

FINANCIAL & STRATEGIC CONSULTING AND ADVISORY SERV

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
August 20, 2018	August 19, 2021	5 - 1 Year	August 19, 2026
PAYMENT TERMS		DELIVERY TIMEFRAME	
2%NET15, NET45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$9,047,910.00	\$5,589,531.48	\$14,637,441.48		

DESCRIPTION

Effective March 1, 2024, the following changes are hereby incorporated into this contract:

- The attached Schedule A - Statement of Work is hereby incorporated into the contract and the value is hereby increased by \$5,589,531.48 for LEO.
- The Contractor's hourly rate is hereby increased from \$430 to \$438.60.
- Please note the Contract Administrator has been changed to Adam Ashley.
 Email: Ashleya2@michigan.gov
 Phone Number: 517-855-1376

All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Central Procurement approval, and State Administrative Board approval on February 13, 2024

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
MDOT	Ryan Mitchell	517-614-7025	MitchellR13@michigan.gov
EXEC	Zachary Kolodin	517-242-0449	kolodinz@michigan.gov

SCHEDULE A - Labor & Economic Opportunity (LEO)

Michigan High Speed Internet (MIHI): Proposed Amendments

Broadband Program Support for BEAD and Digital Equity Scope of Work:

OUR UNDERSTANDING:

Over the past year the Michigan High-Speed Internet Office (MIHI) has accomplished significant work in planning and executing a range of federal funding programs designed to boost broadband infrastructure and digital equity across Michigan. Notably, major accomplishments have included planning for the Broadband Equity, Access, and Deployment (BEAD) Program, including developing the Five-Year Action Plan and Initial Proposal, and the State Digital Equity Planning Grant Program (SDEPG), which gave rise to the state's Digital Equity Plan. With much of the planning deliverables submitted and/or awaiting comments and approval from the National Telecommunications and Information Administration (NTIA), MIHI is seeking further assistance in the implementation of the BEAD program, such as supporting the challenge process, implementing the infrastructure deployment subgrantee program, implementing the non-deployment subprograms, supporting reporting submissions to NTIA, and Final Proposal submission development. Furthermore, should the State Digital Equity Capacity Grant become available, MIHI may look to secure additional support towards implementing the Digital Equity Plan.

SERVICES TO BE PROVIDED:

A summary of the tasks is included below. A more detailed description of each task is included in the following sections:

1. **BEAD Initial Proposal and Initial Proposal Funding Request:** Support edits to both the Initial Proposal and the Initial Proposal Funding Request based on NTIA comments.
2. **BEAD Challenge Process:** Support the challenge process including reviewing of challenges and rebuttals submitted, and developing guidance documents, public communications, operating procedures, and other compliance support.
3. **BEAD Financial Analysis:** Support the development of the BEAD application process and tools with financial analysis required to develop cost estimates and benchmarks including the Extremely High-Cost Per Location Threshold and other regional scoring criteria for deployment projects.
4. **BEAD Deployment Subprograms:** Support all phases of the deployment subgrantee program development and implementation including premarketing and market sounding, grant portal and GIS mapping tool development, application and guidance document development, application evaluations, commercial review of the grant agreements, deconfliction of applications and negotiations.
5. **BEAD Non-Deployment Competitive Subprograms:**
Support the development of non-deployment competitive grant programs including developing detailed scoring rubric(s), detailed program requirements, an evaluation and award process, development guidance documents and applications. If NTIA provides their approval, support the implementation of the non-deployment subprograms including application evaluations and negotiations.

6. **BEAD Administrative and Programmatic Support:** Administrative and Programmatic support includes activities such as developing compliance review frameworks and reporting support.
7. **BEAD Final Proposal:** Support the development of the final proposal, to be submitted 365 days after NTIA's approval of Initial Proposal Volume II.
8. **Workforce Development:** Support the implementation of the workforce development plan and additional analysis and research, as requested by MIHI.
9. **Digital Equity Implementation Plan:** Support the implementation of the Digital Equity Plan and the Digital Equity Capacity Grant.

TIMEFRAME:

It is anticipated this next phase of work will begin January 2024 and provide on-going support until December 2025. The timeframe for each task may vary and be dependent on the timing of NTIA's reviews and feedback.

Task 1: BEAD Initial Proposal and Initial Proposal Funding Request

Support the MIHI Office to finalize both the Initial Proposal and the Initial Proposal Funding Request based on NTIA comments and deliver final approved versions of both documents. Draft versions of both documents will be delivered to MIHI before December 22, 2023, as part of the current scope of work and budget.

Deliverables:

- Final version of Initial Proposal Volume I and II that addresses NTIA edits and comments.
- Final approved version of the Initial Proposal Funding Request that addresses NTIA edits and comments.

Level of Effort: \$51,037.77

Task 2: BEAD Challenge Process

Support the challenge process including developing guidance documents, public communications, evaluation process documentation, and other compliance support.

Deliverables:

- Final version of the challenge evaluation process, required by NTIA as part of the Initial Proposal Volume I.
- Detailed guidelines on challenge submission process, acceptable challenges, the rebuttal process, and acceptable rebuttal evidence that can be shared with non-profits, internet service providers (ISPs), and local governments.
- Communication materials including emails, one-page explainer, and presentations for non-profits, ISPs, and local governments with information on the challenge process.
- Support evaluating submitted challenges and rebuttals, as required and directed by MIHI.

Level of Effort: \$240,414.77

Task 3: BEAD Financial Analysis

Support the development of the BEAD application portal and GIS mapping tool with financial analysis required for cost benchmarking and assessment/scoring criteria for deployment projects. This includes meetings with FCC cost model provider to gather information on the FCC model assumptions and limitations, providing detailed model inputs and assumptions, and review of MIHI's cost model developed for accuracy and assumptions. Support the development of the Extremely High-Cost per Location Threshold once the first round of applications have been received.

Deliverables:

- Input and review of MIHI cost model to be used in the application portal and GIS mapping tool for detailed evaluation and scoring criteria for deployment projects.
- Market assessment report using ROBIN program data to analyze ISPs willingness to pay (subsidies), revenue, and costs.
- Approach and output to calculating the Extremely High-Cost per Location Threshold.

Level of Effort: \$237,280.87

Task 4: BEAD Deployment Subprograms

Support all phases of the deployment subprogram development and implementation including premarketing and market sounding, grant portal and GIS mapping tool development, application and guidance document development, application evaluations, deconfliction and negotiations. A more detailed description for each proposed support area for BEAD deployment subprograms is included below:

Premarketing/Market sounding

- Virtual one-on-one meetings with ROBIN ISPs and interested participants for the BEAD deployment programs (up to 20 meetings)
- Webinar materials including slide presentations for potential applicants

Grant portal and mapping tool development

- Provide guidance to MIHI's online mapping tool developer to support the build-out of an online mapping tool to collect proposed project areas and provide scoring rubrics applicable based on selected project areas
- Work with MIHI's grant portal vendor to support the build-out of a web-based platform to include application, instructions, scoring rubric, and support the launch of the grants portal to begin accepting grant applications
- Support the development of training materials and guidance documents, as required

Subgrant application and guidance document development

- Support MIHI in the development of BEAD subgrant guidance and application documentation that collects information necessary to make grant awards, including:
 - Preregistration guidance document
 - Project application guidance document
 - Application document for subgrantee, to be configured in online portal
 - Develop and document more detailed program requirements and procedures, as needed

- A detailed scoring rubric for priority and non-priority projects, to be configured in the grant and online mapping portal
- Webinars, presentations, FAQ documents, and other training/informational materials for applicants, as required

Review applications

- Provide training, set up evaluation process, establish quality assurance process and set up evaluation systems.
- Pre-screening and applicant level assessment including evaluation of pre-registration documentation, assess financial capacity, managerial capacity, technical capacity, and organizational capacity of applicants.
- Review and score project level applications including detailed review of project application and completion of the scoring rubric.
- Support deconfliction of project applications, as described in the BEAD Initial Proposal Volume II
- Support project area negotiations with applicants to revise applications, as described in the BEAD Initial Proposal Volume II
- Support grant agreement development, negotiations, reporting and analysis.

Deliverables

- Preregistration guidance document for subgrantees
- Project application guidance document, application document, and detailed scoring for subgrantees
- Grant portal development support
- Recommendations on compliant submissions based on review of preregistration documentation.
- Recommendations on compliant submissions based on review of project applications documentation.
- Recommendations for deployment project scoring based on review using agreed scoring rubric.
- Additional training materials, presentations, FAQ documents, and guidance documents, as required.

Level of Effort: \$3,714,117.19

Task 5: BEAD Non-Deployment Competitive Subprograms

Support the development of non-deployment competitive grant programs including developing detailed scoring rubric(s), detailed program requirements, an evaluation and award process, development guidance documents and applications. If NTIA provides their approval, support the implementation of the non-deployment subprograms including application evaluations and negotiations.

Deliverables:

- Project application guidance document for subgrantees.
- Application document for subgrantees, to be configured in online grant portal.
- A detailed scoring rubric for each non-deployment subprogram, to be configured in online grant portal.
- Recommendations on compliant submissions based on review of project applications documentation.
- Recommendations for deployment project scoring based on review using agree scoring rubric.

- Additional training materials, presentations, FAQ documents, and guidance documents, as required.

Level of Effort: \$512,168.52

Task 6: BEAD Administrative and Programmatic Support

Administrative support will include assistance developing guidance for MIHI to follow related to reporting and compliance requirements for BEAD funding. This will include supporting the development of reporting documents to be submitted to NTIA and compliance review of subgrantee reporting, as applicable and required. KPMG will work with and support Michigan's Project Management Office (PMO) who will complete the subgrantee risk assessment and monitoring.

Deliverables:

- Report development and compliance review of State reporting submissions to the NTIA.
- Compliance review of subgrantee reporting, as applicable and required.

Level of Effort: \$107,447.94

Task 7: BEAD Final Proposal

Support the development of the final proposal, to be submitted 365 days after NTIA's approval of Initial Proposal Volume II. The final proposal will include responses to requirements for the outcome of the subgrantee selection process, priority project commitments, timeline for implementation of projects, accountability and oversight processes, local coordination, results of the challenge process, use of non-deployment funds, selection process for non-deployment subgrants, non-traditional broadband provider participation, implementation status of plans described in the Initial Proposal including labor and workforce activities and the utilization of minority enterprises, among other requirements.

Deliverables:

- Overall development and write up of the Final Proposal, bringing together all the components into a comprehensive submission including managing the review and approval process.

Level of Effort: \$261,456.66

Task 8: Workforce development

Support the implementation of the workforce development plan and commitments included in the Initial proposal and State Digital Equity Plan such as stakeholder engagement for sector-based partnerships and promoting relevant training. Additional data analysis and research to support workforce development and plan implementation can be completed as requested and directed by MIHI. This analysis may include:

- Direct, indirect, and, induced economic impacts of BEAD investments
- A report on existing training programs relevant to BEAD deployment including an inventory of training providers, courses offered, and estimated reach within the community
- Gap analysis report highlighting disparities between existing training provisions and required skill sets for BEAD deployment

- A detailed demographic and skills report of the broadband workforce

Deliverables:

- To be determined based on level of support requested.

Level of Effort: \$293,691.04

Task 9: Digital Equity Implementation Plan

Support the implementation of the Digital Equity Plan and the Digital Equity Capacity Grant. A more detailed scope of work to be agreed between both parties once the Digital Equity Capacity Grant Notice of Funding Opportunity (NOFO) is released.

Deliverables:

- To be determined based on level of support requested.

Level of Effort: \$171,916.71

Task	Task Total
Task 1: BEAD Initial Proposal and Initial Proposal Funding Request	\$ 51,037.77
Task 2: BEAD Challenge Process	\$ 240,414.77
Task 3: BEAD Financial Analysis	\$ 237,280.87
Task 4: BEAD Deployment Subprograms	\$ 3,714,117.19
Task 5: BEAD Non-Deployment Competitive Subprograms	\$ 512,168.52
Task 6: BEAD Administrative and Programmatic Support	\$ 107,447.94
Task 7: BEAD Final Proposal	\$ 261,456.66
Task 8: Workforce development	\$ 293,691.04
Task 9: Digital Equity Implementation Plan	\$ 171,916.71

Next Phase Level of Effort	\$5,589,531.48
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STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 320 S. WALNUT ST., LANSING, MICHIGAN 48933
 P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number 22
 to
 Contract Number 180000000879

CONTRACTOR	KPMG LLP
	55 Second Street , Suite 1400
	San Francisco, CA 94105
	Liam Kelly
	415-932-9040
	liamkelly@kpmg.com
	CV0059169

STATE	Program Manager	Various	SW
	Contract Administrator	Jordana Sager	DTMB
		(517) 896-1903 sagerj2@michigan.gov	

CONTRACT SUMMARY

FINANCIAL & STRATEGIC CONSULTING AND ADVISORY SERV

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
August 20, 2018	August 19, 2021	5 - 1 Year	November 19, 2024
PAYMENT TERMS		DELIVERY TIMEFRAME	
2%NET15, NET45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	1 year 10 months	<input type="checkbox"/>		August 19, 2026
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$9,047,910.00	\$0.00	\$9,047,910.00		

DESCRIPTION

Effective November 30, 2023, the 1 year, 10 months option year available on this contract is hereby exercised. The revised contract expiration date is August 19, 2026.

All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Central Procurement approval.

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
MDOT	Ryan Mitchell	517-614-7025	MitchellR13@michigan.gov
EXEC	Zachary Kolodin	517-242-0449	kolodinz@michigan.gov



STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 320 S. WALNUT ST., LANSING, MICHIGAN 48933
 P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number 21
 to
 Contract Number 180000000879

CONTRACTOR	KPMG LLP
	55 Second Street , Suite 1400
	San Francisco, CA 94105
	Liam Kelly
	415-932-9040
	liamkelly@kpmg.com
	CV0059169

STATE	Program Manager	Various	SW
STATE	Contract Administrator	Jordana Sager	DTMB
		(517) 896-1903	
		sagerj2@michigan.gov	

CONTRACT SUMMARY

FINANCIAL & STRATEGIC CONSULTING AND ADVISORY SERV

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
August 20, 2018	August 19, 2021	5 - 1 Year	August 19, 2024
PAYMENT TERMS		DELIVERY TIMEFRAME	
2%NET15, NET45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	3 months	<input type="checkbox"/>		November 19, 2024
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$8,401,870.00	\$646,040.00	\$9,047,910.00		

DESCRIPTION

Effective November 28, 2023, the following changes are hereby added to the contract:

1. An updated Statement of Work for the Line 5 Dual Pipeline and Tunnel project added with Change Notice 17 and \$388,000 for this work.
2. Exercising 3 months of an option year for the Line 5 Dual Pipeline and Tunnel project. New expiration date is November 19, 2024.
3. A Statement of Work for the Michigan Connected Corridor Project – Phase II project on Change Notice 11 and \$258,040.00 for this work.

All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Central Procurement approval, and State Administrative Board approval on November 28, 2023.

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
MDOT	Ryan Mitchell	517-614-7025	MitchellR13@michigan.gov
EXEC	Zachary Kolodin	517-242-0449	kolodinz@michigan.gov

Statement of Work – Michigan Department of Transportation (MDOT)

Financial and Commercial Advisory Services – Line 5 Dual Pipeline and Tunnel Contract 18000000879 - Change Notice 21 – Amendment of Change Notice 17

The Contractor has updated the Statement of Work dated June 21, 2023, for financial and commercial advisory services for the Michigan Department of Transportation (“MDOT”) and Mackinac Straits Corridor Authority (the “Authority”) with respect to the procurement and construction of the Line 5 Dual Pipeline and Tunnel (the “Project”). This Amendment 1 (i) expands the scope of the work to be delivered by The Contractor and through a subcontractor expands the total budget for the Project, and (iii) extends the timing through the end of November 2024.

I. Scope of Work Extension

The scope of services involves assistance to MDOT on an as needed basis with respect to transaction development. To support MDOT and the Authority on the Project, the Contractor will provide the following financial and commercial advisory services:

- Support discussions on transaction process and review of commercial and financial documents including the tunnel agreement in relation to the Project
- Support in the onboarding of a commercial advisor at the request of MDOT
- Advise on assessment of potential commercial and financial opportunities and risks for the Authority in its capacity as owner, lessor and counterparty
- Assist with financial and commercial assessment of potential implications to the Authority in case of default under the Tunnel Agreement and the agreement between Enbridge and the entity to perform the construction
- Assist with the commercial review of implications to the Authority in relation to the substantial completion of the Project and the lease agreement
- Provide commercial and financial assessments to the Authority on matters relating to the Project, such as defaults, claims, notices of termination, permitting obligations, approval requirements and related matters

MDOT and the Authority have also requested that the Contractor retain the services of a subcontractor to act as commercial advisor, for the benefit and at the direction of MDOT and the Authority. To support the project, the subcontractor will provide the following commercial advisory services with respect to matters relating to the Project and the Authority’s rights and responsibilities in respect thereof including the following:

- Review of documentation to which the Authority is a party with respect to the Project and advising thereon;
- Advising on key business terms and commercial structure of the Authority with respect to the Project including in its capacity as owner, lessor and contractual counterparty;
- Advising the Authority with respect to its financial rights and potential liabilities should default occur under any of the Project Agreements including the Tunnel Agreement and construction agreement to be entered into between Enbridge and the project constructor;
- Advising the Authority with respect to the Authority’s rights and obligations to make determinations under any Project Agreements including the Tunnel Agreement;
- Assisting and advising the Authority with respect to its rights and obligations relating to substantial completion of the Project and the entering into of the Tunnel Lease; and
- Assisting and advising the Authority with respect to any and all matters relating to the

Project or the Project Agreements including any defaults, claims, notices of termination, permitting obligations, consents, approval or any other matters.

In performing its services, the subcontractor may bring to the attention of the Attorney General's Office potential issues under Michigan law; provided, however, the subcontractor will not be responsible for any resolution or interpretation of Michigan law or for providing any legal opinions, including Michigan legal opinions.

II. Excluded Services

The scope of services will exclude the following services:

- Accounting policy review or advice, including constituting acceptance, endorsement or approval of any accounting application or compliance with any accounting standard or requirement;
- Providing guidance on cost accounting activities related on-going operations of the Project;
- Audit or valuation of historical financial performance relating to the Project;
- Tax advice including provision of a formal opinion, although The Contractor will be pleased to discuss separate terms of engagement for these services if required;
- Preparation of cash flows for the Project and other technical projections required for project delivery, except as provided by the State; and
- Legal advice/services.

III. Budget Extension

Due to the increase in the scope, the total authorized budget is increased by \$388,000, of which:

- \$258,000 (inclusive of any direct non-salary reimbursement costs and \$10,000 for actual out-of-pocket expenses) is allocated for Subcontractor (hourly rates provided below); and
- \$130,000 for the Contractor.

The State and MDOT shall not be obligated to pay for, and the Contractor shall not be obligated to incur, hours or fees which exceed the total not-to-exceed price of this Amendment 1, as may be amended by the parties from time to time.

Subcontractor Hourly Rates

- Corey Boock – \$620/hr
- Elizabeth Cousins – \$620/hr
- Patrick Harder – \$620/hr
- Adeyemi Ojudon – \$620/hr
- Other Attorneys, as needed – \$620/hr
- Paralegals, as needed – \$350/hr

The foregoing rates shall apply during calendar year 2023 and 2024 and shall escalate by 3% annually (rounded up to the nearest \$5 increment) on January 1, 2025 and each January 1, thereafter.

The Contractor's Hourly Rates

The State will compensate the Contractor based on the established hourly rate of \$430 per hour for services the Contractor's performs, as established in Contract number 180000000879.

IV. Assumptions

The Contractor will require the support of the State and associated personnel in order to achieve timely completion of the aforementioned services. Support includes, but is not limited to, the

collection of relevant documents (paper or electronic) and the scheduling of interviews and coordination of meetings.

The State will designate a management level individual to oversee the conduct of these services, including coordination of project resources needed and review of draft deliverables. State personnel assigned to the project will review draft deliverables on a timely basis.

The Contractor's services as outlined in the Statement of Work constitute an advisory engagement conducted under the American Institute of Certified Public Accountants ("AICPA") Standards for Consulting Services. Such services are not intended to be an audit, examination, attestation, special report or agreed-upon procedures engagements as those services are defined in AICPA literature applicable to such engagements conducted by independent auditors. Accordingly, these services shall not result in the issuance of a written communication to third parties by the Contractor directly reporting on financial data or internal control or expressing a conclusion or any other form of assurance. Additionally, such services provided by the Contractor or its subcontractor are not intended to be legal services or the provision of legal advice, nor will such services result in the formation of the attorney-client relationship. The State and MDOT represent that they will not seek legal services or legal advice from the Contractor or its subcontractor under the Statement of Work, and they will solely rely on the Office of the Attorney General for such legal services and advice.

It is understood and agreed that the Contractor is not registered with the SEC as a municipal advisor and that the State is not asking the Contractor to provide, and the Contractor will not provide, any services to the State which would require registration as a municipal advisor, including but not limited to advice with respect to municipal financial products or the issuance of municipal securities. Accordingly, the Contractor will not make recommendations relating to municipal financial products or the issuance of municipal securities, and the Contractor will not owe a fiduciary duty to the State under Section 15B of the Securities Exchange Act of 1934. The State represents to the Contractor that if the State desires municipal advisor services in connection with or related to the subject matter of this engagement, it will obtain such services from another party.

MDOT is aware that Contractor may be providing assurance, tax and/or advisory services to other actual or potential third parties working with MDOT. The Contractor will perform an internal search for any potential client conflicts relating to any such third parties identified by MDOT as having a role in connection with the Contractor's performance of this Contract. The Contractor will disclose, subject to confidentiality restrictions, to MDOT of any conflicts of interest and obtain your consent to proceed with the services. However, the Contractor is a large firm that is engaged by new clients on a daily basis and as a result it cannot guarantee that, following its conflict search, an engagement for a third party will not be accepted somewhere with the firm. Should any new information come to the Contractor's attention, the Contractor will promptly inform MDOT. The Contractor shall perform this Contract in accordance with applicable professional standards. In the event a potential conflict is identified, in order to mitigate such a conflict, the Contractor will cease work until your consent is received or an alternative course of action is mutually agreed upon.

Legal services are outside of the scope of this Statement of Work/Change Notice, and neither the Contractor nor its subcontractor (including the commercial advisor) will be providing legal services to the State under this Statement of Work/Change Notice. Questions of law, including potential changes to current law, are the sole responsibility of MDOT in consultation with MDOT counsel.

Funding: \$388,000.00

Statement of Work – Michigan Department of Transportation (MDOT)

Financial and Commercial Advisory Services – Michigan Connected Corridor Project – Phase II Contract 18000000879 Change Notice 21

I. Scope of Work

As part of the Contractor’s advisory services for the Michigan Connected Corridor Project (the “project”), the State of Michigan (“State”) and the Michigan Department of Transportation (“MDOT”) have requested the Contractor provide support and assistance on an as needed basis to (i) a preliminary assessment, and (ii) transaction development.

During the preliminary assessment support phase, the Contractor has supported MDOT to review relevant information and materials developed by Cavnue, to facilitate discussions to identify policy objectives and limitations for the project and to identify key commercial risks of the commercial structures proposed by Cavnue.

As part of Contract 18000000879 Change Notice 11, a separate NTP is required to proceed with Phase 2 where the Contractor will provide support to MDOT during the transaction development. Sections below describe the services and budget to be provided during Phase 2.

Phase 2 (subject to separate NTP): Transaction Development Support

- i. Support MDOT in discussions on transaction process
- ii. Assist MDOT on development/review of scope of work
- iii. Advise MDOT on funding and financial analysis, including the financial structure proposed by Cavnue
- iv. Advise on assessment of commercial risks, business opportunities and development of commercial structure
- v. Assist with development of term sheets
- vi. Support in development of commercial agreements
- vii. Assist MDOT coordinate with other stakeholders
- viii. Advise MDOT on negotiations with Cavnue
- ix. Assist with funding and financing applications/negotiations

II. Budget

A budget of \$258,040 is requested to perform the services of Phase 2. This budget will cover the period of services through March 31, 2024.

III. Excluded Services

The scope of services will exclude the following services:

- Accounting policy review or advice, including constituting acceptance, endorsement or approval of any accounting application or compliance with any accounting standard or requirement;

- Providing guidance on cost accounting activities related on-going operations of the Project;
- Audit or valuation of historical financial performance relating to the Project;
- Tax advice including provision of a formal opinion, although the Contractor will discuss separate terms of engagement for these services if required;
- Preparation of cash flows for the Project and other technical projections required for project delivery, except as provided by the State; and
- Legal advice.

IV. Other

The Contractor will require the support of the State and associated personnel in order to achieve timely completion of the aforementioned services. Support includes, but is not limited to, the collection of all relevant documents (paper or electronic) and the scheduling of interviews and coordination of meetings.

The State will designate a management level individual to oversee the conduct of these services, including coordination of project resources needed and review of draft deliverables. State personnel assigned to the project will review draft deliverables on a timely basis. Additionally, the State and its other advisers will provide the Contractor with underlying cost data for the Project as appropriate. The Contractor's services may include advice and recommendations; but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, MDOT. The Contractor will not perform management functions or make management decisions for MDOT.

The Contractor's services as outlined in this task order constitute an advisory engagement conducted under the American Institute of Certified Public Accountants ("AICPA") Standards for Consulting Services. Such services are not intended to be an audit, examination, attestation, special report or agreed-upon procedures engagements as those services are defined in AICPA literature applicable to such engagements conducted by independent auditors. Accordingly, these services shall not result in the issuance of a written communication to third parties by the Contractor directly reporting on financial data or internal control or expressing a conclusion or any other form of assurance.

It is understood and agreed that the Contractor is not registered with the SEC as a municipal advisor and that the State is not asking the Contractor to provide, and the Contractor will not provide, any services to the State which would require registration as a municipal advisor, including but not limited to advice with respect to municipal financial products or the issuance of municipal securities. Accordingly, the Contractor will not make recommendations relating to municipal financial products or the issuance of municipal securities, and the Contractor will not owe a fiduciary duty to the State under Section 15B of the Securities Exchange Act of 1934. The State represents to the Contractor that if the State desires municipal advisor services in connection with or related to the subject matter of this engagement, it will obtain such services from another party.

MDOT is aware that Contractor may be providing assurance, tax and/or advisory services to other actual or potential third parties working with MDOT. The Contractor will perform an internal search for any potential client conflicts relating to any such third parties identified by MDOT as having a role in connection with the Contractor's performance of this Contract. The Contractor will disclose, subject to confidentiality restrictions, to MDOT of any conflicts of interest and obtain your consent to proceed with the services. However, the Contractor is a large firm that is engaged by new clients on a daily basis and as a result it cannot guarantee that, following its conflict search, an engagement for a third party will not be accepted somewhere else in the Contractor. Should any new information come to the Contractor's

attention, the Contractor will promptly inform MDOT. The Contractor shall perform this Contract in accordance with applicable professional standards. In the event a potential conflict is identified, in order to mitigate such a conflict, the Contractor will cease work until your consent is received or an alternative course of action is mutually agreed upon.

Funding: \$258, 040.00



STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 320 S. WALNUT ST., LANSING, MICHIGAN 48933
 P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number 20
 to
 Contract Number 180000000879

CONTRACTOR	KPMG LLP
	55 Second Street , Suite 1400
	San Francisco, CA 94105
	Liam Kelly
	415-932-9040
	liamkelly@kpmg.com
	CV0059169

STATE	Program Manager	Various	SW
	Contract Administrator	Jordana Sager	DTMB
		(517) 896-1903 sagerj2@michigan.gov	

CONTRACT SUMMARY

FINANCIAL & STRATEGIC CONSULTING AND ADVISORY SERV

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
August 20, 2018	August 19, 2021	5 - 1 Year	August 19, 2024
PAYMENT TERMS		DELIVERY TIMEFRAME	
2%NET15, NET45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$8,401,870.00	\$0.00	\$8,401,870.00		

DESCRIPTION

Effective October 4, 2023, the DTMB Program Manager (PM), Adam Lach, added with CN 14 and concluded May 2022, is hereby removed from the contract.

All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Central Procurement approval.

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
MDOT	Ryan Mitchell	517-614-7025	MitchellR13@michigan.gov
EXEC	Zachary Kolodin	517-242-0449	kolodinz@michigan.gov



**STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES**

Department of Technology, Management, and Budget
320 S. WALNUT ST., LANSING, MICHIGAN 48933
P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **19**
to
Contract Number **180000000879**

CONTRACTOR	KPMG LLP
	55 Second Street , Suite 1400
	San Francisco, CA 94105
	Liam Kelly
	415-932-9040
	liamkelly@kpmg.com
	CV0059169

STATE	Program Manager	Various	SW
Contract Administrator	Jordana Sager	DTMB	
	(517) 896-1903		
	sagerj2@michigan.gov		

CONTRACT SUMMARY

FINANCIAL & STRATEGIC CONSULTING AND ADVISORY SERV			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
August 20, 2018	August 19, 2021	5 - 1 Year	August 19, 2024
PAYMENT TERMS		DELIVERY TIMEFRAME	
2%NET15, NET45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$7,326,870.00	\$1,075,000.00	\$8,401,870.00		

DESCRIPTION

Effective August 22, 2023, the attached Schedule A - Statement of Work is added to the Contract for use by LEO for the Broadband Equity, Access, and Deployment (BEAD) Program and \$1,075,000.00.00 is being added for these activities.

All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Central Procurement approval, and State Administrative Board approval on August 22, 2023.

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
MDOT	Ryan Mitchell	517-614-7025	MitchellR13@michigan.gov
DTMB	Adam Lach	517-898-2524	LachA@michigan.gov
EXEC	Zachary Kolodin	517-242-0449	kolodinz@michigan.gov

Help the Broadband Program Support for BEAD and SDEPG Scope of Work CN 19 - 18000000879

OUR UNDERSTANDING:

The MIHI Office is responsible for the deployment of various broadband programs throughout the state of Michigan including the Broadband Equity, Access, and Deployment (BEAD) Program and State Digital Equity Planning Grant Program (SDEPG).

THE Contractor will be assisting MIHI in the following areas:

1. **BEAD Five-Year Action Plan:** Support with the development of the Five-Year Action Plan to be submitted to the National Telecommunications and Information Administration (NTIA) as part of the BEAD program.
2. **SDEPG Digital Equity Plan:** Support with the development of the Digital Equity Plan to be submitted to NTIA as part of the SDEPG program.
3. **BEAD Initial proposal:** Support with the development of the Initial Proposal to be submitted 180 days after the submission of the Five-Year Action Plan to NTIA as part of the BEAD program.
4. **Continued Support for Community Engagement:** Support from Connect Michigan to complete and additional 11 public meetings as part of the MI Connected Future listening tour and finalization of the Power BI dashboard that reflects community engagement outcome.

SERVICES TO BE PROVIDED:

Task 1: Five-Year Action Plan Assistance

- Support MIHI with the following activities related to the **Five-Year Action Plan**:
 - Align the Five-Year Action Plan with the State's Digital Equity Plan and Michigan's Broadband Roadmap.
 - Develop a comprehensive implementation plan to provide reliable, affordable, high-speed internet service throughout the State.
 - Overall development and write up of the Five-Year Action Plan report, bringing together all the components into a comprehensive submission including managing the review and approval process.

Deliverables:

- Input into the Draft and Final Five-Year Action Plan
- **Timeframe:** On-going support until August 31, 2023.

Task 2: SDEPG Digital Equity Plan

- Support MIHI with the following activities related to the **Digital Equity Plan**:
 - Align the State's Digital Equity Plan with the Five-Year Action Plan and Michigan's Broadband Roadmap.
 - Develop a comprehensive implementation strategy, key activities, and timeline for the Digital Equity Plan.
 - Support the development of the Asset inventory section including developing the Digital Inclusion Assets by Covered Population, Existing Digital Equity Plans, and Existing Digital Equity Programs sections with input and data provided by MIHI.

- Overall development and write up of the Digital Equity Plan, including developing the executive summary and conclusions sections and bringing together all the components into a comprehensive submission including managing the review and approval process.

Deliverables:

- Input into the Draft and Final Digital Equity Plan
- **Timeframe:** On-going support until October 30, 2023.

Task 3: Initial Proposal Assistance

- Support MIHI with the following activities related to the **Initial Proposal Volume I:**
 - Overall development and write up of Volume I of the Initial Proposal which includes:
 - Developing MIHI’s definition for Community Anchor Institutions (CAI) and identifying and listing those CAIs
 - Developing a detailed and comprehensive challenge process where entities can challenge MIHI’s determination of eligible areas for funding
 - Develop a detailed schedule for Initial Proposal Volume I development including timing of required input and data needs and optimal timing of submission.
- Support MIHI with administering a transparent, evidence-based, fair, and expeditious challenge process that includes publicly listing eligible locations, allowing for challenge and rebuttal, and exercising a final determination for each challenge.
- Support MIHI with the following activities related to the **Initial Proposal Volume II:**
 - Overall development and write up of Volume II of the Initial Proposal which includes:
 - Developing a plan to competitively award subgrants including scoring criteria and a detailed process for identifying high-cost area thresholds to be used during the subgrantee selection process.
 - Strategies and approaches to be deployed by MIHI to ensure that subgrantees, contractors, and subcontractors use strong labor standards and protections.
 - Support with developing the Workforce Development Plan that ensures an available, diverse, and highly skilled workforce is available to support broadband deployment.
 - Identifying steps that MIHI can take to reduce costs and barriers to deployment such as promoting the use of existing infrastructure and streamlining permitting processes.
 - Describing MIHI’s potential subprograms for the use of the 20 percent total funding allocation made available upon approval of the Initial Proposal.
 - Certifying compliance with applicable requirements of the Program, including the reporting requirements, and describe subgrantee accountability procedures.
 - Assisting MIHI with the development and submission the BEAD subprogram grant plan, which shall include deployment and non-deployment plans in accordance with NTIA Guidance including any subsequent modifications required by NTIA.
 - Developing a subprogram administrative plan to be reviewed and approved by MIHI. The plan will be used by MIHI in administering the subprogram to fund the deployment of infrastructure and non-deployment activities that support the provision of broadband internet service.

- Updating and finalizing the BEAD Standard Operating Procedure. Final version to reflect program plans and defines operating procedures for applications, challenge process, evaluation and awards, and reporting and subgrantee accountability.

Deliverables:

- Input towards the Draft and Final Volume I of Initial Proposal
- Input towards the Draft and Final Volume II of Initial Proposal

Timeframe: On-going support until December 31, 2023.

Task 4: Continued Support for Community Engagement

- Continuing to directly facilitate and implement the community and stakeholder engagement plan by providing facilitation and logistical event support for 11 public meetings. Preparing and providing engaging activities to solicit input from stakeholders, (e.g., facilitating focus groups at events, etc.), implementing a method for sending out invitations to the event, tracking RSVPs, and managing the welcome desk at the beginning of the events/meetings, and other related activities. This activity will be delivered with the assistance of the Contractor’s subcontractor Connect Michigan.
- Continuing the data visualization support for the survey results including performing survey data quality control and profiling, and basic data cleaning, imputation and dashboard updates with the final data set from the roundtable and focus groups meetings.

Deliverables:

- Draft and Final meeting outcomes report (Connect Michigan)
- Power BI Dashboard Visualization of the Analysis (The Contractor)

Timeframe: Support until September 30, 2023.

TOTAL BUDGET:

The total estimated budget for the four tasks above is \$1,075,000 broken down according to the following:

Task 1: Five-Year Action Plan Assistance	\$100,000.00
Task 2: SDEPG Digital Equity Plan	\$275,000.00
Task 3: Initial Proposal Assistance	\$550,000.00
Task 4: Continued Support for Community Engagement	\$150,000.00
Total	\$1,075,000.00

Excluded Services:

The scope of services will exclude the following services:

- Accounting policy review or advice, including constituting acceptance, endorsement or approval of any accounting application or compliance with any accounting standard or requirement.
- Providing guidance on cost accounting activities related on-going operations.
- Audit or valuation of historical financial performance relating to the Project.
- Tax advice including provision of a formal opinion.
- Legal advice.

Assumptions

The Contractor will require the support of the State and associated personnel in order to achieve timely completion of the aforementioned services. Support includes the collection of all relevant documents (paper or electronic) and the scheduling of interviews and coordination of meetings.

The State will designate a management level individual to oversee the conduct of these services, including coordination of project resources needed and review of draft deliverables. State personnel assigned to the project will review draft deliverables on a timely basis. the Contractor will not perform management functions or make management decisions for MIHI.

The Contractor services as outlined in this task order constitute an advisory engagement conducted under the American Institute of Certified Public Accountants (“AICPA”) Standards for Consulting Services. Such services are not intended to be an audit, examination, attestation, special report or agreed upon procedures engagements as those services are defined in AICPA literature applicable to such engagements conducted by independent auditors. Accordingly, these services shall not result in the issuance of a written communication to third parties by the Contractor directly reporting on financial data or internal control or expressing a conclusion or any other form of assurance.

MIHI is aware that the Contractor may be providing assurance, tax and/or advisory services to other actual or potential third parties working with MIHI. the Contractor will perform an internal search for any potential client conflicts relating to any such third parties identified by MIHI as having a role in connection with the Contractor performance of this Contract. the Contractor will disclose, subject to confidentiality restrictions, to MIHI of any conflicts of interest and obtain the State’s consent to proceed with the services. However, the Contractor is a large firm that is engaged by new clients on a daily basis and as a result it cannot guarantee that, following its conflict search, an engagement for a third party will not be accepted somewhere else in the Contractor. Should any new information come to the Contractor’s attention, the Contractor will promptly inform MIHI. The Contractor shall perform this Contract in accordance with applicable professional standards. In the event a potential conflict is identified, in order to mitigate such a conflict, the Contractor will cease work until your consent is received or an alternative course of action is mutually agreed upon.

The Contractor’s role is limited to providing the services and deliverables articulated in this proposal. In so doing, the Contractor will have no contacts with legislative officials or employees at any level of government for any reason that could be fairly interpreted as public policy advocacy, lobbying, or otherwise be perceived as impairing our objectivity or independence. In no event will the Contractor undertake meetings with government officials on behalf of MIHI or otherwise appear in a public or

private context that could be fairly interpreted as public policy advocacy, lobbying, or otherwise be perceived as impairing our objectivity or independence. In providing our services in general, the Contractor professionals will take no view or cannot undertake any role that could be fairly interpreted as public policy advocacy and the firm's work is not intended to be used as such or in that context. Engagement deliverables will be client-branded or plain-paper and provided as holistic works to be read and interpreted only in their entirety.



STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 320 S. WALNUT ST., LANSING, MICHIGAN 48933
 P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **18- Revised**

to

Contract Number **180000000879**

CONTRACTOR	KPMG LLP
	55 Second Street , Suite 1400
	San Francisco, CA 94105
	Liam Kelly
	415-932-9040
	liamkelly@kpmg.com
	CV0059169

STATE	Program Manager	Various	SW
STATE	Contract Administrator	Jordana Sager	DTMB
		(517) 896-1903	
		sagerj2@michigan.gov	

CONTRACT SUMMARY

FINANCIAL & STRATEGIC CONSULTING AND ADVISORY SERV

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
August 20, 2018	August 19, 2021	5 - 1 Year	August 19, 2024
PAYMENT TERMS		DELIVERY TIMEFRAME	
2%NET15, NET45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		August 19, 2024
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$6,576,870.00	\$750,000.00	\$7,326,870.00		

DESCRIPTION

Effective July 25, 2023, the attached amendment regarding the Solar for All program along with the corresponding additional funding amount not to exceed \$750,000.00 is hereby incorporated into this contract.

Please note the Program Manager (EXEC Office) is Zach Kolodin.

All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Central Procurement approval, and State Administrative Board approval on 7/25/2023.

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
MDOT	Ryan Mitchell	517-614-7025	MitchellR13@michigan.gov
DTMB	Adam Lach	517-898-2524	LachA@michigan.gov
EXEC	Zachary Kolodin	517-242-0449	kolodinz@michigan.gov

July 18, 2023

Strategic Advisory Services – Greenhouse Gas Reduction Fund Application Support

I. Background

President Biden’s Inflation Reduction Act authorized the U.S. Environmental Protection Agency (EPA) to implement the Greenhouse Gas Reduction Fund (GGRF), a historic \$27 billion investment to combat the climate crisis by mobilizing financing and private capital for greenhouse gas- and air pollution-reducing projects in communities across the country. As part of this program, EPA is launching a \$7 billion Solar for All competition — designed to spur the deployment of residential distributed solar energy to lower energy bills for millions of Americans and catalyze transformation in markets serving low-income and disadvantaged communities. Solar for All will tackle the financial and non-financial barriers that limit the ability of low-income and disadvantaged communities across the country to benefit from the rapid growth in distributed solar capacity, thus advancing the Biden-Harris Administration’s climate and environmental justice goals.

To support a broader suite of greenhouse gas-reducing projects, EPA is also launching a \$14 billion National Clean Investment Fund competition to finance clean technology deployment nationally as well as a \$6 billion Clean Communities Investment Accelerator competition to finance clean technology deployment in low-income and disadvantaged communities while simultaneously building the capacity of community lenders that serve those communities. These three grant competitions are complementary programs and will work together to transform the clean financing ecosystem in the United States, especially in low-income and disadvantaged communities. All competitions are covered under the President’s Justice40 Initiative, which sets the goal that 40% of the overall benefits from certain federal investments in climate, clean energy, and other areas flow to disadvantaged communities. Per Section 134(a)(1) of the Clean Air Act, 100% of Solar for All funds must be deployed “to enable low-income and disadvantaged communities to deploy or benefit from zero-emissions technologies”.

The State of Michigan (“State”) has requested KPMG LLP (“KPMG”) to provide support and assistance to the Department of Environmental, Great Lakes, and Energy (“DEGLE”) in drafting its application to the Greenhouse Gas Reduction Fund.

II. Services to be Provided

Through the Solar for All program, the State of Michigan intends to apply for a \$250 million to \$400 million award to enable equitable solar access to disadvantaged communities throughout the entirety of Michigan’s geography. Through a combination of residential solar, residential-serving community solar, and solar for multi-family properties, the State of Michigan seeks to reach more than 30,000 households.

To develop a strategy for the State of Michigan to respond to the various funding opportunities under

the Greenhouse Gas Reduction Fund, including the development of a competitive application for the Solar for All competition.

KPMG will work with EGLE, the Michigan Infrastructure Office, and other departments as necessary to conduct the following task and activities in pursuit of the State's application under the Solar for All program under award area 3:

- **Manage the project team** – Coordinate work between the Michigan Infrastructure Office (MIO), Department of Technology, Management, and Budget (DTMB), and the Department of Environment, Great Lakes, and Energy (EGLE), Department of Health and Human Services (DHHS), and other relevant agencies to submit a competitive application for the Solar for All federal funding opportunity by September 26, 2023 at 5pm ET.
 - o **Note:** Due to state government grant filing processes, a complete and finalized application package must be submitted by the consultant to MIO, DTMB, and EGLE no later than end of day on September 12, 2023 in order for the State of Michigan to submit the competitive application package to the federal government by the September 26, 2023 deadline.
- **Assist EGLE with assembling the grant application** as outlined in the Funding Opportunity Number: EPA-R-HQ-SFA-23-01, consisting of the following:
 - o Forms to be prepared by EGLE. KPMG will manage an overall application checklist and notify EGLE if forms that EGLE is responsible for have not yet been included:
 - Application for Federal Assistance (SF-424)
 - Budget Information for Non-Construction Programs (SF-424A)
 - EPA Key Contacts Form 5700-54
 - EPA Form 4700-4 Preaward Compliance Review Report
 - Grants.gov Lobbying Form
 - o Sections to be drafted by KPMG, with EGLE responsible for review:
 - Program Narrative: Use “Project Narrative Attachment Form” in your Workspace on Grants.gov to submit your Program Narrative, prepared as described in Section IV.C: Content of Application Submission. As described in Section IV.C, the Program Narrative has a limit of 40 pages. Please upload the Program Narrative as one document.
 - Attachments: Use “Project Narrative Attachment Form” in your Workspace on Grants.gov to submit the attachments listed below that must be included in the application package and do not count toward the 40-page limit for the Program Narrative. Please limit the number of files for the attachment items by consolidating all attachment items (excluding Excel uploads if using optional Excel templates EPA has provided) into one document in the order presented below.
 - Attachment A: Summary Program Cover Page
 - Attachment B: Copy of the submitted Notice of Intent, which was submitted by the listed deadline and according to the instructions in Section I.F: Required Notice of Intent

- Attachment C: Eligibility evidence documents supporting that the applicant is an eligible applicant as described in Section III.A: Eligible Applicants. Note: applicants applying as eligible nonprofit recipients, municipalities under the definition of a council of government (COG), or Intertribal Consortia are required to provide evidence documents as described in Section III.A.
- Attachment D: Program Planning Timeline and Workplan described in Section 1.7 of the Program Narrative; an optional Excel template is included for applicants to download on epa.gov/GGRF
- Attachment E: Budget Table described in Section 2.1 Budget Narrative of the Program Narrative; guidance on how to build the Budget Table is included in Appendix B.A: Guidance for Detailed Budget Table; an optional Excel template is included for applicants to download on epa.gov/GGRF 40
- Attachment F: Programmatic Capability and Environmental Results Past Performance described in Section 3 of the Program Narrative
- Attachment H (for applications with proposed subgrants only): Organizational table, which includes all entities by name (if known) or by description/type (e.g., community-based organization, utility) and explains in two to three sentences or bullets what activities each entity will perform for the program.

Other items as mutually agreed to between the State of Michigan and KPMG

- Complete or oversee the completion of any other requirements outlined in Funding Opportunity) Number: EPA-R-HQ-SFA-23-01 and mutually agreed upon by KPMG.
- Work with EGLE grant submission team to verify that formatting requirements are met for submission to the U.S. Department of Energy.
- Assist EGLE with assembling complete application package for EGLE’s final review and decision to submit.

KPMG will also aid in the following activities:

- Develop a strategic approach and outreach strategy in alignment with the Solar for All application for award area 1 for each of the following competitions:
 - Award areas 2 and 3 under the Solar for All program;
 - National Clean Investment Fund under the Greenhouse Gas Reduction Fund;
 - Clean Communities Investment Accelerator under the Greenhouse Gas Reduction Fund.
- **Deliverables:** A draft application package for the Solar for All federal funding opportunity, including:
 - **Forms (prepared by EGLE):**
 - Application for Federal Assistance (SF-424)
 - Budget Information for Non-Construction Programs (SF-424A)

- EPA Key Contacts Form 5700-54
- EPA Form 4700-4 Preaward Compliance Review Report
- Grants.gov Lobbying Form
- Program Narrative
- Attachments
 - Attachment A: Summary Program Cover Page
 - Attachment B: Copy of the submitted Notice of Intent (**prepared by EGLE**)
 - Attachment C: Eligibility evidence documents
 - Attachment D: Program Planning Timeline and Workplan
 - Attachment E: Budget Table
 - Attachment F: Programmatic Capability and Environmental Results Past Performance
 - Attachment H (for applications with proposed subgrants only)

EGLE will confirm acceptance of all submitted deliverables with 1 week of delivery.

III. Assumptions

- State of Michigan will make all the management decisions related to the project and implement recommendations as needed to drive the project.
- State of Michigan will make decisions in a timely manner.
- State of Michigan will make available, in a timely manner, relevant documents and data (in an appropriate format for analysis) that would aid in the project.
- Data provided to KPMG will be of an appropriate quality and structure that allows for detailed analysis to be conducted. Data provided in PDF or Word documents may not be analyzed dependent on the effort required to convert the data into a useable format.
- State of Michigan will facilitate identification of stakeholders, wherever applicable.
- Each State of Michigan department will be responsible for ensuring engagement of its staff, stakeholders, and resources as needed to drive the project based on the project plan.
- The State of Michigan will be responsible for verifying the accuracy of all information submitted in the final application.
- The State of Michigan will specifically approve all parts of the grant application that were drafted by KPMG before its submission.
- The State of Michigan is responsible for the submission of the final application package.
- The State of Michigan represents to KPMG that The State of Michigan has the authority necessary to award this contract to KPMG without competition, and that award of this contract is made in accordance with all applicable law, regulations, rules, policies and requirements.”

IV. Excluded Services

The scope of services will exclude the following services:

- Accounting policy review or advice, including constituting acceptance, endorsement or approval of any accounting application or compliance with any accounting standard or requirement;
- Providing guidance on cost accounting activities related on-going operations of the Project;
- Audit or valuation of historical financial performance relating to the Project;
- Tax advice including provision of a formal opinion, although KPMG will be pleased to discuss separate terms of engagement for these services if required;
- Preparation of cash flows for the Project and other technical projections required for project delivery, except as provided by the State; and
- Legal advice.

V. Fees

The State will compensate KPMG based on the established hourly rate of \$430 per hour for services KPMG performs, as established in Contract number 180000000879.

A budget of \$322,500 is expected to perform the services outlined above, based on an estimate of 750 hours of effort.

However, based on certain scope assumptions the budget is not to exceed \$750,000. This budget will cover a period of services through October 3, 2024.

VI. Use of Firms and Third Parties

Use of member firms (“Member Firms”) includes references to member firms of KPMG International, other independent firms licensed by KPMG International to use the KPMG name and, in each case, firms controlled by them and third party service providers:

- a) The State acknowledges that in connection with the performance of services under this Task Order, KPMG and Member Firms, in their discretion or at State’s direction, may utilize the services of third party service providers within and without the United States to complete the services under this task order.
- b) KPMG uses third party service providers within and without the United States to provide at the direction of KPMG administrative and clerical services to the KPMG Parties. These third party service providers may in the performance of such services have limited access to information, including but not limited to Confidential Information, received by KPMG from or at the request or direction of the State. KPMG represents that each such third party service provider has agreed to conditions of confidentiality with respect to the State’s information to the same or similar extent as KPMG has agreed. KPMG has full responsibility to cause these third party service providers to comply with such conditions of confidentiality and KPMG shall be responsible for any consequences of their failure to comply.

- c) Accordingly, the State consents to KPMG's disclosure to a Member Firm or third party service provider and the use by such Member Firm and third party service provider of data and information, including but not limited to Confidential Information, received from or at the requestor direction of the State.
- d) Any services performed by a Member Firm, affiliate or third party service provider shall be performed in accordance with the terms of this task order and these Standard Terms and Conditions, but KPMG shall remain responsible to the State for the performance of such services. The State agrees that any claim relating to the services under this task order may only be made against KPMG and not any other Member Firm or third party service provider referred to above.

VII. Other

KPMG will require the support of the State and associated personnel in order to achieve timely completion of the aforementioned services. Support includes, but is not limited to, the collection of all relevant documents (paper or electronic) and the scheduling of interviews and coordination of meetings.

The State will designate a management level individual to oversee the conduct of these services, including coordination of project resources needed and review of draft deliverables. State personnel assigned to the project will review draft deliverables on a timely basis

Neither KPMG nor its professionals will provide legal advice or engage in the practice of law in connection with the resulting engagement. All questions of law, including but not limited to the interpretation or drafting of regulations or statutes, shall be the sole responsibility of the client in consultation with its counsel.

In providing our services, KPMG will undertake no role or view that could be considered public policy advocacy or lobbying within any governmental or quasi-governmental jurisdiction. Ultimate responsibility for any decision on implementing KPMG's recommendation will be with the State of Michigan.

Additionally, the State and its other advisers will provide KPMG with underlying cost data for the Project as appropriate. KPMG's services may include advice and recommendations; but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, the State. KPMG will not perform management functions or make management decisions for the State. KPMG's services as outlined in this task order constitute an advisory engagement conducted under the American Institute of Certified Public Accountants ("AICPA") Standards for Consulting Services. Such services are not intended to be an audit, examination, attestation, special report or agreed-upon procedures engagements as those services are defined in AICPA literature applicable to such engagements conducted by independent auditors. Accordingly, these services shall not result in the issuance of a written communication to third

parties by KPMG directly reporting on financial data or internal control or expressing a conclusion or any other form of assurance.

It is understood and agreed that KPMG is not registered with the SEC as a municipal advisor and that the State is not asking KPMG to provide, and KPMG will not provide, any services to the State which would require registration as a municipal advisor, including but not limited to advice with respect to municipal financial products or the issuance of municipal securities. Accordingly, KPMG will not make recommendations relating to municipal financial products or the issuance of municipal securities, and KPMG will not owe a fiduciary duty to the State under Section 15B of the Securities Exchange Act of 1934. The State represents to KPMG that if the State desires municipal advisor services in connection with or related to the subject matter of this engagement, it will obtain such services from another party.

The State is aware that Contractor may be providing assurance, tax and/or advisory services to other actual or potential third parties working with the State. KPMG will perform an internal search for any potential client conflicts relating to any such third parties identified by the State as having a role in connection with KPMG's performance of this Contract. KPMG will disclose, subject to confidentiality restrictions, to the State of any conflicts of interest and obtain your consent to proceed with the services. However, KPMG is a large firm that is engaged by new clients on a daily basis and as a result it cannot guarantee that, following its conflict search, an engagement for a third party will not be accepted somewhere else in KPMG. Should any new information come to KPMG's attention, KPMG will promptly inform the State. KPMG shall perform this Contract in accordance with applicable professional standards. In the event a potential conflict is identified, in order to mitigate such a conflict, KPMG will cease work until your consent is received or an alternative course of action is mutually agreed upon.



STATE OF MICHIGAN CENTRAL PROCUREMENT SERVICES

Department of Technology, Management, and Budget
320 S. WALNUT ST., LANSING, MICHIGAN 48933
P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number 17 - Revised
to
Contract Number 18000000879

CONTRACTOR	KPMG LLP
	55 Second Street , Suite 1400
	San Francisco, CA 94105
	Liam Kelly
	415-932-9040
	liamkelly@kpmg.com
	CV0059169

STATE	Program Manager	Various	SW
	Contract Administrator	Jordana Sager	DTMB
		(517) 896-1903	
		sagerj2@michigan.gov	

CONTRACT SUMMARY

FINANCIAL & STRATEGIC CONSULTING AND ADVISORY SERV			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
August 20, 2018	August 19, 2021	5 - 1 Year	August 19, 2023
PAYMENT TERMS		DELIVERY TIMEFRAME	
2%NET15, NET45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	1 year	<input type="checkbox"/>		August 19, 2024
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$6,447,870.00	\$129,000.00	\$6,576,870.00		

DESCRIPTION

Effective June 21,2023, the following changes are hereby incorporated::

- Attached Schedule A - Statement of Work for MDOT Utility Tunnel Commercial Advisor and \$129,000.00 for the Line 5 Dua Pipeline and Tunnel Project are being added.
- One option year is hereby exercised. The revised contract expiration date is 8/19/2024.

All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Central Procurement approval.

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
MDOT	Ryan Mitchell	517-614-7025	MitchellR13@michigan.gov
DTMB	Adam Lach	517-898-2524	LachA@michigan.gov
EXEC	Zachary Kolodin	517-242-0449	kolodinz@michigan.gov

Financial and Commercial Advisory Services – Line 5 Dual Pipeline and Tunnel

I. Background

The State of Michigan (“State”) has requested KPMG LLP (“KPMG”) to provide support and assistance to the Michigan Department of Transportation (“MDOT”) and Mackinac Straits Corridor Authority (the “Authority”) with respect to the procurement and construction of the Line 5 Dual Pipeline and Tunnel (the “Project”) all as contemplated in the tunnel agreement entered into between Enbridge Energy, Limited Partnership and the Authority dated December 19, 2018 (the “Tunnel Agreement”) and all other agreements with respect to the Project including those to which the Authority is a party (the “Project Agreements”). This Statement of Work/Change Notice is issued pursuant to Contract number 180000000879.

II. Services to be Provided

The scope of services involves assistance to MDOT on an as needed basis with respect to transaction development. To support MDOT and the Authority on the Project, KPMG will provide the following financial and commercial advisory services:

- Support discussions on transaction process and review of commercial and financial documents including the tunnel agreement in relation to the Project
- Support in the onboarding of a commercial advisor at the request of MDOT
- Advise on assessment of potential commercial and financial opportunities and risks for the Authority in its capacity as owner, lessor and counterparty
- Assist with financial and commercial assessment of potential implications to the Authority in case of default under the Tunnel Agreement and the agreement between Enbridge and the entity to perform the construction
- Assist with the commercial review of implications to the Authority in relation to the substantial completion of the Project and the lease agreement
- Provide commercial and financial assessments to the Authority on matters relating to the Project, such as defaults, claims, notices of termination, permitting obligations, approval requirements and related matters

MDOT has also requested that a commercial advisor be brought in as subcontractor to assist KPMG with the aspects of the project, including review of commercial and financial terms and review project documentation. MDOT agrees that the selection of the commercial advisor is MDOT’s sole responsibility, and in all respects subject to subcontractor’s successful completion of KPMG’s onboarding procedures. Onboarding of the selected commercial advisor will include, but is not limited to, background checks, conflict checks, and the commercial advisor’s acceptance of KPMG’s terms and conditions and State flow-down terms and conditions. MDOT agrees that the final determination as to the advisor’s successful completion of the aforementioned subcontractor onboarding processes is at the sole discretion of KPMG.

III. Excluded Services

The scope of services will exclude the following services:

- Accounting policy review or advice, including constituting acceptance, endorsement or approval of any accounting application or compliance with any accounting standard or requirement;
- Providing guidance on cost accounting activities related on-going operations of the Project;
- Audit or valuation of historical financial performance relating to the Project;
- Tax advice including provision of a formal opinion, although KPMG will be pleased to discuss separate terms of engagement for these services if required;
- Preparation of cash flows for the Project and other technical projections required for project delivery, except as provided by the State; and
- Legal advice/services.

IV. Engagement Team

The team we expect to deliver these services includes:

Liam Kelly – Engagement Lead

Dan Adelman – Engagement Manager

Brian Relle – Core Team Member

V. Fees

The State will compensate KPMG based on the established hourly rate of \$430 per hour for services KPMG performs, as established in Contract number 180000000879.

A budget of \$129,000 is expected to perform the services outlined above, based on an estimate of 300 hours of effort however based on certain scope assumptions the budget is not to exceed \$129,000. This budget will cover the period of services through November 2023. This budget and estimate of hours of effort does not include any costs or time for work to be performed by the commercial advisor.

After the selected commercial advisor's successful completion of KPMG's required subcontractor onboarding process (as further described in Section II. above), either an amendment to this Change Notice or additional Change Notice will be mutually agreed upon between KPMG and MDOT to add the commercial advisor, their services to be provided, and budget/fee.

VI. Use of Firms and Third Parties

Use of member firms ("Member Firms") includes references to member firms of KPMG International, other independent firms licensed by KPMG International to use the KPMG name and, in each case, firms controlled by them and third party service providers:

- The State acknowledges that in connection with the performance of services under this Task Order, KPMG and Member Firms, in their discretion or at State's direction, may utilize the

services of third party service providers within and without the United States to complete the services under this task order.

- KPMG uses third party service providers within and without the United States to provide at the direction of KPMG administrative and clerical services to the KPMG Parties. These third party service providers may in the performance of such services have limited access to information, including but not limited to Confidential Information, received by KPMG from or at the request or direction of the State. KPMG represents that each such third party service provider has agreed to conditions of confidentiality with respect to the State's information to the same or similar extent as KPMG has agreed. KPMG has full responsibility to cause these third party service providers to comply with such conditions of confidentiality and KPMG shall be responsible for any consequences of their failure to comply.
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VII. Assumptions

KPMG will require the support of the State and associated personnel in order to achieve timely completion of the aforementioned services. Support includes, but is not limited to, the collection of all relevant documents (paper or electronic) and the scheduling of interviews and coordination of meetings.

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All legal services are outside of the scope of this Statement of Work/Change Notice, and neither KPMG nor its subcontractor (including the commercial advisor) will be providing legal services to the State under this Statement of Work/Change Notice. All questions of law, including potential changes to current law, are the sole responsibility of MDOT in consultation with MDOT counsel.



**STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES**

Department of Technology, Management, and Budget
320 S. WALNUT ST., LANSING, MICHIGAN 48933
P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number 17
to
Contract Number 180000000879

CONTRACTOR	KPMG CORPORATE FINANCE, LLC
	55 Second Street , Suite 1400
	San Francisco, CA 94105
	Liam Kelly
	415-932-9040
	liamkelly@kpmg.com
	CV0059169

STATE	Program Manager	Various	SW
	Contract Administrator	Jordana Sager	DTMB
		(517) 896-1903 sagerj2@michigan.gov	

CONTRACT SUMMARY

FINANCIAL & STRATEGIC CONSULTING AND ADVISORY SERV

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
August 20, 2018	August 19, 2021	5 - 1 Year	August 19, 2023
PAYMENT TERMS		DELIVERY TIMEFRAME	
2%NET15, NET45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	1 year	<input type="checkbox"/>		August 19, 2024
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$6,447,870.00	\$129,000.00	\$6,576,870.00		

DESCRIPTION

Effective June 21,2023, the following changes are hereby incorporated::

1. Attached Schedule A - Statement of Work for MDOT Utility Tunnel Commercial Advisor and \$129,000.00 for the Line 5 Dual Pipeline and Tunnel Project are being added.
2. One option year is hereby exercised. The revised contract expiration date is 8/19/2024.

All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Central Procurement approval.

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
MDOT	Ryan Mitchell	517-614-7025	MitchellR13@michigan.gov
DTMB	Adam Lach	517-898-2524	LachA@michigan.gov
EXEC	Zachary Kolodin	517-242-0449	kolodinz@michigan.gov

Statement of Work – Michigan Department of Transportation (MDOT)

Financial and Commercial Advisory Services – Line 5 Dual Pipeline and Tunnel

Contract 180000000879 - Change Notice 17

I. Background

The State of Michigan (“State”) has requested KPMG LLP (“KPMG”) to provide support and assistance to the Michigan Department of Transportation (“MDOT”) and Mackinac Straits Corridor Authority (the “Authority”) with respect to the procurement and construction of the Line 5 Dual Pipeline and Tunnel (the “Project”) all as contemplated in the tunnel agreement entered into between Enbridge Energy, Limited Partnership and the Authority dated December 19, 2018 (the “Tunnel Agreement”) and all other agreements with respect to the Project including those to which the Authority is a party (the “Project Agreements”). This Statement of Work/Change Notice is issued pursuant to Contract number 180000000879.

II. Services to be Provided

The scope of services involves assistance to MDOT on an as needed basis with respect to transaction development. To support MDOT and the Authority on the Project, KPMG will provide the following financial and commercial advisory services:

- Support discussions on transaction process and review of commercial and financial documents including the tunnel agreement in relation to the Project
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- Advise on assessment of potential commercial and financial opportunities and risks for the Authority in its capacity as owner, lessor and counterparty
- Assist with financial and commercial assessment of potential implications to the Authority in case of default under the Tunnel Agreement and the agreement between Enbridge and the entity to perform the construction
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- Provide commercial and financial assessments to the Authority on matters relating to the Project, such as defaults, claims, notices of termination, permitting obligations, approval requirements and related matters

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III. Excluded Services

The scope of services will exclude the following services:

- Accounting policy review or advice, including constituting acceptance, endorsement or approval of any accounting application or compliance with any accounting standard or requirement;
- Providing guidance on cost accounting activities related on-going operations of the Project;
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- Preparation of cash flows for the Project and other technical projections required for project delivery, except as provided by the State; and
- Legal advice/services.

IV. Engagement Team

The team we expect to deliver these services includes:

Liam Kelly – Engagement Lead

Dan Adelman – Engagement Manager

Brian Relle – Core Team Member

V. Fees

The State will compensate KPMG based on the established hourly rate of \$430 per hour for services KPMG performs, as established in Contract number 180000000879.

A budget of \$129,000 is expected to perform the services outlined above, based on an estimate of 300 hours of effort however based on certain scope assumptions the budget is not to exceed \$129,000. This budget will cover the period of services through November 2023. This budget and estimate of hours of effort does not include any costs or time for work to be performed by the commercial advisor.

After the selected commercial advisor's successful completion of KPMG's required subcontractor onboarding process (as further described in Section II. above), either an amendment to this Change Notice or additional Change Notice will be mutually agreed upon between KPMG and MDOT to add the commercial advisor, their services to be provided, and budget/fee.

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- The State acknowledges that in connection with the performance of services under this Task Order, KPMG and Member Firms, in their discretion or at State's direction, may utilize the services of third party service providers within and without the United States to complete the services under this task order.
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VII. Assumptions

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It is understood and agreed that KPMG is not registered with the SEC as a municipal advisor and that the State is not asking KPMG to provide, and KPMG will not provide, any services to the State which would require registration as a municipal advisor, including but not limited to advice with respect to

municipal financial products or the issuance of municipal securities. Accordingly, KPMG will not make recommendations relating to municipal financial products or the issuance of municipal securities, and KPMG will not owe a fiduciary duty to the State under Section 15B of the Securities Exchange Act of 1934. The State represents to KPMG that if the State desires municipal advisor services in connection with or related to the subject matter of this engagement, it will obtain such services from another party.

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All legal services are outside of the scope of this Statement of Work/Change Notice, and neither KPMG nor its subcontractor (including the commercial advisor) will be providing legal services to the State under this Statement of Work/Change Notice. All questions of law, including potential changes to current law, are the sole responsibility of MDOT in consultation with MDOT counsel.



STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 320 S. WALNUT ST., LANSING, MICHIGAN 48933
 P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **16**
 to
 Contract Number **18000000879**

CONTRACTOR	KPMG CORPORATE FINANCE, LLC
	55 Second Street , Suite 1400
	San Francisco, CA 94105
	Liam Kelly
	415-932-9040
	liamkelly@kpmg.com
	CV0059169

STATE	Program Manager	Various	SW
STATE	Contract Administrator	Jordana Sager	DTMB
		(517) 896-1903	
		sagerj2@michigan.gov	

CONTRACT SUMMARY

FINANCIAL & STRATEGIC CONSULTING AND ADVISORY SERV

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
August 20, 2018	August 19, 2021	5 - 1 Year	August 19, 2023
PAYMENT TERMS		DELIVERY TIMEFRAME	
2%NET15, NET45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$5,522,870.00	\$925,000.00	\$6,447,870.00		

DESCRIPTION

Effective 1/03/23, the following changes are hereby incorporated::

- MDOT I-75 modernication project, updated on CN 10, is hereby extended until June 30, 2023.
- Statement of Work for LEO Michigan High-Speed Internet (MiHi) Office and \$925,000 for this project are being added.
- Hourly rate in Schedule B are increased from \$413 to \$430.
- The Permitting Process Improvement project for the Executive Office added with CN 15 is extended to January 31, 2023.

All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Central Procurement approval, and State Administrative Board approval on 1/03/2023.

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
MDOT	Ryan Mitchell	000-000-0000	MitchellR13@michigan.gov
DTMB	Adam Lach	517-898-2524	LachA@michigan.gov
EXEC	Zachary Kolodin	517-242-0449	kolodinz@michigan.gov

Michigan Department of Labor and Economic Opportunity (LEO) High-Speed Internet Office (MiHi)

Broadband Program Support Statement of Work

Introduction

The MiHi Office, led by Eric Frederick, is the State Broadband Office for the State of Michigan (the State). The MiHi Office is responsible for the deployment of various Infrastructure Investment and Jobs Act (IIJA) Programs including the Broadband Equity, Access, and Deployment (BEAD) Program. The MiHi Office is responsible for the \$250M Realizing Opportunities with Broadband Infrastructure Networks (ROBIN) Grant Program.

The Contractor will be supported by its subcontractor Connected Nation, Inc. (Connected Nation) to deliver Task 4 below. Contractor, following discussions with the MiHi Office, is in the process of bringing Connected Nation to support this effort. Its engagement will be subject to completion of Contractor's onboarding process, including agreement on terms & conditions.

Our Understanding of your Requirements

We understand that you need support with the following:

1. **BEAD Guidebook:** With respect to the BEAD Program, you need a guidebook developed to help MiHi and other key Michigan stakeholders quickly digest the BEAD program, and its associated opportunities and constraints. This will facilitate greater decision-making and utilization of program funding and establish more effective communication of the program with internal and external stakeholders.
2. **ROBIN Grant Application Solicitation Support:** With respect to the ROBIN Grant Program, MiHi requires support to create a grant application document. This document will incorporate grant instructions for applicants, and a scoring rubric that complies with federal rules and guidance. MiHi also requires support in working with its portal vendor to build-out a web-based platform to be used for grant applications.
3. **ROBIN and BEAD Compliance and Reporting Guidance:** Support MiHi with the establishment of primary outcomes, reporting, and compliance requirements for the ROBIN and BEAD funds.
4. **ROBIN and BEAD Stakeholder Engagement:** Maintaining communication and engagement required for key broadband programs. This includes support with the following:
 - a. For the ROBIN Program, facilitate bi-weekly meetings of the ROBIN Steering Committee to receive feedback and input on the above deliverables.
 - b. For the BEAD Program, work with MiHi to develop a detailed community and stakeholder engagement plan to meet the requirements of the BEAD program and comply with the requirements for state's 5-year action plan.
 - c. For the BEAD Program, directly facilitate and support the implementation of the community and stakeholder engagement.

Services to be Provided

General:

- Standup a Contractor and MiHi project team and setup standing calls and agendas.
- Deliverables: Meeting agendas and notes
- Timeframe: Immediately following Notice to Proceed (NTP), continuing through duration of SOW

Task 1: BEAD Guidebook:

- Support MiHi with goal setting regarding overall BEAD Program communication strategy and decision-making framework
- Develop BEAD Guidebook outline and present to MiHi office for comment and approval
- Guidebook will cover overview of the BEAD program including:
 - o Timeline and structure,
 - o Requirements of MiHi as an eligible entity
 - o Requirements for Subgrantees
 - o Guide to the Five-Year Action Plan, Initial Proposal and Final Proposal
- Guidebook will include an approach to decision making in three key focus areas:
 - o Governance
 - o Funding Strategy
 - o Operation Model
- Facilitate up to five presentations with MiHi Office and other key internal/core stakeholders utilizing the BEAD Guidebook
- **Deliverables: Draft and Final BEAD Guidebook in PowerPoint format**
- **Timeframe: 4 weeks from Notice to Proceed (NTP)**
- **Level of Effort: \$75,000**

Task 2: ROBIN Grant Program Grant Application Support:

- Support MiHi in the development of ROBIN Grant application documentation (inclusive of Middle Mile and Last Mile components) that collects all information necessary for MiHi and the ROBIN Steering Committee to make grant awards, including:
 - o Scoring rubric that complies with the program enabling legislation (2022-PA-0053.pdf (mi.gov)), Capital Projects Fund guidance, rules, and regulations from US Treasury.
 - o Instructions and rules for applicants to follow when applying for a grant and compliance following a successful grant award including eligible uses of funds, performance requirements, timeline, compliance, and remedies for noncompliance among others.
- Work with MiHi's grants portal vendor to support the build-out of a web-based platform to include application, instructions, and rubric, and support the launch of the grants portal to begin accepting grant applications.
- **Deliverables:**
 - o Draft scoring rubric for MiHi review including confirmation by MiHi that proposed rubric meets applicable legal and compliance requirements
 - o final scoring rubric

- Draft and final ROBIN Grant application document (inclusive of Middle Mile and Last Mile components)
- Input into the development of a web-based platform to include application, instructions, and rubric and further support the launch of the grants portal.
- **Timeframe:**
 - **Scoring rubric: 6 weeks from NTP**
 - **ROBIN Grant application document: 8 weeks from NTP**
 - **Support with web based platform: 12 weeks from NTP**
- **Level of Effort: \$250,000**

Task 3: ROBIN and BEAD Program Compliance Support:

- Assist in identifying and developing guidance for MiHi to follow related to establish primary outcomes, reporting, and compliance requirements for the CPF funds and BEAD funding.
- **Deliverables: Draft and Final CPF and BEAD Outcomes, Reporting and Compliance Guidebook**
- **Timeframe: 16 weeks from NTP**
- **Level of Effort: \$200,000**

Task 4: ROBIN and BEAD Program Communication Support:

- Facilitate bi-weekly meetings of the ROBIN Steering Committee to receive feedback and input on the above deliverables.
- Work with MiHi to develop a detailed community and stakeholder engagement plan to meet the requirements of the BEAD program and comply with the requirements for the State's 5-year action plan.
- For the BEAD Program, directly facilitate and implement the community and stakeholder engagement plan by providing facilitation and logistical event support for 30 public meetings. preparing and providing engaging activities to solicit input from stakeholders, (e.g. facilitating focus groups at events, etc.), implementing a method for sending out invitations to the event, tracking RSVPs, and managing the welcome desk at the beginning of the events/meetings, and other related activities. This activity will be delivered by Contractor's subcontractor Connected Nation. Key assumptions for this activity include:
 - Events will be planned and executed in geographic clusters to drive cost efficiencies and minimize travel costs
 - State will lead outreach and invitation distributions
 - State person will attend each event and present content
 - State coordinates panelists, speakers, etc.
 - Content will be hosted on MiHi site
 - Connected Nation facilitates, moderates, and records feedback
 - Venue costs, if any, will be covered by State
 - IT and AV support will be covered by host venue
- **Deliverables:**

- **Bi-weekly ROBIN Steering Committee meeting agendas and notes**
- **Draft and final BEAD stakeholder engagement plan**
- **Meeting materials and notes from 30 BEAD community meetings**
- **Timeframe:**
 - **Draft and final BEAD stakeholder engagement plan: 6 weeks from NTP**
 - **Meeting materials and notes from 30 BEAD community meetings: 16 weeks from NTP**
- **Level of Effort: \$400,000**

General Assumptions for Tasks 1 – 4:

- It is assumed that the level of efforts/pricing for the scope of work contemplated based on the timing assumptions provided above and summarized in the table below.
- MiHi understands and acknowledges that Contractor is prohibited from giving legal advice or performing legal services of any kind or nature and that any services to be provided by Contractor hereunder shall not include or be construed to include the provision by Contractor of legal advice or legal services.
- MiHi and other relevant entities will have staff identified to assist the Contractor project team in the coordination efforts.
- MiHi will provide available data, information, assumptions, grant administration material, work done to date and reports required to perform the Scope of Work.
- MiHi will assist the Contractor project team for planning, scheduling, coordinating, and facilitating meetings and work sessions.

Services to be Provided – Summary

Task	Deliverables and Timeframe	Level of Effort
Task 1: BEAD Guidebook	- Draft and Final BEAD Guidebook (4 weeks from NTP)	\$75,000
Task 2: ROBIN Grant Program Grant Application Support	- Draft and final scoring rubric (6 weeks from NTP) - Draft and final ROBIN Grant application document (inclusive of Middle Mile and Last Mile components) (8 weeks from NTP) - Input into the development of a web-based platform to include rubric, application, and instructions, and further support the launch of the grants portal (12 weeks from NTP)	\$250,000
Task 3: ROBIN and BEAD Program Compliance Support	- Draft and Final CPF and BEAD Outcomes, Reporting and Compliance Guidebook (16 weeks from NTP)	\$200,000

Task 4: ROBIN and BEAD Program Communication Support	<ul style="list-style-type: none"> - Bi-weekly ROBIN Steering Committee meeting agendas and notes - Draft and final BEAD stakeholder engagement plan (6 weeks from NTP) - Meeting materials and notes from 30 BEAD community meetings (16 weeks from NTP) 	\$400,000
TOTAL		\$925,000

Excluded Services

The scope of services will exclude the following services:

- Accounting policy review or advice, including constituting acceptance, endorsement or approval of any accounting application or compliance with any accounting standard or requirement.
- Providing guidance on cost accounting activities related on-going operations.
- Audit or valuation of historical financial performance relating to the Project.
- Tax advice including provision of a formal opinion.
- Legal advice.

Fees

The State will compensate Contractor based on the established hourly rate of \$413 per hour for services Contractor performs, as established in Contract number 180000000879, subject to any rate increases agreed to between the State and Contractor.

Work performed by Connected Nation will be compensated according to the following rate card:

Role	Rate (\$/hr)
Executive Vice President, Digital Inclusion	235
Director, Local and Regional Planning	132
Director, Community Solutions	125
Director, Research Development	135
Research Assistant	80
Community Technology Advisor	131
Broadband Solutions Manager	126
Director, Communications	125

Marketing Communications Specialist	90
Director, Project Management Office	182

A budget of **\$925,000** is expected to perform the services outlined above, based on an estimate of **2,239** hours of effort however based on certain scope assumptions the budget is not to exceed **\$2,000,000**. This budget will cover the period of services through **July 30, 2023**. The work is anticipated to commence on November 21, 2022.

Additional Terms and Conditions

Residual Knowledge Rights. Notwithstanding anything herein that may be construed to the contrary, State agrees that nothing in this SOW prevents Contractor from using Residual Knowledge, which includes generalized knowledge, experience, know-how, or any of the ideas, concepts, methodologies, tools or techniques derived from or discovered during the provision of the Services performed under the SOW.

Other Matters

Contractor will require the support of the State and associated personnel in order to achieve timely completion of the aforementioned services. Support includes the collection of all relevant documents (paper or electronic) and the scheduling of interviews and coordination of meetings.

The State will designate a management level individual to oversee the conduct of these services, including coordination of project resources needed and review of draft deliverables. State personnel assigned to the project will review draft deliverables on a timely basis.

Contractor will not perform management functions or make management decisions for MiHi.

Contractor's services as outlined in this task order constitute an advisory engagement conducted under the American Institute of Certified Public Accountants ("AICPA") Standards for Consulting Services. Such services are not intended to be an audit, examination, attestation, special report or agreed-upon procedures engagements as those services are defined in AICPA literature applicable to such engagements conducted by independent auditors. Accordingly, these services shall not result in the issuance of a written communication to third parties by Contractor directly reporting on financial data or internal control or expressing a conclusion or any other form of assurance.

MiHi is aware that Contractor may be providing assurance, tax and/or advisory services to other

actual or potential third parties working with MiHi. Contractor will perform an internal search for any potential client conflicts relating to any such third parties identified by MiHi as having a role in connection with Contractor's performance of this Contract. Contractor will disclose, subject to confidentiality restrictions, to MiHi of any conflicts of interest and obtain the State's consent to proceed with the services. However, Contractor is a large firm that is engaged by new clients on a daily basis and as a result it cannot guarantee that, following its conflict search, an engagement for a third party will not be accepted somewhere else in Contractor. Should any new information come to Contractor's attention, Contractor will promptly inform MiHi. Contractor shall perform this Contract in accordance with applicable professional standards. In the event a potential conflict is identified, in order to mitigate such a conflict, Contractor will cease work until your consent is received or an alternative course of action is mutually agreed upon.

Contractor's role is limited to providing the services and deliverables articulated in this proposal. In so doing, Contractor will have no contacts with legislative officials or employees at any level of government for any reason that could be fairly interpreted as public policy advocacy, lobbying, or otherwise be perceived as impairing our objectivity or independence. In no event will Contractor undertake meetings with government officials on behalf of MiHi or otherwise appear in a public or private context that could be fairly interpreted as public policy advocacy, lobbying, or otherwise be perceived as impairing our objectivity or independence. In providing our services in general, Contractor professionals will take no view or cannot undertake any role that could be fairly interpreted as public policy advocacy and the firm's work is not intended to be used as such or in that context. Engagement deliverables will be client-branded or plain-paper and provided as holistic works to be read and interpreted only in their entirety.



STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 320 S. WALNUT ST., LANSING, MICHIGAN 48933
 P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number 15
 to
 Contract Number 180000000879

CONTRACTOR	KPMG CORPORATE FINANCE, LLC	STATE	Program Manager	Various	SW
	55 Second Street , Suite 1400				
	San Francisco, CA 94105		Contract Administrator	Courtney Powell	DTMB
	Liam Kelly			(517) 249-0452	
	415-932-9040			powellc11@michigan.gov	
	liamkelly@kpmg.com				
CV0059169					

CONTRACT SUMMARY

FINANCIAL & STRATEGIC CONSULTING AND ADVISORY SERV

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
August 20, 2018	August 19, 2021	5 - 1 Year	August 19, 2023
PAYMENT TERMS		DELIVERY TIMEFRAME	
2%NET15, NET45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$5,297,870.00	\$225,000.00	\$5,522,870.00		

DESCRIPTION

Effective August 4, 2022, the following amendment is incorporated regarding Strategic Advisory Services - Permitting Process improvement along with the corresponding additional funding of not to exceed amount of \$225,000.00.

Please note the Program Manager (EXEC Office) is Zach Kolodin.

All other terms, conditions, specifications and pricing remain the same. Per Contractor and Agency agreement, and DTMB Central Procurement Services approval.

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
MDOT	Ryan Mitchell	000-000-0000	MitchellR13@michigan.gov
DTMB	Adam Lach	517-898-2524	LachA@michigan.gov
EXEC	Zachary Kolodin	517-242-0449	kolodinz@michigan.gov

Strategic Advisory Services – Permitting Process Improvement

I. Background

The State of Michigan (“State”) has requested KPMG LLP (“KPMG”) to provide support and assistance to the Department of Technology, Management and Budget (“DTMB”) and other stakeholders including the Department of Environmental, Great Lakes, and Energy (“DEGLE”), Michigan Department of Transportation (“MDOT”), and Michigan Economic Development Corporation (“MEDC”) for standing up its unified State infrastructure permitting planning process and corresponding online permit tracking dashboard (per Executive Directive 2022-6).

II. Services to be Provided

To develop a permit planning process that addresses both existing permitting challenges and opportunities to improve operations KPMG will work with EGLE and other departments as necessary to conduct the following task and activities:

- Map and assess current state permitting process for major infrastructure projects
 - Work with EGLE and other departments to develop tools and resources that will support the State and permit applicants in identifying the permits that will be included in each infrastructure project’s permitting plan.
 - Review existing processes and documentation and interview relevant State staff and private-sector stakeholders to identify process improvements that can be incorporated into the infrastructure project permit planning process.
 - Develop program-by-program permitting timelines (consistent with the State’s statutory obligations) and corresponding performance metrics to help guide or determine the individual steps included in the plans (and their proposed timing).
 - As applicable, identify service gaps and opportunities to avoid bottlenecks in processes.
 - Develop an actionable roadmap and implementation plan for future ideal (?) state
- Permitting process improvement
 - Assist in developing template for coordinated permitting plans (this sounds like a State of Michigan or MIO outcome)
 - Assist in developing guidance for identifying an infrastructure project as a covered project eligible for a coordinated permitting plan
 - Assist in developing regular meeting cadence to support development and implementation of coordinated permitting plans
- Development of specifications and provide input on a permitting dashboard
 - Support DTMB on its development and launch of a permitting dashboard and website.

III. Assumptions

- DTMB will build the permitting dashboard and internal State resources will build the website based on specifications provided by MIO, KPMG will provide input to support this process.
- State of Michigan will make all the management decisions related to the project and implement recommendations as needed to drive the project.
- State of Michigan will make decisions in a timely manner.
- State of Michigan will make available, in a timely manner, relevant documents and data (in an appropriate format for analysis) that would aid in the project.
- Data provided to KPMG will be of an appropriate quality and structure that allows for detailed analysis to be conducted. Data provided in PDF or Word documents may not be analyzed dependent on the effort required to convert the data into a useable format.
- State of Michigan will facilitate identification of stakeholders and scheduling and coordinating meetings, wherever applicable.
- Each department will be responsible for ensuring engagement of its staff, stakeholders, and resources as needed to drive the project based on the project plan.

IV. Excluded Services

The scope of services will exclude the following services:

- Accounting policy review or advice, including constituting acceptance, endorsement or approval of any accounting application or compliance with any accounting standard or requirement;
- Providing guidance on cost accounting activities related on-going operations of the Project;
- Audit or valuation of historical financial performance relating to the Project;
- Tax advice including provision of a formal opinion, although KPMG will be pleased to discuss separate terms of engagement for these services if required;
- Preparation of cash flows for the Project and other technical projections required for project delivery, except as provided by the State; and
- Legal advice.

V. Fees

The State will compensate KPMG based on the established hourly rate of \$413 per hour for services KPMG performs, as established in Contract number 180000000879.

A budget of \$145,789 is expected to perform the services outlined above, based on an estimate of 353 hours of effort however based on certain scope assumptions the budget is not to exceed \$225,000. This budget will cover the period of services through September 30, 2022.

VI. Use of Firms and Third Parties

Use of member firms ("Member Firms") includes references to member firms of KPMG International, other independent firms licensed by KPMG International to use the KPMG name and, in each case, firms controlled by them and third party service providers:

- a) The State acknowledges that in connection with the performance of services under this Task Order, KPMG and Member Firms, in their discretion or at State's direction, may utilize the services of third party service providers within and without the United States to complete the services under this task order.
- b) KPMG uses third party service providers within and without the United States to provide at the direction of KPMG administrative and clerical services to the KPMG Parties. These third party service providers may in the performance of such services have limited access to information, including but not limited to Confidential Information, received by KPMG from or at the request or direction of the State. KPMG represents that each such third party service provider has agreed to conditions of confidentiality with respect to the State's information to the same or similar extent as KPMG has agreed. KPMG has full responsibility to cause these third party service providers to comply with such conditions of confidentiality and KPMG shall be responsible for any consequences of their failure to comply.
- c) Accordingly, the State consents to KPMG's disclosure to a Member Firm or third party service provider and the use by such Member Firm and third party service provider of data and information, including but not limited to Confidential Information, received from or at the requestor direction of the State.
- d) Any services performed by a Member Firm, affiliate or third party service provider shall be performed in accordance with the terms of this task order and these Standard Terms and Conditions, but KPMG shall remain responsible to the State for the performance of such services. The State agrees that any claim relating to the services under this task order may only be made against KPMG and not any other Member Firm or third party service provider referred to above.

VII. Other

KPMG will require the support of the State and associated personnel in order to achieve timely completion of the aforementioned services. Support includes, but is not limited to, the collection of all relevant documents (paper or electronic) and the scheduling of interviews and coordination of meetings.

The State will designate a management level individual to oversee the conduct of these services, including coordination of project resources needed and review of draft deliverables. State personnel assigned to the project will review draft deliverables on a timely basis

Additionally, the State and its other advisers will provide KPMG with underlying cost data for the Project as appropriate. KPMG's services may include advice and recommendations; but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, MDOT. KPMG will not perform management functions or make management decisions for MDOT. KPMG's services as outlined in this task order constitute an advisory engagement conducted under the American Institute of Certified Public Accountants ("AICPA") Standards for Consulting Services. Such services are not intended to be an audit, examination, attestation, special report or agreed-upon procedures engagements as those services are defined in AICPA literature applicable to such engagements conducted by independent auditors. Accordingly, these services shall not result in the issuance of a written communication to third parties by KPMG directly reporting on financial data or internal control or expressing a conclusion or any other form of assurance.

It is understood and agreed that KPMG is not registered with the SEC as a municipal advisor and that the State is not asking KPMG to provide, and KPMG will not provide, any services to the State which would require registration as a municipal advisor, including but not limited to advice with respect to municipal financial products or the issuance of municipal securities. Accordingly, KPMG will not make recommendations relating to municipal financial products or the issuance of municipal securities, and KPMG will not owe a fiduciary duty to the State under Section 15B of the Securities Exchange Act of 1934. The State represents to KPMG that if the State desires municipal advisor services in connection with or related to the subject matter of this engagement, it will obtain such services from another party.

MDOT is aware that Contractor may be providing assurance, tax and/or advisory services to other actual or potential third parties working with MDOT. KPMG will perform an internal search for any potential client conflicts relating to any such third parties identified by MDOT as having a role in connection with KPMG's performance of this Contract. KPMG will disclose, subject to confidentiality

restrictions, to MDOT of any conflicts of interest and obtain your consent to proceed with the services. However, KPMG is a large firm that is engaged by new clients on a daily basis and as a result it cannot guarantee that, following its conflict search, an engagement for a third party will not be accepted somewhere else in KPMG. Should any new information come to KPMG's attention, KPMG will promptly inform MDOT. KPMG shall perform this Contract in accordance with applicable professional standards. In the event a potential conflict is identified, in order to mitigate such a conflict, KPMG will cease work until your consent is received or an alternative course of action is mutually agreed upon.



STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
 P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number 14
 to
 Contract Number 18000000879

CONTRACTOR	KPMG CORPORATE FINANCE, LLC
	55 Second Street , Suite 1400
	San Francisco, CA 94105
	Liam Kelly
	415-932-9040
	liamkelly@kpmg.com
	CV0059169

STATE	Program Manager	Various	SW
	Contract Administrator	Courtney Powell (517) 249-0452 powellc11@michigan.gov	DTMB

CONTRACT SUMMARY

FINANCIAL & STRATEGIC CONSULTING AND ADVISORY SERV

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
August 20, 2018	August 19, 2021	5 - 1 Year	August 19, 2023
PAYMENT TERMS		DELIVERY TIMEFRAME	
2%NET15, NET45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$5,297,870.00	\$0.00	\$5,297,870.00		

DESCRIPTION

Effective March 23, 2022, the following task order exclusively for the Michigan Department of Technology, Management and Budget – Building Operations Division (BOD) for a consolidated laboratory is incorporated into the Contract per the attached Statement of Work (SOW).

Please note the Program Manager for DTMB - BOD is Adam Lach: Phone: 517-898-2524; Email: Lacha@michigan.gov.

All other terms, conditions, specifications and pricing remain the same. Per Contractor and Agency agreement, and DTMB Central Procurement Services approval.

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
MDOT	Ryan Mitchell	000-000-0000	MitchellR13@michigan.gov
DTMB	Adam Lach	517-898-2524	LachA@michigan.gov

Statement of Work – Michigan Department of Technology, Management and Budget (DTMB)

Financial and Commercial Advisory Services – Consolidated Laboratory Project

Contract 071-18000000879

Change Notice 14

Notice to Proceed and Scope of Work

A. SCOPE OF WORK

This Scope of Work (SOW) between the State of Michigan (State), DTMB, and KPMG (the “parties”) is entered into [Change Notice (“CN”) 14 on March 23, 2022, under Contract 071-18000000879, related to the preliminary programming and project development approach for a consolidated laboratory (the “Project”) for the State and certain user agencies including the departments of Health and Human Services (DHHS); Environment, Great Lakes, and Energy (EGLE); Labor and Economic Opportunity (LEO); and Agriculture and Rural Development (MDARD). This is considered a “Phase 1” SOW and authorizes certain activities to be performed by KPMG and our subcontractor, Hellmuth, Obata and Kassabaum (HOK), Inc. (the “KPMG Team”).

Additional phases of Project development will be agreed to by the respective parties.

B. PURPOSE OF PROJECT AND APPROACH

The purpose of this SOW is to assist DTMB with the requirements set forth in Enrolled House Bill 5523 Section 226. The KPMG Team will work with the user agencies and DTMB’s Building Operations Division (BOD) and conduct user group sessions to develop and/or update the initial programming, narratives, site and building concepts, and corresponding cost estimate for the Project. We will also assist with the governance associated with the consolidation of laboratory functions and the implications of certain funding streams that support/underwrite clinical operations and help develop an overall project development and procurement strategy noting that the potential source of capital funding for the project must be committed and expended by the end of 2024 and 2026, respectively, under American Rescue Plan Act of 2021 (ARP) guidelines.

The following activities will be performed as part of Phase 1:

- 1) Provide team project management including weekly status reports, establishment of a file transfer site for historical documentation, and coordination and scheduling of user group meetings and workshops
- 2) Assist with the governance framework and options for the user groups involved in the Project
- 3) Outline key issues and risks related to current funding of clinical programs that need to be considered for the consolidated laboratory operations
- 4) Conduct two rounds of meetings with user agencies plus BOD coordination (each round estimated to be three 3 days)
- 5) Develop updated space program revisions through the client review meetings
- 6) Revise new build concept design and client review meetings (based on program updates)
- 7) Revise architectural/engineering narratives to align with revised concept design
- 8) Conduct comparative analysis of an alternate scenario (1. Addition to existing lab building) including (cost model to include construction costs, operational costs, and life cycle costs)
- 9) Develop cost estimate for new build concept design including site development (road extension from Crowner Road to Davis Highway) and extension/upgrades required of the existing energy center to accommodate the new facility (cost model to include construction costs, operational costs, and life cycle costs)
- 10) Work with DTMB to explore potential delivery methods for the Project that enable meeting ARP timing requirements including methods such as design-bid-build (DBB), design-build (DB), construction manager at risk (CMr), construction manager/general contractor (CMGC), and associated fee developer approaches

- 11) Develop procurement strategy identifying preferred delivery method and timing consistent with Act 431 and ARP guidance

Upon conclusion of Phase 1, the parties may mutually agree to advance the development of the Project based on DTMB’s preferences related to delivery method and procurement approach as part of a possible “phase 2” to this SOW. The following activities may be performed as part of Phase 2:

- 1) Provide on-going project management assistance to DTMB to meet deadlines and milestones for the Project
- 2) Assist DTMB with Project procurement, including development of requests for qualifications and proposals
- 3) Provide technical support with development of bridging documents, technical narratives, schematic designs
- 4) Work with user groups to coordinate and develop consolidation governance and planning, including:
 - a. Develop Project financial pro forma based on anticipated construction timing and use of funds (e.g., ARP) and preferred delivery method
 - b. Develop operating financial pro forma to provide an initial view on current clinical activities and alignment with funding restrictions/requirements

C. DELIVERABLES

Phase 1 deliverables include:

- Draft Report
- Final Report with updated space program, revised new building concept, updated architecture/engineering narratives, and cost estimate
- Summary of delivery model analysis and procurement strategy

D. BUDGET

The following is the estimated budget for Phase 1:

Firm	Blended Rate Per Hour	Estimated Hours	Estimated Budget
KPMG	\$413*	680	\$280,840
HOK	\$275	1500	\$412,500
Estimated Direct Expenses for HOK		Cost Estimating	\$30,000
		Travel Expenses	\$20,000
Total			\$743,340

**Includes KPMG’s travel expenses*

Phase 1 SOW has a not to exceed estimate of \$750,000, which is to be completed and reported out by June 1, 2022. Fees and HOK direct expenses will be incurred on a time and material basis and billed monthly to DTMB based on actual hours incurred.

Phase 2 activities will only be initiated by written authorization of DTMB and have an initial not to exceed budget authorization of \$1,000,000. DTMB and KPMG may amend this based on mutual agreement as desired by the respective parties.

E. ASSUMPTIONS

- Project size is similar to the previous study (~235k SF)
- The final report is due on May 16, 2022.
- Report will include owner-provided moveable equipment list and estimated budget allowance for new moveable lab equipment
- Report will not include updated Room Data Sheets (RDS)

- HOK will be using an outside estimating firm to confirm supply chain and escalation for a 2024 midpoint of construction
- Project site remains the same as previously studied
- Initial assessment of site analysis and landscape requirements will be updated
- Analysis of adaptive reuse of non-lab scenarios excluded
- DTMB will work with KPMG/HOK to help develop any options for the alternate lab addition scenario
- Cost estimating of the alternate scenario is currently included

F. ADDITIONAL MATTERS

KPMG will require the support of the State and associated personnel to achieve timely completion of the services. Support includes, but is not limited to, the collection of all relevant documents (paper or electronic) and the scheduling of interviews and coordination of meetings.

The State will designate a management level individual to oversee the conduct of these services, including coordination of project resources needed and review of draft deliverables. State personnel assigned to the project will review draft deliverables on a timely basis. Additionally, the State and its other advisers will provide KPMG with underlying cost data for the Project as appropriate.

KPMG's services as outlined in this task order constitute an advisory engagement conducted under the American Institute of Certified Public Accountants ("AICPA") Standards for Consulting Services. Such services are not intended to be an audit, examination, attestation, special report or agreed-upon procedures engagements as those services are defined in AICPA literature applicable to such engagements conducted by independent auditors. Accordingly, these services shall not result in the issuance of a written communication to third parties by KPMG directly reporting on financial data or internal control or expressing a conclusion or any other form of assurance.

It is understood and agreed that KPMG is not registered with the SEC as a municipal advisor and that the State is not asking KPMG to provide, and KPMG will not provide, any services to the State which would require registration as a municipal advisor, including but not limited to advice with respect to municipal financial products or the issuance of municipal securities. Accordingly, KPMG will not make recommendations relating to municipal financial products or the issuance of municipal securities, and KPMG will not owe a fiduciary duty to the State under Section 15B of the Securities Exchange Act of 1934. The State represents to KPMG that if the State desires municipal advisor services in connection with or related to the subject matter of this engagement, it will obtain such services from another party.

The State acknowledges and agrees that KPMG's services may include advice and recommendations; but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, State. KPMG will not perform management functions or make management decisions for the State.

For engagements where services will be provided by KPMG through offices located in California, State acknowledges that certain of KPMG's personnel who may be considered "owners" under the California Accountancy Act and implementing regulations (California Business and Professions Code section 5079(a); 16 Cal. Code Regs. sections 51 and 51.1) and who may provide services in connection with this engagement, may not be licensed as certified public accountants under the laws of any of the various states.

Documents resulting from this effort will be used by the State or other contracted parties by the State to continue the effort to complete full programming, design, and construction of a final facility. The State acknowledges that the documents provided are conceptual in nature and that the State and/or its selected contracted parties will be solely responsible for completion of programming, design, and construction of the final facility, including revisions made by the State and/or its contracted parties to such documents.



STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
 P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **13**
 to
 Contract Number **18000000879**

CONTRACTOR	KPMG CORPORATE FINANCE, LLC
	55 Second Street , Suite 1400
	San Francisco, CA 94105
	Liam Kelly
	415-932-9040
	liamkelly@kpmg.com
	CV0059169

STATE	Program Manager	Various	SW
Contract Administrator	Courtney Powell	DTMB	
	(517) 249-0452		
	powellc11@michigan.gov		

CONTRACT SUMMARY

FINANCIAL & STRATEGIC CONSULTING AND ADVISORY SERV

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
August 20, 2018	August 19, 2021	5 - 1 Year	August 19, 2023
PAYMENT TERMS		DELIVERY TIMEFRAME	
2%NET15, NET45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$3,297,870.00	\$2,000,000.00	\$5,297,870.00		

DESCRIPTION

Effective October 12, 2021, this Contract is hereby increased by \$2,000,000.00 for Statewide use. All other terms, conditions, specifications, and pricing remain the same. Per Agency and Contractor agreement, DTMB Central Procurement Services approval, and State Administrative Board approval on October 12, 2021.

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
EXEC	Wenona Singel	517-000-0000	SingelW@michigan.gov
EXEC	Corina Andorfer	517-335-2005	AndorferC1@michigan.gov
MDOT	Ryan Mitchell	000-000-0000	MitchellR13@michigan.gov

STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
 P.O. BOX 30026 LANSING, MICHIGAN 48909



CONTRACT CHANGE NOTICE

Change Notice Number 12
 to
 Contract Number 18000000879

CONTRACTOR	KPMG LLP
	55 Second Street , Suite 1400
	San Francisco, CA 94105
	Liam Kelly
	415-932-9040
	liamkelly@kpmg.com
	CV0059169

STATE	Program Manager	Various	SW
STATE	Contract Administrator	Courtney Powell	DTMB
		(517) 249-0452	
		powellc11@michigan.gov	

CONTRACT SUMMARY

FINANCIAL & STRATEGIC CONSULTING AND ADVISORY SERV

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
August 20, 2018	August 19, 2021	5 - 1 Year	August 19, 2023
PAYMENT TERMS		DELIVERY TIMEFRAME	
2%NET15, NET45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$3,297,870.00	\$0.00	\$3,297,870.00		

DESCRIPTION

Effective April 26, 2021 the following amendments are hereby incorporated:

- The task order exclusively for the Michigan Department of Transportation (MDOT) for Detroit Intermodal Transportation Facility – Phase I extension is incorporated into the Contract per the attached Statement of Work (SOW), previously added as Change Notice 9, to cover services through May 31, 2021 with a not to exceed amount of \$70,000.00 for the additional scope.
- The authorizing document for future MDOT task orders or revisions to task orders will be issued through a Delivery Order (DO) instead of a Change Notice to the Contract/Master Agreement.

All other terms, conditions, specifications and pricing remain the same. Per Contractor and Agency agreement, and DTMB Central Procurement Services approval.

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
EXEC	Wenona Singel	517-000-0000	SingelW@michigan.gov
EXEC	Corina Andorfer	517-335-2005	AndorferC1@michigan.gov
MDOT	Ryan Mitchell	000-000-0000	MitchellR13@michigan.gov

Statement of Work – Michigan Department of Transportation (MDOT)

Advisory Services – New Center Intermodal Facility Feasibility Analysis - Detroit Intermodal Transportation Facility – Phase I extension

Contract 071-18000000879 Change Notice 12

1. Background

The Michigan Department of Transportation (MDOT) is considering developing a New Center Intermodal Facility (NCIF) in the Detroit area. Select studies have been conducted in support of IPTF development over the past several years and a draft RFQ/P has been drafted to commence the procurement of a developer for the project. An initial phase of feasibility analysis is being conducted and MDOT is looking to proceed with further project development and implementation activities.

2. Services to be provided

MDOT has requested KPMG's support and assistance with respect to Phase I qualitative and high-level quantitative assessment of potential development options for the project and testing the potential market appetite and development options with market participants. Additional scope and budget is being added to this work order due to an extended stakeholder consultation process and longer on-boarding period for technical advisor.

KPMG will assist MDOT with the following key activities:

- i. Finalize business case
 - a. Assist with site analysis for intercity bus station including up to 4 site options. This will include a cost analysis. In conjunction with the technical advisor, review and incorporate the transportation requirements and needs.
 - b. Complete briefing presentation for MDOT leadership on site options, financial analysis and procurement options.
 - c. Assist with finalizing project scope including up to 3 development options.
 - d. Assist with identifying key components and considerations of a governance model for the project

Proposed deliverables: finalized options analysis and project implementation roadmap

3. Excluded Services

The scope of services will exclude the following services:

- Accounting policy review or advice, including constituting acceptance, endorsement or approval of any accounting application or compliance with any accounting standard or requirement;
- Providing guidance on cost accounting activities related on-going operations of the Project;
- Audit or valuation of historical financial performance relating to the Project;
- Tax advice including provision of a formal opinion, although KPMG will be pleased to discuss separate terms of engagement for these services if required;
- Preparation of cash flows for the Project and other technical projections required for project delivery, except as provided by the State; and
- Legal advice.

4. Fees

The State will compensate KPMG based on the established hourly rate of \$413 per hour for services KPMG performs, as established in Contract number 180000000879. This budget will cover the period of services through May 31, 2021.

The anticipated fees for Phase I services outlined above are as follows:

- KPMG additional scope: not to exceed \$70,000

5. Use of Member Firms and Third Parties

Use of member firms (“Member Firms”) includes references to member firms of KPMG International, other independent firms licensed by KPMG International to use the KPMG name and, in each case, firms controlled by them and third party service providers:

a) The State acknowledges that in connection with the performance of services under this Task Order, KPMG and Member Firms, in their discretion or at State’s direction, may utilize the services of third party service providers within and without the United States to complete the services under this task order.

b) KPMG uses third party service providers within and without the United States to provide at the direction of KPMG administrative and clerical services to the KPMG Parties. These third party service providers may in the performance of such services have limited access to information, including but not limited to Confidential Information, received by KPMG from or at the request or direction of the State. KPMG represents that each such third party service provider has agreed to conditions of confidentiality with respect to the State’s information to the same or similar extent as KPMG has agreed. KPMG has full responsibility to cause these third party service providers to comply with such conditions of confidentiality and KPMG shall be responsible for any consequences of their failure to comply.

c) Accordingly, the State consents to KPMG’s disclosure to a Member Firm or third party service provider and the use by such Member Firm and third party service provider of data and information, including but not limited to Confidential Information, received from or at the requestor direction of the State.

d) Any services performed by a Member Firm, affiliate or third party service provider shall be performed in accordance with the terms of this task order and these Standard Terms and Conditions, but KPMG shall remain responsible to the State for the performance of such services. The State agrees that any claim relating to the services under this task order may only be made against KPMG and not any other Member Firm or third party service provider referred to above.

6. Other

- KPMG will require the support of the State and associated personnel in order to achieve timely completion of the aforementioned services. Support includes, but is not limited to, the collection of all relevant documents (paper or electronic) and the scheduling of interviews and coordination of meetings.
- The State will designate a management level individual to oversee the conduct of these services, including coordination of project resources needed and review of draft deliverables. State personnel assigned to the project will review draft deliverables on a timely basis.
- Additionally, the State and its other advisers will provide KPMG with underlying cost data for the Project as appropriate.
- KPMG’s services as outlined in this task order constitute an advisory engagement conducted under the American Institute of Certified Public Accountants (“AICPA”) Standards for Consulting Services.

Such services are not intended to be an audit, examination, attestation, special report or agreed-upon procedures engagements as those services are defined in AICPA literature applicable to such engagements conducted by independent auditors. Accordingly, these services shall not result in the issuance of a written communication to third parties by KPMG directly reporting on financial data or internal control or expressing a conclusion or any other form of assurance.

- The State and MDOT represent that they will not seek legal services or legal advice from KPMG or Nossaman under this Task Order, and they will solely rely on the Office of the Attorney General for such legal services and advice.
- It is understood and agreed that KPMG is not registered with the SEC as a municipal advisor and that the State is not asking KPMG to provide, and KPMG will not provide, any services to the State which would require registration as a municipal advisor, including but not limited to advice with respect to municipal financial products or the issuance of municipal securities. Accordingly, KPMG will not make recommendations relating to municipal financial products or the issuance of municipal securities, and KPMG will not owe a fiduciary duty to the State under Section 15B of the Securities Exchange Act of 1934. The State represents to KPMG that if the State desires municipal advisor services in connection with or related to the subject matter of this engagement, it will obtain such services from another party.

STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
 P.O. BOX 30026 LANSING, MICHIGAN 48909



CONTRACT CHANGE NOTICE

Change Notice Number 11
 to
 Contract Number 180000000879

CONTRACTOR	KPMG LLP
	55 Second Street , Suite 1400
	San Francisco, CA 94105
	Liam Kelly
	415-932-9040
	liamkelly@kpmg.com
	CV0059169

STATE	Program Manager	Various	SW
	Contract Administrator	Courtney Powell	DTMB
		(517) 249-0452 powellc11@michigan.gov	

CONTRACT SUMMARY

FINANCIAL & STRATEGIC CONSULTING AND ADVISORY SERV

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
August 20, 2018	August 19, 2021	5 - 1 Year	August 19, 2023
PAYMENT TERMS		DELIVERY TIMEFRAME	
2%NET15, NET45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$3,297,870.00	\$0.00	\$3,297,870.00		

DESCRIPTION

Effective March 17, 2021, the following task order exclusively for the Michigan Department of Transportation (MDOT) for Financial and Commercial Advisory Services – Michigan Connected Corridor Project is incorporated into the Contract per the attached Statement of Work (SOW).

All other terms, conditions, specifications and pricing remain the same. Per Contractor and Agency agreement, and DTMB Central Procurement Services approval.

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
EXEC	Wenona Singel	517-000-0000	SingelW@michigan.gov
EXEC	Corina Andorfer	517-335-2005	AndorferC1@michigan.gov
MDOT	Ryan Mitchell	000-000-0000	MitchellR13@michigan.gov

Statement of Work – Michigan Department of Transportation (MDOT)

Financial and Commercial Advisory Services – Michigan Connected Corridor Project

Contract 071-18000000879 Change Notice 11

I. Financial and Commercial Advisory Services – Michigan Connected Corridor Project

a. Scope of Work

As part of KPMG’s advisory services for the Michigan Connected Corridor Project (the “project”), the State of Michigan (“State”) and the Michigan Department of Transportation (“MDOT”) have requested that KPMG provide support and assistance on an as needed basis with respect to (i) a preliminary assessment, and (ii) transaction development.

Phase 1: Preliminary Assessment Support

- i. Review of relevant information and material developed by Cavvue on the project
- ii. Facilitate discussions to identify policy objectives and limitations for the project
- iii. Assist with financial aspects of the project and potential funding sources
- iv. Assist with identifying key commercial risks and potential mitigation strategies
- v. Support MDOT on assessment of commercial structures
- vi. Review and comment on the business case/feasibility study developed by Cavvue
- vii. Support in discussions between MDOT and other stakeholders.

Phase 2 (subject to separate NTP): Transaction Development Support

- i. Support MDOT in discussions on transaction process
- ii. Assist MDOT on development/review of scope of work
- iii. Advise MDOT on funding and financial analysis, including the financial structure proposed by Cavvue
- iv. Advise on assessment of commercial risks, business opportunities and development of commercial structure
- v. Assist with development of term sheets
- vi. Support in development of commercial agreements
- vii. Assist MDOT coordinate with other stakeholders
- viii. Advise MDOT on negotiations with Cavvue
- ix. Assist with funding and financing applications/negotiations

b. Budget

A budget of \$225,000 is requested to perform the services of Phase 1. This budget will cover the period of services through December 31, 2022.

Should NTP be given by MDOT to proceed with Phase 2, a contract amendment will be provided with the budget to provide Phase 2 services.

II. Excluded Services

The scope of services will exclude the following services:

- Accounting policy review or advice, including constituting acceptance, endorsement or approval of any accounting application or compliance with any accounting standard or requirement;
- Providing guidance on cost accounting activities related on-going operations of the Project;
- Audit or valuation of historical financial performance relating to the Project;
- Tax advice including provision of a formal opinion, although KPMG will be pleased to discuss separate terms of engagement for these services if required;
- Preparation of cash flows for the Project and other technical projections required for project delivery, except as provided by the State; and
- Legal advice.

III. Use of Firms and Third Parties

Use of member firms (“Member Firms”) includes references to member firms of KPMG International, other independent firms licensed by KPMG International to use the KPMG name and, in each case, firms controlled by them and third party service providers:

- a) The State acknowledges that in connection with the performance of services under this Task Order, KPMG and Member Firms, in their discretion or at State’s direction, may utilize the services of third party service providers within and without the United States to complete the services under this task order.
- b) KPMG uses third party service providers within and without the United States to provide at the direction of KPMG administrative and clerical services to the KPMG Parties. These third party service providers may in the performance of such services have limited access to information, including but not limited to Confidential Information, received by KPMG from or at the request or direction of the State. KPMG represents that each such third party service provider has agreed to conditions of confidentiality with respect to the State’s information to the same or similar extent as KPMG has agreed. KPMG has full responsibility to cause these third party service providers to comply with such conditions of confidentiality and KPMG shall be responsible for any consequences of their failure to comply.
- c) Accordingly, the State consents to KPMG’s disclosure to a Member Firm or third party service provider and the use by such Member Firm and third party service provider of data and information, including but not limited to Confidential Information, received from or at the requestor direction of the State.

- d) Any services performed by a Member Firm, affiliate or third party service provider shall be performed in accordance with the terms of this task order and these Standard Terms and Conditions, but KPMG shall remain responsible to the State for the performance of such services. The State agrees that any claim relating to the services under this task order may only be made against KPMG and not any other Member Firm or third party service provider referred to above.

IV. Other

KPMG will require the support of the State and associated personnel in order to achieve timely completion of the aforementioned services. Support includes, but is not limited to, the collection of all relevant documents (paper or electronic) and the scheduling of interviews and coordination of meetings.

The State will designate a management level individual to oversee the conduct of these services, including coordination of project resources needed and review of draft deliverables. State personnel assigned to the project will review draft deliverables on a timely basis. Additionally, the State and its other advisers will provide KPMG with underlying cost data for the Project as appropriate. KPMG's services may include advice and recommendations; but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, MDOT. KPMG will not perform management functions or make management decisions for MDOT. KPMG's services as outlined in this task order constitute an advisory engagement conducted under the American Institute of Certified Public Accountants ("AICPA") Standards for Consulting Services. Such services are not intended to be an audit, examination, attestation, special report or agreed-upon procedures engagements as those services are defined in AICPA literature applicable to such engagements conducted by independent auditors. Accordingly, these services shall not result in the issuance of a written communication to third parties by KPMG directly reporting on financial data or internal control or expressing a conclusion or any other form of assurance.

It is understood and agreed that KPMG is not registered with the SEC as a municipal advisor and that the State is not asking KPMG to provide, and KPMG will not provide, any services to the State which would require registration as a municipal advisor, including but not limited to advice with respect to municipal financial products or the issuance of municipal securities. Accordingly, KPMG will not make recommendations relating to municipal financial products or the issuance of municipal securities, and KPMG will not owe a fiduciary duty to the State under Section 15B of the Securities Exchange Act of 1934. The State represents to KPMG that if the State desires municipal advisor services in connection with or related to the subject matter of this engagement, it will obtain such services from another party.

MDOT is aware that Contractor may be providing assurance, tax and/or advisory services to other actual or potential third parties working with MDOT. KPMG will perform an internal search for any potential client conflicts relating to any such third parties identified by MDOT as having a role in connection with KPMG's performance of this Contract. KPMG will disclose, subject to confidentiality restrictions, to MDOT of any conflicts of interest and obtain your consent to proceed with the services. However, KPMG is a large firm that is engaged by new clients on a daily basis and as a result it cannot guarantee that, following its conflict search, an engagement for a third party will not be accepted somewhere else in KPMG. Should any new information come to KPMG's attention, KPMG will promptly inform MDOT. KPMG shall perform this Contract in accordance with applicable professional standards. In

the event a potential conflict is identified, in order to mitigate such a conflict, KPMG will cease work until your consent is received or an alternative course of action is mutually agreed upon.



STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
 P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number 10
 to
 Contract Number 18000000879

CONTRACTOR	KPMG LLP
	55 Second Street , Suite 1400
	San Francisco, CA 94105
	Liam Kelly
	415-932-9040
	liamkelly@kpmg.com
	CV0059169

STATE	Program Manager	Various	SW
	Contract Administrator	Courtney Powell (517) 249-0452 powellc11@michigan.gov	DTMB

CONTRACT SUMMARY

FINANCIAL & STRATEGIC CONSULTING AND ADVISORY SERV

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
August 20, 2018	August 19, 2021	5 - 1 Year	August 19, 2021
PAYMENT TERMS		DELIVERY TIMEFRAME	
2%NET15, NET45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	2 Years	<input type="checkbox"/>	N/A	August 19, 2023
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$2,697,870.00	\$600,000.00	\$3,297,870.00		

DESCRIPTION

Effective December 9, 2020, the following amendments are incorporated into this Contract:

- The State is exercising two option years. The revised contract expiration date is August 19, 2023.
- The Michigan Department of Transportation (MDOT) Financial and Commercial Advisory Services-I-75 Modernization Project Statement of Work(SOW), previously added as Change Notice 5, is hereby extended through November 30, 2022, and is increased by \$600,000.00 to complete the project.

All other terms, conditions, specifications, and pricing remain the same. Per Contractor and Agency agreement, DTMB Central Procurement Services approval, and State Administrative Board approval on December 8, 2020.

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
EXEC	Wenona Singel	517-000-0000	SingelW@michigan.gov
EXEC	Corina Andorfer	517-335-2005	AndorferC1@michigan.gov
MDOT	Ryan Mitchell	000-000-0000	MitchellR13@michigan.gov



STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
 P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **9**
 to
 Contract Number **18000000879**

CONTRACTOR	KPMG CORPORATE FINANCE, LLC
	55 Second Street , Suite 1400
	San Francisco, CA 94105
	Liam Kelly
	415-932-9040
	liamkelly@kpmg.com
	CV0059169

STATE	Program Manager	Various	SW
	Contract Administrator	Courtney Powell	DTMB
		(517) 249-0452 powellc11@michigan.gov	

CONTRACT SUMMARY

FINANCIAL & STRATEGIC CONSULTING AND ADVISORY SERV

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
August 20, 2018	August 19, 2021	5 - 1 Year	August 19, 2021
PAYMENT TERMS		DELIVERY TIMEFRAME	
2%NET15, NET45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$2,697,870.00	\$0.00	\$2,697,870.00		

DESCRIPTION

Effective November 2, 2020, the following task order exclusively for the Michigan Department of Transportation (MDOT) for the New Center Intermodal Facility Feasibility Analysis is incorporated into the Contract per the attached Statement of Work (SOW).
 All other terms, conditions, specifications and pricing remain the same. Per Contractor and Agency agreement, and DTMB Central Procurement Services approval.

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
EXEC	Wenona Singel	517-000-0000	SingelW@michigan.gov
EXEC	Corina Andorfer	517-335-2005	AndorferC1@michigan.gov
MDOT	Ryan Mitchell	000-000-0000	MitchellR13@michigan.gov

Statement of Work – Michigan Department of Transportation (MDOT)

Advisory Services – New Center Intermodal Facility Feasibility Analysis

Contract 071-18000000879 Change Notice 9

1. Background

The Michigan Department of Transportation (MDOT) is considering developing a New Center Intermodal Facility (NCIF) in the Detroit area. Select studies have been conducted in support of NCIF development over the past several years and a draft RFQ/P has been drafted to commence the procurement of a developer for the project.

2. Services to be provided

MDOT has requested KPMG's support and assistance with respect to qualitative and high-level quantitative assessment of potential development options for the project and testing the potential market appetite and development options with market participants. MDOT has also requested that a technical advisor be brought in as subcontractor to KPMG to assist with the technical aspects of the work, including scoping, cost estimates, and technical feasibility. The selection and onboarding of the technical advisor is subject to mutual agreement between MDOT and KPMG. Onboarding of technical advisor will be contingent upon completion of KPMG's onboarding process, which includes conflicts checks, and the selected consultant's acceptance of KPMG's terms and conditions. As appropriate, and at the request of MDOT, KPMG may also onboard another commercial advisor to assist with drafting procurement documents during the Project Implementation phase.

The delivery of services will be provided in two phases:

- Phase I: Project Development
- Phase II: Project Implementation

Phase I – Project Development

KPMG will work with MDOT to conduct the following task and activities:

1. Qualitative Assessment
 - Confirm key project stakeholders
 - Support MDOT in preparing for and facilitation of the stakeholder meeting
 - Discuss project needs as well as key goals and objectives for MDOT and other project stakeholders
 - Outline assumptions defined in the Quandel study, confirming, soliciting further needs, wants, constraints, objectives
 - Define what constitutes project success (development options will be evaluated against these criteria)
 - Review and discuss zoning requirements with the City of Detroit
 - Identify key project challenges and constraints
 - Define high-level project scope and minimum scope requirements for MDOT (as well as other stakeholders)
 - Outline initial development options for evaluation, including pros and cons and evaluate each option against project goals

Proposed Deliverables: preparation of materials for stakeholder meeting; memo summarizing project goals and objectives and success factors; project scope definition; analysis of potential development options against project success criteria.

2. Onboarding of Technical Advisor

- Assist with the development of scope of services
- Assist with the evaluation process¹
- Onboard technical advisor consistent with KPMG's onboarding process
- Work closely with technical advisor on the following scope items:
 - Help facilitate risk workshop sessions;
 - Assist MDOT in updating and compiling a risk matrix that reflects critical commercial considerations;
 - Support MDOT with risk quantification considerations;
 - Define project scope, estimates of capital and on-going costs within the project limits, project delivery timeline, and financial inputs for various delivery options

Proposed Deliverables: input for technical advisory scope; inputs into project risk matrix; input in risk evaluation memo; updates to project scope based on additional technical inputs.

3. Funding Assessment

- Identify existing and potential project funding and financing options based on preferred project scope
- If existing project information allows, conduct high-level financial analysis of the project, using cost data provide by the technical advisor, to estimate potential project cost and to assess project affordability and potential public subsidy requirements

Proposed Deliverables: based on available information, memo summarizing high-level financial analysis

4. Market Sounding

- Develop a short project teaser to distribute to select market participants with high-level scope, goals and envisioned approach
- Organize and conduct a market sounding exercise to solicit industry feedback on the potential delivery options to help guide the project development and procurement process

Proposed Deliverables: project teaser for market sounding; market sounding questions and memo summarizing market feedback on project scope, structure, and delivery options; report summarizing project scope, cost, delivery options, and recommended implementation roadmap.

Phase II – Project Implementation

KPMG will assist MDOT with project implementation (subject to separate notice to proceed) if MDOT reaches an agreement for the procurement of the project. KPMG will work with MDOT to:

- Advise on project development, including development of heads of terms
- Assist with development of procurement documents and procurement strategy

¹ KPMG will not have a role in the selection of the technical advisor.

- Perform financial analysis and advice on different funding and financing options and processes
- Support in the evaluation of statements of qualifications and proposals
- Provide support in negotiations with market players
- Assist with reaching commercial and financial close

Proposed deliverables: inputs into RFQ and updates based on market input; assistance with SOQ evaluations, including financial capacity evaluation; inputs into RFP drafting and updates based on market input; assistance with proposal evaluations; assistance with commercial and financial closing.

3. Excluded Services

The scope of services will exclude the following services:

- Accounting policy review or advice, including constituting acceptance, endorsement or approval of any accounting application or compliance with any accounting standard or requirement;
- Providing guidance on cost accounting activities related on-going operations of the Project;
- Audit or valuation of historical financial performance relating to the Project;
- Tax advice including provision of a formal opinion, although KPMG will be pleased to discuss separate terms of engagement for these services if required;
- Preparation of cash flows for the Project and other technical projections required for project delivery, except as provided by the State; and
- Legal advice.

4. Fees

The State will compensate KPMG based on the established hourly rate of \$413 per hour for services KPMG performs, as established in Contract number 180000000879. This budget will cover the period of services through May 31, 2021.

The anticipated fees for Phase I services outlined above are as follows:

- Phase I
 - KPMG scope: \$300,000
 - Technical advisor scope: TBD
- Phase II scope to be priced/agreed separately

5. Use of Member Firms and Third Parties

Use of member firms (“Member Firms”) includes references to member firms of KPMG International, other independent firms licensed by KPMG International to use the KPMG name and, in each case, firms controlled by them and third party service providers:

a) The State acknowledges that in connection with the performance of services under this Task Order, KPMG and Member Firms, in their discretion or at State’s direction, may utilize the services of third party service providers within and without the United States to complete the services under this task order.

b) KPMG uses third party service providers within and without the United States to provide at the direction of KPMG administrative and clerical services to the KPMG Parties. These third party service providers may in the performance of such services have limited access to information, including but not limited to Confidential Information, received by KPMG from or at the request or direction of the State. KPMG represents that each such third party service provider has agreed to conditions of confidentiality

with respect to the State's information to the same or similar extent as KPMG has agreed. KPMG has full responsibility to cause these third party service providers to comply with such conditions of confidentiality and KPMG shall be responsible for any consequences of their failure to comply.

c) Accordingly, the State consents to KPMG's disclosure to a Member Firm or third party service provider and the use by such Member Firm and third party service provider of data and information, including but not limited to Confidential Information, received from or at the requestor direction of the State.

d) Any services performed by a Member Firm, affiliate or third party service provider shall be performed in accordance with the terms of this task order and these Standard Terms and Conditions, but KPMG shall remain responsible to the State for the performance of such services. The State agrees that any claim relating to the services under this task order may only be made against KPMG and not any other Member Firm or third party service provider referred to above.

6. Other

- KPMG will require the support of the State and associated personnel in order to achieve timely completion of the aforementioned services. Support includes, but is not limited to, the collection of all relevant documents (paper or electronic) and the scheduling of interviews and coordination of meetings.
- The State will designate a management level individual to oversee the conduct of these services, including coordination of project resources needed and review of draft deliverables. State personnel assigned to the project will review draft deliverables on a timely basis.
- Additionally, the State and its other advisers will provide KPMG with underlying cost data for the Project as appropriate.
- KPMG's services as outlined in this task order constitute an advisory engagement conducted under the American Institute of Certified Public Accountants ("AICPA") Standards for Consulting Services. Such services are not intended to be an audit, examination, attestation, special report or agreed-upon procedures engagements as those services are defined in AICPA literature applicable to such engagements conducted by independent auditors. Accordingly, these services shall not result in the issuance of a written communication to third parties by KPMG directly reporting on financial data or internal control or expressing a conclusion or any other form of assurance.
- The State and MDOT represent that they will not seek legal services or legal advice from KPMG or Nossaman under this Task Order, and they will solely rely on the Office of the Attorney General for such legal services and advice.
- It is understood and agreed that KPMG is not registered with the SEC as a municipal advisor and that the State is not asking KPMG to provide, and KPMG will not provide, any services to the State which would require registration as a municipal advisor, including but not limited to advice with respect to municipal financial products or the issuance of municipal securities. Accordingly, KPMG will not make recommendations relating to municipal financial products or the issuance of municipal securities, and KPMG will not owe a fiduciary duty to the State under Section 15B of the Securities Exchange Act of 1934. The State represents to KPMG that if the State desires municipal advisor services in connection with or related to the subject matter of this engagement, it will obtain such services from another party.



STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
 P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **8**
 to
 Contract Number **18000000879**

CONTRACTOR	KPMG CORPORATE FINANCE, LLC
	55 Second Street , Suite 1400
	San Francisco, CA 94105
	Liam Kelly
	415-932-9040
	liamkelly@kpmg.com
	CV0059169

STATE	Program Manager	Various	SW
STATE	Contract Administrator	Courtney Powell	DTMB
		(517) 249-0452	
		powellc11@michigan.gov	

CONTRACT SUMMARY

FINANCIAL & STRATEGIC CONSULTING AND ADVISORY SERV

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
August 20, 2018	August 19, 2021	5 - 1 Year	August 19, 2021
PAYMENT TERMS		DELIVERY TIMEFRAME	
2%NET15, NET45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$2,697,870.00	\$0.00	\$2,697,870.00		

DESCRIPTION

Effective June 1, 2020, the Michigan Department of Transportation (MDOT) Bridge Bundling Project's Statement of Work (SOW), previously added as Change Notice 1 and Change Notice 3, is hereby extended through August 31, 2020, to complete the project.

All other terms, conditions, specifications and pricing remain the same. Per Contractor and Agency agreement, and DTMB Central Procurement Services approval.

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
EXEC	Wenona Singel	517-000-0000	SingelW@michigan.gov
EXEC	Corina Andorfer	517-335-2005	AndorferC1@michigan.gov
MDOT	Ryan Mitchell	000-000-0000	MitchellR13@michigan.gov



STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
 P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number 7
 to
 Contract Number 180000000879

CONTRACTOR	KPMG CORPORATE FINANCE, LLC
	55 Second Street , Suite 1400
	San Francisco, CA 94105
	Liam Kelly
	415-932-9040
	liamkelly@kpmg.com
	CV0059169

STATE	Program Manager	Various	SW
	Contract Administrator	Courtney Powell	DTMB
		(517) 249-0452	
		powellc11@michigan.gov	

CONTRACT SUMMARY

FINANCIAL & STRATEGIC CONSULTING AND ADVISORY SERV

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
August 20, 2018	August 19, 2021	5 - 1 Year	August 19, 2021
PAYMENT TERMS		DELIVERY TIMEFRAME	
2%NET15, NET45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$2,697,870.00	\$0.00	\$2,697,870.00		

DESCRIPTION

Effective February 18, 2020, this Contract is hereby amended as follows:

The following task order exclusively for the Michigan Department of Transportation (MDOT) for the I-69 Project is incorporated into the Contract per the attached Statement of Work (SOW).

All other terms, conditions, specifications and pricing remain the same. Per Contractor and Agency agreement, and DTMB Central Procurement Services approval.

**Statement of Work – Michigan Department of Transportation (MDOT)
Advisory Services – I-69 Project
Contract 171 18000000879 - Change Notice 7**

1. Background

The Michigan Department of Transportation (“MDOT”) released a Request for Qualifications (“RFQ”) for the Project on January 8, 2020 requesting Statements of Qualifications (“SOQs”) from entities interested in submitting proposals for freeway rehabilitation of I-69 in the Southwest and University Regions using a Design-Build contract.

2. Services to be provided

MDOT has requested KPMG’s support and assistance with respect to (i) reviewing the Project procurement documents, and (ii) providing input on improvements to MDOT’s Design-Build procurement process. For these activities, KPMG will also utilize services of a subcontractor, Nossaman LLP, for certain commercial items related to the review of Project documents. Activities will include:

- i. I-69 Project procurement documents review
 - Review one version of the Project procurement documents including RFQ and RFP;
 - Provide observations, discussion items and recommendations for areas of improvement in the procurement documents
 - KPMG with Nossaman’s support will participate as requested on phone calls related to procurement document review
 - KPMG with Nossaman’s support will coordinate with Michigan AG on legal issues relevant to comments on procurement documents
- ii. General On-Call Advisory Services
 - KPMG will support MDOT staff, as needed, with commercial questions related to Design-Build projects

3. Excluded Services

The scope of services will exclude the following services:

- Accounting policy review or advice, including constituting acceptance, endorsement or approval of any accounting application or compliance with any accounting standard or requirement;
- Providing guidance on cost accounting activities related on-going operations of the Project;
- Audit or valuation of historical financial performance relating to the Project;
- Tax advice including provision of a formal opinion, although KPMG will be pleased to discuss separate terms of engagement for these services if required;
- Preparation of cash flows for the Project and other technical projections required for project delivery, except as provided by the State; and
- Legal advice.

4. Engagement Team

The engagement team must be approved by the Program Manager.

5. Fees

The State will compensate KPMG based on the established hourly rate of \$413 per hour for services KPMG performs and at an established hourly rate of \$605 per hour for the services Nossaman performs.

The estimate of total hours to complete this work is between 40-60 hours for KPMG and 40-60 for Nossaman, pending confirmation of scope, for an estimated total of ~\$40,720 - \$61,080.

The total not to exceed budget within this Task Order is \$61,080.00.

6. Use of Member Firms and Third Parties

Use of member firms (“Member Firms”) includes references to member firms of KPMG International, other independent firms licensed by KPMG International to use the KPMG name and, in each case, firms controlled by them and third party service providers:

- a) The State acknowledges that in connection with the performance of services under this Task Order, KPMG and Member Firms, in their discretion or at State’s direction, may utilize the services of third party service providers within and without the United States to complete the services under this task order.
- b) KPMG uses third party service providers within and without the United States to provide at the direction of KPMG administrative and clerical services to the KPMG Parties. These third party service providers may in the performance of such services have limited access to information, including but not limited to Confidential Information, received by KPMG from or at the request or direction of the State. KPMG represents that each such third party service provider has agreed to conditions of confidentiality with respect to the State’s information to the same or similar extent as KPMG has agreed. KPMG has full responsibility to cause these third party service providers to comply with such conditions of confidentiality and KPMG shall be responsible for any consequences of their failure to comply.
- c) Accordingly, the State consents to KPMG’s disclosure to a Member Firm or third party service provider and the use by such Member Firm and third party service provider of data and information, including but not limited to Confidential Information, received from or at the requestor direction of the State.
- d) Any services performed by a Member Firm, affiliate or third party service provider shall be performed in accordance with the terms of this task order and these Standard Terms and Conditions, but KPMG shall remain responsible to the State for the performance of such services. The State agrees that any claim relating to the services under this task order may only be made against KPMG and not any other Member Firm or third party service provider referred to above.

7. Other

KPMG will require the support of the State and associated personnel in order to achieve timely completion of the aforementioned services. Support includes, but is not limited to, the collection of all relevant documents (paper or electronic) and the scheduling of interviews and coordination of meetings.

The State will designate a management level individual to oversee the conduct of these services, including coordination of project resources needed and review of draft deliverables. State personnel assigned to the project will review draft deliverables on a timely basis.

Additionally, the State and its other advisers will provide KPMG with underlying cost data for the Project as appropriate.

KPMG’s services as outlined in this task order constitute an advisory engagement conducted under the American Institute of Certified Public Accountants (“AICPA”) Standards for Consulting Services. Such services are not intended to be an audit, examination, attestation, special report or agreed-upon procedures engagements as those services are defined in AICPA literature applicable to such engagements conducted by independent auditors. Accordingly, these services shall not result in the issuance of a written communication to third parties by KPMG directly reporting on financial data or internal control or expressing a conclusion or any other form of assurance. Additionally, such services provided by KPMG or Nossaman are not intended to be legal services or the provision of

legal advice, nor will such services result in the formation of the attorney-client relationship. The State and MDOT represent that they will not seek legal services or legal advice from KPMG or Nossaman under this Task Order, and they will solely rely on the Office of the Attorney General for such legal services and advice.

It is understood and agreed that KPMG is not registered with the SEC as a municipal advisor and that the State is not asking KPMG to provide, and KPMG will not provide, any services to the State which would require registration as a municipal advisor, including but not limited to advice with respect to municipal financial products or the issuance of municipal securities. Accordingly, KPMG will not make recommendations relating to municipal financial products or the issuance of municipal securities, and KPMG will not owe a fiduciary duty to the State under Section 15B of the Securities Exchange Act of 1934. The State represents to KPMG that if the State desires municipal advisor services in connection with or related to the subject matter of this engagement, it will obtain such services from another party.

In accordance with the terms of the original Engagement Letter, KPMG, in their discretion or at State's direction, may utilize the services of third party service providers within and without the United States to complete the services under the Engagement Letter in connection with the performance of services under the Engagement Letter. In consultation with the State and MDOT, services of Nossaman LLP (Address: 777 South Figueroa Street, 34th Floor, Los Angeles, CA 90017) are being retained in support of the expanded project scope to the scope. With respect to retaining services of Nossaman:

Nossaman is a subcontractor to KPMG. As such, all terms as applicable, from Contract No. 071 180000000879 will flow down from KPMG to Nossaman and all other subcontractors to KPMG.

All legal services are outside of the scope of Contract No. 071 180000000879, and neither KPMG nor Nossaman will be providing legal services to the State, pursuant to Contract No. 071 180000000879 and this Task Order/Statement of Work. The State and MDOT also acknowledge and agree that Nossaman is not licensed to practice law in the State of Michigan, Nossaman's work will not create attorney-client privilege with the State or MDOT.



STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
 P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **6**
 to
 Contract Number **180000000879**

CONTRACTOR	KPMG, LLP
	55 Second Street , Suite 1400
	San Francisco, CA 94105
	Liam Kelly
	415-932-9040
	liamkelly@kpmg.com
	CV0059169

STATE	Program Manager	Various	SW
	Contract Administrator	Courtney Powell	DTMB
		(517) 249-0452	
		powellc11@michigan.gov	

CONTRACT SUMMARY				
FINANCIAL & STRATEGIC CONSULTING AND ADVISORY SERVICES INCLUDING P3 CONSULTING				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
August 20, 2018	August 19, 2021	5 - 1 Year	August 19, 2021	
PAYMENT TERMS		DELIVERY TIMEFRAME		
2%NET15, NET45		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$2,697,870.00	\$0.00	\$2,697,870.00		
DESCRIPTION				
Effective December 6, 2019, pricing on this contract is hereby updated, per revised Attachment, Schedule B, Pricing.				
All other terms, conditions, specifications and pricing remain the same. Per Contractor and Agency agreement, and DTMB Central Procurement Services approval.				

STATE OF MICHIGAN

Contract No. 18000000879

Financial & Strategic Consulting and Advisory Services including Public-Private Partnership (P3)
Consulting

SCHEDULE B PRICING MATRIX

1. Pricing below lists hourly rate, inclusive of all expenses.
2. The Contractor offers the following quick payment terms. The number of days must not include processing time for payment to be received by the Contractor's financial institution.

Quick payment terms: 2 % discount off invoice if paid within 15 days after receipt of invoice.

Blended Hourly Rate for All Positions

Category/Title	Estimated* Hours per Year	Hourly Rate
All Positions (e.g., Project Manager, Consultant, Senior Consultant, Associate/Analyst and Para-Professional/Support)	2,100	\$413
TOTAL YEARLY PRICE		\$850,500

TOTAL THREE YEAR PRICE	\$2,602,870**
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*Hours are an estimate only. The actual number of hours that will be needed for each project will vary and are not guaranteed.

**Total Three Year Price includes a rate increase for years 2 and 3 (assumed at 2%). Increase in hourly rate must be requested by the Contractor and approved by the State via a Change Notice; increase in hourly rate must not exceed 2% annually.



STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
 P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **5**
 to
 Contract Number **180000000879**

CONTRACTOR	KPMG, LLP
	55 Second Street, Suite 1400
	San Francisco, CA 94105
	Liam Kelly
	415-932-9040
	liamkelly@kpmg.com
	CV0059169

STATE	Program Manager	Various	SW
	Contract Administrator	Courtney Powell	DTMB
		(517) 249-0452	
		powellc11@michigan.gov	

CONTRACT SUMMARY

FINANCIAL & STRATEGIC CONSULTING AND ADVISORY SERVICES INCLUDING P3 CONSULTING

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
August 20, 2018	August 19, 2021	5 - 1 Year	August 19, 2021
PAYMENT TERMS		DELIVERY TIMEFRAME	
2%NET15, NET45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$2,697,870.00	\$0.00	\$2,697,870.00		

DESCRIPTION

Effective December 4, 2019, this Contract is hereby amended as follows:

- The following task order exclusively for the Michigan Department of Transportation (MDOT) for the I-75 Mega-Project is incorporated into the Contract per the attached Statement of Work (SOW),
- Standard Contract Terms, Section 4 ,the Program Manager for the State for MDOT is changed to Ryan Mitchell, MitchellR13@michigan.gov, 517-614-7025.

All other terms, conditions, specifications and pricing remain the same. Per Contractor and Agency agreement, and DTMB Central Procurement Services approval.

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
MDOT	Ryan Mitchell	517-614-7025	MitchellR13@michigan.gov
MDHHS	Jessica Van Winkle	517-284-2996	vanwinklej@michigan.gov

Statement of Work – Michigan Department of Transportation (MDOT)

Advisory Services – I-75 Modernization DBFM Segment 3 Project

Contract 071-18000000879 Change Notice 5

KPMG LLP ("KPMG") is pleased to submit this task order letter ("task order") to provide advisory services to the Michigan Department of Transportation ("MDOT"), including financial and commercial advice with respect to contract administration support for the I-75 Modernization DBFM Segment 3 Project (the "Project").

This task order will form a purchase order under the contract between the State of Michigan and KPMG, contract number 071 18000000879 signed on September 20, 2018 (the "Contract"), and will confirm the basis upon which the State has engaged KPMG to provide advisory services for the Project. These tasks are highlighted in Schedule A, section 1.1 of the Contract. This task order will form the statement of work required pursuant to section 5.1 of the Contract for the services summarized above and described herein. This task order outlines our intended scope of work, our estimated fees, team structure, and terms of the engagement. This task order is subject to KPMG's standard client and engagement acceptance procedures.

1. Background

The Michigan Department of Transportation ("MDOT") has reached financial close on the I-75 Segment 3 DBFM project ("Project") in November 2018. The Notice to Proceed has been issued by MDOT and construction activities have commenced. MDOT Project level staff has changed and a new Project Governance structure is being implemented.

2. Services to be provided

MDOT has requested KPMG's support and assistance with respect to (i) conducting training to new MDOT Project team on contract administration and payment mechanism, (ii) providing contract administration support through the issuance of the first milestone payment, and (iii) general on-call advisory services related to contract issues that arise. KPMG will utilize services of a subcontractor, Nossaman LLP,

i. Contract Administration and Payment Mechanism Training

- KPMG with Nossaman's support will conduct a training workshop, in collaboration with Nossaman, with respect to administering the Project Agreement and Payment Mechanism for the relevant MDOT staff. This training will include information on the following key provisions/areas:
- Overview of the procurement process for the Project
- Key commercial terms and reasons behind them
- Overview of noncompliance point and deduction regime
- Timing of invoicing and payment
- Milestone Payments
- Calculation of first availability payment
- General provisions impacting the D&C Work and O&M Work
- Scope of D&C and O&M Work
- Overview of monitoring and reporting requirements for D&C and O&M Term
- Obligations to correct nonconforming work
- Key personnel and subcontract requirements
- Submittal and approval process for O&M Term documents
- Handback requirements

- Change orders process
- Claims process
- Dispute resolution process
- Restriction on assignment and transfer during O&M Term
- Performance and payment security during O&M Term
- Default remedies and termination
- Insurance
- Overview of management of potential claims, change orders and disputes
- During the workshop history of procurement and lessons learned will also be discussed.

ii. Contract Administration Support

- KPMG and Nossaman will support MDOT on the following activities:
- Participate in bi-weekly I-75 project team status update calls/meetings, including a kickoff meeting for the first three months from issuance of NTP for this task order
- Participate in periodic project leadership status update calls to discuss key issues/concerns for the first three months after issuance of NTP for this task order
- Assist with review of the first Milestone payment calculations, including any payment deduction calculations
- Advise on any relevant financial and business contract management issues agreed between MDOT and KPMG that may arise including the payment of the first Milestone payment and the first Availability Payment

iii. P3 Guidance Manual

- KPMG will assist MDOT in documenting lessons learned from I-75 procurement and in developing a P3 guidelines document for its program, including:
 - the current planning and project selection process used by MDOT
 - the MDOT specific criteria for evaluation of alternative delivery candidates
 - project development and approval process
 - key procurement processes and considerations
 - key contract administration processes
 - information on practices from MDOT experience and experience of other successful P3 programs around project screening, evaluation, procurement, and contract administration

iv. General On-Call Advisory Services

- KPMG will support MDOT staff, as needed, with contract management activities including:
 - Updates to the Payment Mechanism model (“Model”)
 - Calculations of non-compliance points and deductions
 - Review correspondence and provide financial and business advice regarding contract administration items, such as change orders, claims, potential disputes
 - Review potential refinancings

3. Excluded Services

The scope of services will exclude the following services:

- Accounting policy review or advice, including constituting acceptance, endorsement or approval of any accounting application or compliance with any accounting standard or requirement;
- Providing guidance on cost accounting activities related on-going operations of the Project;
- Audit or valuation of historical financial performance relating to the Project;
- Tax advice including provision of a formal opinion, although KPMG will be pleased to discuss separate terms of engagement for these services if required;
- Preparation of cash flows for the Project and other technical projections required for project delivery, except as provided by the State; and
- Legal advice.

4. Engagement Team

The team we expect to deliver these services includes:

George Spakouris, Core Team - Engagement oversight/ Strategy
 Alex Seleznyov, Core Team – Day-to-day engagement lead
 Dan Adelman, Core Team – Engagement team
 member Blair Trame, Core Team – Engagement team
 member Corey Boock, Core Team – Nossaman
 Elizabeth Cousins, Core Team -
 Nossaman Other resources as needed

If needed, KPMG will also rely on KPMG International Cooperative's network of Member Firms to identify subject matter professionals who may bring international experience on similar projects.

California Accountancy Act – For engagements where services will be provided by the Contractor through offices located in California, the State acknowledges that certain of Contractor's personnel who may be considered "owners" under the California Accountancy act and implementing regulations (California Business and Professions Code section 5079(a); 16 Cal. Code Regs. sections 51 and 51.1) and who may provide services in connection with this engagement, may not be licensed as certified public accountants under the laws of any of the various states.

5. Fees

The State will compensate KPMG based on the established hourly rate of \$405 per hour for services KPMG performs and at an established hourly rate of \$605 per hour for the services Nossaman performs.

The total not to exceed budget within this Task Order is \$375,000.

The above budget attempts to incorporate experience from other similar work efforts. Please note in case additional budget is required, KPMG shall notify MDOT's Program Manager and coordinate to develop a supplemental task order as appropriate.

6. Use of Member Firms and Third Parties

Use of member firms ("Member Firms") includes references to member firms of KPMG International, other independent firms licensed by KPMG International to use the KPMG name and, in each case, firms controlled by them and third party service providers:

- a) The State acknowledges that in connection with the performance of services under this Task Order, KPMG and Member Firms, in their discretion or at State's direction, may utilize the services of third party service providers within and without the United States to complete the services under this task order.
- b) KPMG uses third party service providers within and without the United States to provide at the direction of KPMG administrative and clerical services to the KPMG Parties. These third party service providers may in the performance of such services have limited access to information, including but not limited to Confidential Information, received by KPMG from or at the request or direction of the State. KPMG represents that each such third party service provider has agreed to conditions of confidentiality with respect to the State's information to the same or similar extent as KPMG has agreed. KPMG has full responsibility to cause these third party service providers to comply with such conditions of confidentiality and KPMG shall be responsible for any consequences of their failure to comply.
- c) Accordingly, the State consents to KPMG's disclosure to a Member Firm or third party service provider and the use by such Member Firm and third party service provider of data and information, including but not limited to Confidential Information, received from or at the request or direction of the State.
- d) Any services performed by a Member Firm, affiliate or third party service provider shall be performed in accordance with the terms of this task order and these Standard Terms and Conditions, but KPMG shall remain responsible to the State for the performance of such services. The State agrees that any claim relating to the services under this task order may only be made against KPMG and not any other Member Firm or third party service provider referred to above.

7. Intellectual Property, Third Party Use

- a) KPMG shall retain ownership of any and all intellectual property rights in the product of KPMG's services performed hereunder, whether oral or written, and ownership of KPMG's work papers. The State shall acquire ownership of any product of the services performed in its tangible form upon payment in full of KPMG's fees. For the purposes of delivering services to the State and other KPMG clients, KPMG and its related entities shall be entitled to use, develop or share with each other knowledge, experience and skills of general application gained through performing the services hereunder. Any advice rendered by KPMG pursuant to this task order, written or oral, will be solely for the information and use of the State and treated by the State as confidential to the extent permitted by law and may not be disclosed in any manner to any other person, unless otherwise required by law (including, but not limited to Michigan's Freedom of Information Act), without KPMG's prior written approval.
- b) The advice, recommendations, work product, and deliverables provided as part of this task order will be developed for State management, and are not intended for use by any other party or for any other purpose, and may only be relied upon by State management and will be so marked. We disclaim any intention or obligation to update or revise the observations whether as a result of new information, future events or otherwise. Should additional documentation or other information become available which impacts upon the observations reached in our deliverables, we reserve the right to amend our observations and summary documents, including deliverables.

8. Other

KPMG will require the support of the State and associated personnel in order to achieve timely completion of the aforementioned services. Support includes, but is not limited to, the collection of all relevant documents (paper or electronic) and the scheduling of interviews and coordination of meetings.

The State will designate a management level individual to oversee the conduct of these services, including coordination of project resources needed and review of draft deliverables. State personnel assigned to the project will review draft deliverables on a timely basis.

Additionally, the State and its other advisers will provide KPMG with underlying cost data for the Project as appropriate.

KPMG's services as outlined in this task order constitute an advisory engagement conducted under the American Institute of Certified Public Accountants ("AICPA") Standards for Consulting Services. Such services are not intended to be an audit, examination, attestation, special report or agreed-upon procedures engagements as those services are defined in AICPA literature applicable to such engagements conducted by independent auditors. Accordingly, these services shall not result in the issuance of a written communication to third parties by KPMG directly reporting on financial data or internal control or expressing a conclusion or any other form of assurance. Additionally, such services provided by KPMG or Nossaman are not intended to be legal services or the provision of legal advice, nor will such services result in the formation of the attorney-client relationship. The State and MDOT represent that they will not seek legal services or legal advice from KPMG or Nossaman under this Task Order, and they will solely rely on the Office of the Attorney General for such legal services and advice.

It is understood and agreed that KPMG is not registered with the SEC as a municipal advisor and that the State is not asking KPMG to provide, and KPMG will not provide, any services to the State which would require registration as a municipal advisor, including but not limited to advice with respect to municipal financial products or the issuance of municipal securities. Accordingly, KPMG will not make recommendations relating to municipal financial products or the issuance of municipal securities, and KPMG will not owe a fiduciary duty to the State under Section 15B of the Securities Exchange Act of 1934. The State represents to KPMG that if the State desires municipal advisor services in connection with or related to the subject matter of this engagement, it will obtain such services from another party.

In accordance with the terms of the original Engagement Letter, KPMG, in their discretion or at State's direction, may utilize the services of third party service providers within and without the United States to complete the services under the Engagement Letter in connection with the performance of services under the Engagement Letter. In consultation with the State and MDOT, services of Nossaman LLP (Address: 777 South Figueroa Street, 34th Floor, Los Angeles, CA 90017) are being retained in support of the expanded project scope to the scope. With respect to retaining services of Nossaman:

Nossaman is a subcontractor to KPMG. As such, all terms as applicable, from Contract No. 071 180000000879 will flow down from KPMG to Nossaman and all other subcontractors to KPMG.

All legal services are outside of the scope of Contract No. 071 180000000879, and neither KPMG nor Nossaman will be providing legal services to the State, pursuant to Contract No. 071 180000000879 and this Task Order/Statement of Work. The State and MDOT also acknowledge and agree that Nossaman is not licensed to practice law in the State of Michigan, Nossaman's work will not create attorney-client privilege with the State or MDOT.

STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
 P.O. BOX 30026 LANSING, MICHIGAN 48909



CONTRACT CHANGE NOTICE

Change Notice Number **4 - REVISED**

to

Contract Number **17118000000879**

CONTRACTOR	KPMG, LLP
	55 Second Street , Suite 1400
	San Francisco, CA 94105
	Liam Kelly
	415-932-9040
	liamkelly@kpmg.com
	CV0059169

STATE	Program Manager	Various	
	Contract Administrator	Courtney Flores	DTMB
		(517) 249-0452	
		floresc@michigan.gov	

CONTRACT SUMMARY

FINANCIAL & STRATEGIC CONSULTING AND ADVISORY SERV

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
August 20, 2018	August 19, 2021	5 - 1 Year	August 19, 2021
PAYMENT TERMS		DELIVERY TIMEFRAME	
2%NET10, NET45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$2,602,870.00	\$95,000.00	\$2,697,870.00		

DESCRIPTION

Effective May 10, 2019, this Contract is increased \$95,000.00 and the following task order exclusively for the State of Michigan Executive Office is hereby incorporated into the Contract per the attached Statement of Work (SOW).

All other terms, conditions, specifications and pricing remain the same. Per Contractor and Agency agreement, and DTMB Central Procurement Services approval.

**Program Managers
for
Change Notice 4**

AGENCY	NAME	PHONE	EMAIL
Executive Office	Wenona Singel	517-241-5598	SingelW@michigan.gov
Executive Office	Corina Andorfer	517-335-2005	AndorferC1@michigan.gov,

Statement of Work – Executive Office
Advisory Services – Contract Document Compilation Project
Contract 171 18000000879 - Change Notice 4

KPMG LLP ("KPMG") is pleased to submit this task order letter ("task order") to review and work with agencies to help identify in-scope contracts (estimate 100 or less) for purposes of helping excerpt and compile certain defined contracting elements/attributes into a collectively agreed upon reporting format ("the Compilation").

This task order will form a delivery order under the contract between the State of Michigan and KPMG, contract number 171 18000000879 signed on September 20, 2018 (the "Contract"), and will confirm the basis upon which the State has engaged KPMG to provide advisory services for the Project. This task order will form the statement of work required pursuant to section 5.1 of the Contract for the services summarized above and described herein. This task order outlines our intended scope of work, our estimated fees, team structure, and terms of the engagement that will be performed exclusively for the State of Michigan Executive Office. This task order is subject to KPMG's standard client and engagement acceptance procedures.

1. Background

The State of Michigan is seeking to identify contracts that contain legal services and to compile certain attributes into a single spreadsheet, along with a summary of findings report. KPMG will review and work with agencies to help identify in-scope contracts (estimate 100 or less) for purposes of helping excerpt and compile certain defined elements/attributes into a collectively agreed upon reporting format ("the Compilation"); and complete the compilation on, or before, May 20, 2019.

2. Services to be provided

KPMG proposes that the approach for the Compilation will generally include:

- The review by KPMG Review Resources of each in-scope contract and additional information provided to KPMG to identify and record certain defined contract elements/attributes into a collectively agreed upon reporting format;
- KPMG U.S. Project Lead will oversee and conduct quality reviews to assess the accuracy of the compiled information; and

Deliverables: Final reporting in agreed-upon format – MS Excel document and a summary report of findings. The final report and any draft reports must only be sent to the Program Managers of this engagement, listed below:

- o Wenona Singel – SingelW@michigan.gov, 517-241-5598
- o Corina Andorfer - AndorferC1@michigan.gov, 517-335-2005

3. Excluded Services

The scope of services will exclude the following services:

- Accounting policy review or advice, including constituting acceptance, endorsement or approval of any accounting application or compliance with any accounting standard or requirement;
- Providing guidance on cost accounting activities;
- Audit or valuation of historical financial performance;
- Tax advice including provision of a formal opinion; and
- Legal advice.

4. Engagement Team

The team we expect to deliver these services includes:

- Jonathan Zdimal – U.S. Project Lead for overall engagement coordination, status updates and deliverables
- Alex Seleznyov - Engagement administration manager (contractual and administrative matters)
- Several U.S.-based resources to complete the Compilation (“KPMG Review Resources”)

KPMG’s Team must not have any conflict of interest with the contracts being reviewed. If a conflict of interest is identified during the project, the Program Manager must be notified immediately.

5. Fees

KPMG blended rate per the Contract – including discounted rate for KPMG Review Resources – shall be used for the purposes of this task order, based on actual hours incurred. Total estimated cost may be amended upon mutual agreement between the State and KPMG.

- KPMG blended rate per MSA:	\$405 USD/hour
- KPMG Review Resource rate	\$250 USD/hour (discounted from MSA)
- Estimated total cost:	\$95,000 USD

The target date for completion of the work described herein is May 20, 2019, but it is subject to factors such as availability of the necessary information, availability of senior State resources to provide data and guidance in relation to the Compilation, and requests for additional analysis.

6. Other

KPMG will require the support of the State and associated personnel in order to achieve timely completion of the aforementioned services. Support includes, but is not limited to, the collection of all relevant documents (paper or electronic) and the scheduling of interviews and coordination of meetings.

The State will designate a management level individual to oversee the conduct of these services, including coordination of project resources needed and review of draft deliverables. State personnel assigned to the project will review draft deliverables on a timely basis.

Additionally, the State and its other advisers will provide KPMG with underlying cost data for the Project as appropriate. If the foregoing correctly sets forth the agreement between the State and KPMG, please sign and return the enclosed copy of this proposal letter. If you have any questions with regard to our proposal, please reach out to me at your convenience.

KPMG’s services as outlined in this task order constitute an advisory engagement conducted under the American Institute of Certified Public Accountants (“AICPA”) Standards for Consulting Services. Such services are not intended to be an audit, examination, attestation, review, compilation, special report or agreed-upon procedures engagements as those services are defined in AICPA literature applicable to such engagements conducted by independent auditors.

Accordingly, these services shall not result in the issuance of a written communication to third parties by KPMG directly reporting on financial data or internal control or expressing a conclusion or any other form of assurance.

It is understood and agreed that KPMG is not registered with the SEC as a municipal advisor and that the State is not asking KPMG to provide, and KPMG will not provide, any services to the State which would require registration as a municipal advisor, including but not limited to advice with respect to municipal financial products or the issuance of municipal securities.

KPMG can offer no view or undertake any role that could be considered public policy advocacy or lobbying. This engagement letter will be incorporated by reference into the contract.

STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
 P.O. BOX 30026 LANSING, MICHIGAN 48909



CONTRACT CHANGE NOTICE

Change Notice Number **3**
 to
 Contract Number **171180000000879**

CONTRACTOR	KPMG LLP
	55 Second Street Suite 1400
	San Francisco, CA 94105
	Liam Kelly
	415-932-9040
	liamkelly@kpmg.com
	CV0059169

STATE	Program Manager	Various	
	Contract Administrator	Courtney Flores	DTMB
		(517) 249-0452	
		floresc@michigan.gov	

CONTRACT SUMMARY

FINANCIAL & STRATEGIC CONSULTING AND ADVISORY SERV

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
August 20, 2018	August 19, 2021	5 - 1 Year	August 19, 2021
PAYMENT TERMS		DELIVERY TIMEFRAME	
2%NET10, NET45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$2,602,870.00	\$0.00	\$2,602,870.00		

DESCRIPTION

Effective April 29, 2019, the following task order amendment for the Michigan Department of Transportation (MDOT) Bridge Bundling Project's Statement of Work (SOW), previously added as Change Notice 1, is hereby incorporated into the Contract.

All other terms, conditions, specifications and pricing remain the same. Per Contractor and Agency agreement, and DTMB Central Procurement Services approval.

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
MDOT	Greg Losch	517-719-2037	loschg@michigan.gov
MDHHS	Jessica Van Winkle	517-284-2996	vanwinklej@michigan.gov

**Statement of Work for the Michigan Department of Transportation
Financial and Commercial Advisory Services – Bridge Bundling Project
Contract 171 18000000879 - Change Notice 3**

KPMG LLP ("KPMG") is pleased to submit this amendment ("Amendment 1") to task order letter ("task order") to provide advisory services to the Michigan Department of Transportation ("MDOT"), including financial, strategic advice and program management support with respect to options analysis and initial project scoping and structuring for the reconstruction of a number of bridges owned by local agencies across the State of Michigan ("Project" or "Bridge Bundling Project").

This Amendment 1 will modify the existing task order under the contract between the State and KPMG, contract number 071 18000000879 signed on September 20, 2018 (the "Contract") and is subject to KPMG's standard client and engagement acceptance procedures. All other terms and conditions of the initial task order apply.

1. Time and Scope Extension

As part of advisory services to MDOT in support of the bundled bridges project, significant additional effort was required for the stakeholder engagement and support tasks, including building and educating the stakeholders on the survey tool, which was distributed to the local bridge owner agencies to confirm certain information with respect to their bridge program, to solicit additional information that is not currently known to MDOT, and to further secure the commitment of local agencies for the broader MDOT Local Agency Bridge Program.

Further, due to the stated project objective of greater collaboration and coordination with the local agencies, it took longer than expected to schedule a risk workshop with local bridge owner agency representatives.

As a result of the aforementioned items, additional time is required to complete the scope of services outlined in the original task order. It is anticipated that the core scope be completed by April 30, 2019, with some additional potential follow-up services, on as needed basis, to be provided through May 31, 2019.

2. Budget Extension

Due to the increase in the scope and the extension of time required to complete certain tasks in the subject task order, the total authorized budget is increased by \$225,000 of which \$175,000 is allocated for HNTB and \$50,000 – for KPMG.

The State and MDOT shall not be obligated to pay for, and KPMG shall not be obligated to incur, hours or fees which exceed the total not-to-exceed price of this Amendment 1, as may be amended by the parties from time to time.



STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
 P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number 2
 to
 Contract Number 180000000879

CONTRACTOR	KPMG CORPORATE FINANCE, LLC
	303 East Wacker Drive
	Chicago, IL 60601
	Liam Kelly
	312-665-1204
	liamkelly@kpmg.com
	CV0059169

STATE	Program Manager	Courtney Flores	DTMB
		517-249-0452	
		floresc@michigan.gov	
	Contract Administrator	Courtney Flores	DTMB
		(517) 249-0452	
		floresc@michigan.gov	

CONTRACT SUMMARY

FINANCIAL & STRATEGIC CONSULTING AND ADVISORY SERVICES INCLUDING PUBLIC-PRIVATE PARTNERSHIP (P3) CONSULTING

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
August 20, 2018	August 19, 2021	5 - 1 Year	August 19, 2021
PAYMENT TERMS		DELIVERY TIMEFRAME	
2%NET10, NET45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$2,602,870.00	\$0.00	\$2,602,870.00		

DESCRIPTION

Effective November 5, 2018, this following amendment is hereby incorporated into the Contract per the attached Statement of Work (SOW) for the Michigan Infrastructure Council.

All other terms, conditions, specifications, and pricing remain the same. Per Contractor and Agency agreement, and DTMB Procurement approval.

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
MDOT	Greg Losch	517-719-2037	loschg@michigan.gov
MDHHS	Jessica Van Winkle	517-284-2996	vanwinklej@michigan.gov

**Statement of Work for the Michigan Department of Transportation
Financial and Commercial Advisory Services – Michigan Infrastructure Council
Contract 171 18000000879 - Change Notice 2**

KPMG LLP ("KPMG") is pleased to submit this task order letter ("task order") to provide advisory services to the Michigan Infrastructure Council.

This task order will form a purchase order under the contract between the State of Michigan and KPMG, contract number 071 18000000879 signed on September 20, 2018 (the "Contract") and will confirm the basis upon which the State has engaged KPMG to provide advisory services for the Project. These tasks are highlighted in Schedule A, section 1.1 of the Contract. This task order will form the statement of work required pursuant to section 5.1 of the Contract for the services summarized above and described herein. This task order outlines our intended scope of work, our estimated fees, team structure, and terms of the engagement. This task order is subject to KPMG's standard client and engagement acceptance procedures.

1. Services to be provided

At the request of the State of Michigan Department of Treasury, KPMG may assist with presentation, facilitation, or written assistance to the Michigan Infrastructure Council.

2. Engagement Team

The team we expect to deliver these services includes:

Gareth Lifton – Engagement lead

If needed, KPMG will also rely on KPMG International Cooperative's network of Member Firms to identify subject matter professionals who may bring international experience on similar projects.

3. Fees

The State will compensate KPMG based on the established hourly rate of \$405 per hour.

Total fees are not to exceed \$25,000

4. Use of Member Firms and Third Parties

Use of member firms ("Member Firms") includes references to member firms of KPMG International, other independent firms licensed by KPMG International to use the KPMG name and, in each case, firms controlled by them and third party service providers:

- a) The State acknowledges that in connection with the performance of services under this Task Order, KPMG and Member Firms, in their discretion or at State's direction, may utilize the services of third party service providers within and without the United States to complete the services under this task order.
- b) KPMG uses third party service providers within and without the United States to provide at the direction of KPMG administrative and clerical services to the KPMG Parties. These third party service providers may in the performance of such services have limited access to information, including but not limited to Confidential Information, received by KPMG from or at the request or direction of the State. KPMG represents that each such third party service provider has agreed to conditions of confidentiality with respect to the State's information to the same or similar extent as KPMG has agreed. KPMG has full responsibility to cause these third party service providers to comply with such conditions of confidentiality and KPMG shall be responsible for any consequences of their failure to comply.
- c) Accordingly, the State consents to KPMG's disclosure to a Member Firm or third party service provider

and the use by such Member Firm and third party service provider of data and information, including but not limited to Confidential Information, received from or at the request or direction of the State.

- d) Any services performed by a Member Firm, affiliate or third party service provider shall be performed in accordance with the terms of this task order and these Standard Terms and Conditions, but KPMG shall remain responsible to the State for the performance of such services. The State agrees that any claim relating to the services under this task order may only be made against KPMG and not any other Member Firm or third party service provider referred to above.

5. Intellectual Property, Third Party Use

- a) KPMG shall retain ownership of any and all intellectual property rights in the product of KPMG's services performed hereunder, whether oral or written, and ownership of KPMG's work papers. The State shall acquire ownership of any product of the services performed in its tangible form upon payment in full of KPMG's fees. For the purposes of delivering services to the State and other KPMG clients, KPMG and its related entities shall be entitled to use, develop or share with each other knowledge, experience and skills of general application gained through performing the services hereunder. Any advice rendered by KPMG pursuant to this task order, written or oral, will be solely for the information and use of the State and treated by the State as confidential and may not be disclosed in any manner to any other person without KPMG's prior written approval.
- b) The advice, recommendations, work product, and deliverables provided as part of this task order will be developed for State management, and are not intended for use by any other party or for any other purpose, and may only be relied upon by State management and will be so marked. We disclaim any intention or obligation to update or revise the observations whether as a result of new information, future events or otherwise. Should additional documentation or other information become available which impacts upon the observations reached in our deliverables, we reserve the right to amend our observations and summary documents, including deliverables, accordingly

6. Other

KPMG's services as outlined in this task order constitute an advisory engagement conducted under the American Institute of Certified Public Accountants ("AICPA") Standards for Consulting Services. Such services are not intended to be an audit, examination, attestation, special report or agreed-upon procedures engagements as those services are defined in AICPA literature applicable to such engagements conducted by independent auditors. Accordingly, these services shall not result in the issuance of a written communication to third parties by KPMG directly reporting on financial data or internal control or expressing a conclusion or any other form of assurance.

It is understood and agreed that KPMG is not registered with the SEC as a municipal advisor and that the State is not asking KPMG to provide, and KPMG will not provide, any services to the State which would require registration as a municipal advisor, including but not limited to advice with respect to municipal financial products or the issuance of municipal securities. Accordingly, KPMG will not make recommendations relating to municipal financial products or the issuance of municipal securities, and KPMG will not owe a fiduciary duty to the State under Section 15B of the Securities Exchange Act of 1934. The State represents to KPMG that if the State desires municipal advisor services in connection with or related to the subject matter of this engagement, it will obtain such services from another party.

KPMG can offer no view or undertake any role that could be considered public policy advocacy or lobbying.

This engagement letter will be incorporated by reference into the contract.



STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
 P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number 1
 to
 Contract Number 171180000000879

CONTRACTOR	KPMG CORPORATE FINANCE, LLC
	303 East Wacker Drive
	Chicago, IL 60601
	Liam Kelly
	312-665-1204
	liamkelly@kpmg.com
	CV0059169

STATE	Program Manager	Courtney Flores	DTMB
		517-249-0452	
		floresc@michigan.gov	
	Contract Administrator	Courtney Flores	DTMB
		(517) 249-0452	
		floresc@michigan.gov	

CONTRACT SUMMARY

FINANCIAL & STRATEGIC CONSULTING AND ADVISORY SERVICES INCLUDING PUBLIC-PRIVATE PARTNERSHIP (P3) CONSULTING

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
August 20, 2018	August 19, 2021	5 - 1 Year	August 19, 2021
PAYMENT TERMS		DELIVERY TIMEFRAME	
2%NET10, NET45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$2,602,870.00	\$0.00	\$2,602,870.00		

DESCRIPTION

Effective September 27, 2018, the following amendment is hereby incorporated into the Contract per the attached Statement of Work (SOW) for the Michigan Department of Transportation (MDOT).

Please note the Contract Administrator has been changed to Courtney Flores: Phone 517-249-0452; Email: floresc@michigan.gov, per Section 2 and 3 of the Standard Contract Terms.

All other terms, conditions, specifications and pricing remain the same. Per Contractor and Agency agreement, and DTMB Procurement approval.

**Statement of Work for the Michigan Department of Transportation
Financial and Commercial Advisory Services – Bridge Bundling Project
Contract 171 18000000879 - Change Notice 1**

KPMG LLP ("KPMG") is pleased to submit this task order letter ("task order") to provide advisory services to the Michigan Department of Transportation ("MDOT"), including financial, strategic advice and program management support with respect to options analysis and initial project scoping and structuring for the reconstruction of a number of bridges owned by local agencies across the State of Michigan ("Project"). KPMG's participation in the work described herein will not preclude KPMG from participation in the future qualification process for program management services in relation to this Project.

This task order will form a purchase order under the contract between the State of Michigan and KPMG, contract number 171 18000000879 signed on September 20, 2018 (the "Contract"), and will confirm the basis upon which the State has engaged KPMG to provide advisory services for the Project. These tasks are highlighted in Schedule A, section 1.1 of the Contract. This task order will form the statement of work required pursuant to section 5.1 of the Contract for the services summarized above and described herein. This task order outlines our intended scope of work, our estimated fees, team structure, and terms of the engagement. This task order is subject to KPMG's standard client and engagement acceptance procedures.

1. Background

MDOT is seeking to address a number of closed, serious or critical local agency bridges, and bring them to a good condition state, while also developing and implementing an effective bridge management system to optimize bridge condition, and investments in the local agency bridge network. The project may include increased involvement of the private sector through a type of Private-Public-Partnership (P3) and private investment.

This program will require coordination between the Michigan Department of Transportation, as the lead agency, and the various Michigan Local Agencies, and their advocacy groups, such as the County Road Association (CRA), and the Michigan Municipal League (MML). This partnership already exists as part of Public Act of 1951, which denotes the share of Michigan Transportation Funds (MTF) distributed to each entity.

2. Services to be provided

The scope of services involves assistance to MDOT with respect to the initial analysis of scope and delivery options for the project, asset management strategy, as well as helping MDOT conduct a market sounding to test the potential solutions with industry participants. MDOT has requested that a technical advisor be brought in as subcontractor to KPMG to assist with the program management aspects of the work, including network level analysis, development of screening tier levels, and bundling options. The selection and onboarding of the technical advisor is subject to mutual agreement between MDOT and KPMG. Onboarding of Technical Advisor will be contingent upon completion of KPMG's onboarding process, which includes conflicts checks, and the selected consultant's acceptance of KPMG's terms and conditions.

The delivery of services will be provided in two phases:

- Phase I: Project Assessment
- Phase II: Project Implementation

Phase I – Project Assessment

Qualitative project delivery options analysis

KPMG will work with MDOT to:

- Discuss a set of key project objectives against which all potential delivery and scope options will be evaluated;
- Review with MDOT key challenges and constraints associated with the bridge bundling project;
- Assist in defining at a high level the project(s) scope options;
- Identify and discuss at a high level potential project delivery options subject to MDOT policy limitations;
- Analysis will consider:
 - Geography of the bridge bundles
 - Opportunity for technical innovation
 - Coordination with other agencies and stakeholders
 - Funding sources and limitations
 - Various alternative delivery options
 - Schedule considerations and limitations

- Identify and discuss relevant bundling options for some of the project segments subject to MDOT policy limitations; and
- Outline potential pros and cons for each of the options;
- Provide qualitative assessment of each of the potential scope and delivery options against the key project objectives;
- Participate in meetings with MDOT as requested.

Network level review of MiBRIDGE data

Technical Advisor will review the data on network level based on the following criteria, among others:

- Bridge replacements for serious, critical and closed bridges
- Deck replacements and other major rehabilitation activities for poor bridges
- Strengthening and other major rehabilitation activities for load posted, or restricted bridges
- Maintenance and Preservation activities for fair bridges

Develop project and bundle screening criteria

Technical advisor, in collaboration with KPMG will review and screen project bundles based on the following potential criteria, among others:

- Tier I: Construction within 6 months:
 - Categorical Exclusion
 - Rural location
 - Limited to no utility impacts
 - No ROW needs
 - Full closure versus part-width construction
 - No major geometric improvements
 - Not over a waterway
 - Not over a railroad
- Tier II: Construction within 12 months:
 - Categorical Exclusion
 - Rural location
 - Easily resolvable utility impacts
 - Limited ROW needs, consent to grade, etc.
 - Minor geometric improvements – widening, underclearance, etc.
 - Over a waterway, with existing waterway adequacy
 - Not over a railroad
- Tier III: Construction within 24 months:
 - Categorical Exclusion
 - Urban location
 - Significant utility relocations
 - Major impacts to mobility – need staged construction
 - Major geometric improvements, approach roadway improvements
 - Over a waterway, requires bridge lengthening for waterway adequacy
 - Not over a railroad
- Tier IV: Construction within 36 months
 - Possible Environmental Assessment
 - Urbanized area, downtown gateway, requiring context sensitive solutions
 - Railroad bridges

Quantitative options analysis and whole life cost assessment

KPMG will work with MDOT and the technical advisor to:

- Help facilitate risk workshop sessions in conjunction with MDOT and technical advisor;
- Assist MDOT in updating and compiling a risk matrix that reflects critical commercial considerations;
- Support MDOT and its technical advisor on risk quantification considerations;
- Work with MDOT and technical advisor to define project scope, estimates of capital and on-going costs including the one proposed pump station within the project limits, project delivery timeline, and financial inputs for a traditional vs more integrated project delivery;

- Advise on the development of different financial analysis scenarios;
- Perform a high level value for money analysis comparing the risk-adjusted whole life cost of the project a traditional vs more integrated project delivery;
- Identify funding/financing tools available for each option to be part of the quantitative analysis
- Conduct high level financial analysis of the various delivery and segment bundling options to estimate potential project cost under each option to help MDOT assess overall affordability.

Market sounding (subject to separate notice to proceed)

KPMG will work with MDOT to:

- Organize and conduct a market sounding exercise to solicit industry feedback on the potential solutions to help further guide project development process.

Phase II – Project Implementation

Implementation (subject to separate notice to proceed)

If MDOT reaches an agreement for the procurement of the project, KPMG will work with MDOT to:

- Advice on project development, including development of heads of terms
- Assist with development of procurement documents and procurement strategy
- Advice on asset management strategy for bridges portfolio and performance incentives
- Perform financial analysis and advice on different funding and financing options and processes
- Support in the evaluation of statements of qualifications and proposals
- Provide support in negotiations with market players
- Assist with reaching commercial and financial close
- Advice on contract administration phases

Deliverables: Qualitative and quantitative analysis summaries, network analysis, screening framework, cost inputs, draft project scope, financial analysis results. Interim and draft deliverables related to qualitative, quantitative analysis, market sounding, and technical work, will be provided to MDOT on ongoing basis for review and feedback.

3. Excluded Services

The scope of the optional additional services will continue to exclude the following services:

- Accounting policy review or advice, including constituting acceptance, endorsement or approval of any accounting application or compliance with any accounting standard or requirement;
- Providing guidance on cost accounting activities related on-going operations of the Project;
- Audit or valuation of historical financial performance relating to subject bridge assets;
- Tax advice including provision of a formal opinion, although KPMG will be pleased to discuss separate terms of engagement for these services if required;
- Audit or validation of the financial model provided by bidders for the Project. Recommendations arising from model outputs are the sole responsibility of State management to evaluate and implement;
- Preparation of cash flows for the network of bridges and other technical projections required for project delivery, except as provided by the State; and
- Legal advice.

4. Engagement Team

The team we expect to deliver these services includes:

Liam Kelly, QA/QC – Strategic advice
 George Spakouris, Core Team - Engagement lead
 Alex Seleznyov, Core Team - Engagement manager
 Hugh Campbell, Core Team - Engagement team member
 Blair Trame, Core Team – Engagement team member
 Dan Adelman, Core Team –Engagement team member
 Technical Advisor team - TBD
 Other resources as needed

If needed, KPMG will also rely on KPMG International Cooperative's network of Member Firms to identify subject

matter professionals who may bring international experience on similar projects.

California Accountancy Act – For engagements where services will be provided by the Contractor through offices located in California, the State acknowledges that certain of Contractor's personnel who may be considered "owners" under the California Accountancy act and implementing regulations (California Business and Professions Code section 5079(a); 16 Cal. Code Regs. sections 51 and 51.1) and who may provide services in connection with this engagement, may not be licensed as certified public accountants under the laws of any of the various states.

5. Fees

The State will compensate KPMG based on the established hourly rate of \$405 per hour. The anticipated fees for the services outlined above are as follows:

- Phase I
 - KPMG scope: \$400,000
 - KPMG scope – Market Sounding: \$40,000
 - Technical advisor scope: \$300,000
- Phase II
 - KPMG scope – Implementation: 1,200,000

The target date for completion of the work described herein for Phase I is January 31, 2019, but it is subject to factors such as availability of the necessary information, availability of senior MDOT management provide guidance in relation to the project, and requests for additional analysis.

6. Use of Member Firms and Third Parties

Use of member firms ("Member Firms") includes references to member firms of KPMG International, other independent firms licensed by KPMG International to use the KPMG name and, in each case, firms controlled by them and third party service providers:

- a) The State acknowledges that in connection with the performance of services under this Task Order, KPMG and Member Firms, in their discretion or at State's direction, may utilize the services of third party service providers within and without the United States to complete the services under this task order.
- b) KPMG uses third party service providers within and without the United States to provide at the direction of KPMG administrative and clerical services to the KPMG Parties. These third party service providers may in the performance of such services have limited access to information, including but not limited to Confidential Information, received by KPMG from or at the request or direction of the State. KPMG represents that each such third party service provider has agreed to conditions of confidentiality with respect to the State's information to the same or similar extent as KPMG has agreed. KPMG has full responsibility to cause these third party service providers to comply with such conditions of confidentiality and KPMG shall be responsible for any consequences of their failure to comply.
- c) Accordingly, the State consents to KPMG's disclosure to a Member Firm or third party service provider and the use by such Member Firm and third party service provider of data and information, including but not limited to Confidential Information, received from or at the request or direction of the State.
- d) Any services performed by a Member Firm, affiliate or third party service provider shall be performed in accordance with the terms of this task order and these Standard Terms and Conditions, but KPMG shall remain responsible to the State for the performance of such services. The State agrees that any claim relating to the services under this task order may only be made against KPMG and not any other Member Firm or third party service provider referred to above.

7. Intellectual Property, Third Party Use

- a) KPMG shall retain ownership of any and all intellectual property rights in the product of KPMG's services performed hereunder, whether oral or written, and ownership of KPMG's work papers. The State shall acquire ownership of any product of the services performed in its tangible form upon payment in full of KPMG's fees. For the purposes of delivering services to the State and other KPMG clients, KPMG and its related entities shall be entitled to use, develop or share with each other knowledge, experience and skills of general application gained through performing the services hereunder. Any advice rendered by KPMG pursuant to this task order, written or oral, will be solely for the information and use of the State and treated by the State as confidential and may not be disclosed

in any manner to any other person without KPMG's prior written approval.

- b) The advice, recommendations, work product, and deliverables provided as part of this task order will be developed for State management, and are not intended for use by any other party or for any other purpose, and may only be relied upon by State management and will be so marked. We disclaim any intention or obligation to update or revise the observations whether as a result of new information, future events or otherwise. Should additional documentation or other information become available which impacts upon the observations reached in our deliverables, we reserve the right to amend our observations and summary documents, including deliverables, accordingly

8. Other

We will require the support of the State and associated personnel in order to achieve timely completion of the aforementioned services. Support includes, but is not limited to, the collection of all relevant documents (paper or electronic) and the scheduling of interviews and coordination of meetings.

The State will designate a management level individual to oversee the conduct of these services, including coordination of project resources needed and review of draft deliverables. State personnel assigned to the project will review draft deliverables on a timely basis.

Additionally, the State and its other advisers will provide KPMG with underlying cost data for the Project as appropriate. If the foregoing correctly sets forth the agreement between the State and KPMG, please sign and return the enclosed copy of this proposal letter. If you have any questions with regard to our proposal, please reach out to me at your convenience.

KPMG's services as outlined in this task order constitute an advisory engagement conducted under the American Institute of Certified Public Accountants ("AICPA") Standards for Consulting Services. Such services are not intended to be an audit, examination, attestation, special report or agreed-upon procedures engagements as those services are defined in AICPA literature applicable to such engagements conducted by independent auditors. Accordingly, these services shall not result in the issuance of a written communication to third parties by KPMG directly reporting on financial data or internal control or expressing a conclusion or any other form of assurance.

It is understood and agreed that KPMG is not registered with the SEC as a municipal advisor and that the State is not asking KPMG to provide, and KPMG will not provide, any services to the State which would require registration as a municipal advisor, including but not limited to advice with respect to municipal financial products or the issuance of municipal securities. Accordingly, KPMG will not make recommendations relating to municipal financial products or the issuance of municipal securities, and KPMG will not owe a fiduciary duty to the State under Section 15B of the Securities Exchange Act of 1934. The State represents to KPMG that if the State desires municipal advisor services in connection with or related to the subject matter of this engagement, it will obtain such services from another party.

KPMG can offer no view or undertake any role that could be considered public policy advocacy or lobbying.

This engagement letter will be incorporated by reference into the contract.



**STATE OF MICHIGAN
ENTERPRISE PROCUREMENT**

Department of Technology Management and Budget, Procurement
525 West Allegan, Lansing MI 48933

NOTICE OF CONTRACT

NOTICE OF CONTRACT NO. **171 180000000879**

between
THE STATE OF MICHIGAN
and

CONTRACTOR	KPMG LLP
	303 East Wacker Drive
	Chicago, IL 60601
	Liam Kelly
	(312) 665-1204
	liamkelly@kpmg.com
	CV0059169

STATE	Program Manager	Lisa Spitzley	DTMB
		517-249-0440	
		SpitzleyL4@michigan.gov	
	Contract Administrator	Lisa Spitzley	DTMB
		517-249-0440	
		SpitzleyL4@michigan.gove	

CONTRACT SUMMARY			
DESCRIPTION: Financial & Strategic Consulting and Advisory Services including Public-Private Partnership (P3) Consulting			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
August 20, 2018	August 19, 2021	5 – 1 Year Options	
PAYMENT TERMS		DELIVERY TIMEFRAME	
2%NET10, NET45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			
MISCELLANEOUS INFORMATION			
THIS IS NOT AN ORDER. This Contract Agreement is awarded on the basis of our inquiring RFP No. 180000002028. Orders for delivery will be issued directly by Departments through the issuance of a Delivery Order (DO) Form.			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION			\$2,602,870.00

FOR THE CONTRACTOR:

 KPMG LLP
Company Name

Authorized Agent Signature

Authorized Agent (Print or Type)

Date

FOR THE STATE:

Signature

 Chelsea Edgett, Service Manager
Name & Title

 DTMB Central Procurement Services
Agency

Date



STATE OF MICHIGAN

STANDARD CONTRACT TERMS

This STANDARD CONTRACT (“**Contract**”) is agreed to between the State of Michigan (the “**State**”) and KPMG LLP (“**Contractor**”), a Delaware registered Limited Liability Partnership. This Contract is effective on August 20, 2018 (“**Effective Date**”), and unless terminated, expires on August 19, 2021.

This Contract may be renewed for up to 5 additional one-year period(s). Renewal is at the sole discretion of the State and will automatically extend the Term of this Contract. The State will document its exercise of renewal options via Contract Change Notice.

The parties agree as follows:

- 1. Duties of Contractor.** Contractor must perform the services and provide the deliverables described in **Schedule A – Statement of Work** (the “**Contract Activities**”). An obligation to provide delivery of any commodity is considered a service and is a Contract Activity.

Contractor must furnish all labor, equipment, materials, and supplies necessary for the performance of the Contract Activities, and meet operational standards, unless otherwise specified in Schedule A.

Contractor must: (a) perform the Contract Activities in a timely, professional, safe, and workmanlike manner consistent with standards in the trade, profession, or industry; (b) meet or exceed the performance and operational standards, and specifications of the Contract; (c) provide all Contract Activities in good quality, with no material defects; (d) not interfere with the State’s operations; (e) obtain and maintain all necessary licenses, permits or other authorizations necessary for the performance of the Contract; (f) cooperate with the State, including the State’s quality assurance personnel, and any third party to achieve the objectives of the Contract; (g) return to the State any State-furnished equipment or other resources in the same condition as when provided when no longer required for the Contract; (h) not make any media releases without prior written authorization from the State; (i) assign to the State any claims resulting from state or federal antitrust violations to the extent that those violations concern materials or services supplied by third parties toward fulfillment of the Contract; (j) comply with all State physical and IT security policies and standards which will be made available upon request; and (k) provide the State priority in performance of the Contract except as mandated by federal disaster response requirements. Any breach under this paragraph is considered a material breach.

Contractor must also be clearly identifiable while on State property by wearing identification issued by the State, and clearly identify themselves whenever making contact with the State.

- 2. Notices.** All notices and other communications required or permitted under this Contract must be in writing and will be considered given and received: (a) when verified by written receipt if sent by courier; (b) when actually received if sent by mail without verification of receipt; or (c) when verified by automated receipt or electronic logs if sent by facsimile or email.

If to State:	If to Contractor:
Lisa Spitzley 525 W. Allegan 1 st Floor Lansing MI 48913 spitzleyl4@michigan.gov (517) 249-0440	Liam Kelly 55 Second Street Suite 1400 San Francisco, CA 94105 +1 415-932-9040 liamkelly@kpmg.com

3. **Contract Administrator.** The Contract Administrator for each party is the only person authorized to modify any terms of this Contract, and approve and execute any change under this Contract (each a "Contract Administrator"):

State: Lisa Spitzley 525 W. Allegan 1 st Floor Lansing MI 48913 spitzleyl4@michigan.gov (517) 249-0440	Contractor: Liam Kelly 55 Second Street Suite 1400 San Francisco, CA 94105 +1 415-932-9040 liamkelly@kpmg.com
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4. **Program Manager.** The Program Manager for each party will monitor and coordinate the day-to-day activities of the Contract (each a "Program Manager"):

State: MDOT: Greg Losch 425 W. Ottawa St. Lansing MI 48933 LoschG@michigan.gov (517) 719-2037 MDHHS: Jessica Van Winkle 235 S. Grand Ave. Lansing, MI 48933 vanwinklej@michigan.gov	Contractor: Liam Kelly 55 Second Street Suite 1400 San Francisco, CA 94105 +1 415-932-9040 liamkelly@kpmg.com
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5. **Performance Guarantee.** Contractor must at all times have financial resources sufficient, in the opinion of the State, to ensure performance of the Contract and must provide proof upon request.
6. **Insurance Requirements.** Contractor must maintain the insurances identified below and is responsible for all deductibles. All required insurance must: (a) protect the State from claims that may arise out of, are alleged to arise out of, or result from Contractor's or a subcontractor's performance; (b) be primary and non-contributing to any comparable liability insurance (including self-insurance) carried by the State; and (c) be provided by a company with an A.M. Best rating of "A" or better, and a financial size of VII or better.

Required Limits	Additional Requirements
Commercial General Liability Insurance	
<u>Minimal Limits:</u> \$1,000,000 Each Occurrence Limit \$1,000,000 Personal & Advertising Injury Limit \$2,000,000 General Aggregate Limit \$2,000,000 Products/Completed Operations <u>Deductible Maximum:</u> \$50,000 Each Occurrence	Contractor must have their policy endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds using endorsement CG 20 10 11 85, or both CG 2010 07 04 and CG 2037 07 0.
Automobile Liability Insurance	
<u>Minimal Limits:</u> \$1,000,000 Per Occurrence	Contractor must have their policy: (1) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds; and (2)

	include Hired and Non-Owned Automobile coverage.
Workers' Compensation Insurance	
<u>Minimal Limits:</u> Coverage according to applicable laws governing work activities.	Waiver of subrogation, except where waiver is prohibited by law.
Employers Liability Insurance	
<u>Minimal Limits:</u> \$500,000 Each Accident \$500,000 Each Employee by Disease \$500,000 Aggregate Disease.	
Crime (Fidelity) Insurance	
<u>Minimal Limits:</u> \$1,000,000 Employee Theft Per Loss	Contractor must have their policy: (1) cover forgery and alteration, theft of money and securities, robbery and safe burglary, computer fraud, funds transfer fraud, money order and counterfeit currency, and (2) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as Loss Payees.

Professional Liability (Errors and Omissions) Insurance, Including Cyber Liability	
<u>Minimal Limits:</u> \$3,000,000 Each Occurrence \$3,000,000 Annual Aggregate	Contractor must have their policy cover information security and privacy liability, privacy notification costs, regulatory defense and penalties, and website media content liability.
<u>Deductible Maximum:</u> \$50,000 Per Loss	

If any of the required policies provide **claims-made** coverage, the Contractor must: (a) provide coverage with a retroactive date before the effective date of the contract or the beginning of Contract Activities; (b) maintain coverage and provide evidence of coverage for at least three (3) years after completion of the Contract Activities; and (c) if coverage is canceled or not renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, Contractor must purchase extended reporting coverage for a minimum of three (3) years after completion of work.

Contractor must: (a) provide insurance certificates to the Contract Administrator, containing the agreement or purchase order number, at Contract formation and within 20 calendar days of the expiration date of the applicable policies; (b) require that subcontractors maintain the required insurances contained in this Section; (c) notify the Contract Administrator within 5 business days if any insurance is cancelled; and (d) waive all rights against the State for damages covered by insurance. Failure to maintain the required insurance does not limit this waiver.

This Section is not intended to and is not be construed in any manner as waiving, restricting or limiting the liability of either party for any obligations under this Contract (including any provisions hereof requiring Contractor to indemnify, defend and hold harmless the State).

- Administrative Fee and Reporting.** Contractor must pay an administrative fee of 1% on all payments made to Contractor under the Contract including transactions with the State (including its departments, divisions, agencies, offices, and commissions), MiDEAL members, and other states (including governmental subdivisions and authorized entities). Administrative fee payments must be made by check payable to the State of Michigan and mailed to:

Department of Technology, Management and Budget
Cashiering
P.O. Box 30681
Lansing, MI 48909

Contractor must submit an itemized purchasing activity report, which includes at a minimum, the name of the purchasing entity and the total dollar volume in sales. Reports should be mailed to DTMB-Procurement.

The administrative fee and purchasing activity report are due within 30 calendar days from the last day of each calendar quarter.

8. **Extended Purchasing Program** This contract is extended to MiDEAL members. MiDEAL members include local units of government, school districts, universities, community colleges, and nonprofit hospitals. A current list of MiDEAL members is available at www.michigan.gov/mideal. Upon written agreement between the State and Contractor, this contract may also be extended to: (a) State of Michigan employees and (b) other states (including governmental subdivisions and authorized entities).

If extended, Contractor must supply all Contract Activities at the established Contract prices and terms. The State reserves the right to impose an administrative fee and negotiate additional discounts based on any increased volume generated by such extensions.

Contractor must submit invoices to, and receive payment from, extended purchasing program members on a direct and individual basis.

9. **Independent Contractor.** Contractor is an independent contractor and assumes all rights, obligations and liabilities set forth in this Contract. Contractor, its employees, and agents will not be considered employees of the State. No partnership or joint venture relationship is created by virtue of this Contract. Contractor, and not the State, is responsible for the payment of wages, benefits and taxes of Contractor's employees and any subcontractors. Prior performance does not modify Contractor's status as an independent contractor. Contractor hereby acknowledges that the State is and will be the sole and exclusive owner of all right, title, and interest in the Contract Activities and all associated intellectual property rights, if any. Such Contract Activities are works made for hire as defined in Section 101 of the Copyright Act of 1976. To the extent any Contract Activities and related intellectual property do not qualify as works made for hire under the Copyright Act, Contractor will, and hereby does, immediately on its creation, assign, transfer and otherwise convey to the State, irrevocably and in perpetuity, throughout the universe, all right, title and interest in and to the Contract Activities, including all intellectual property rights therein.
10. **Subcontracting.** Contractor may not delegate any of its obligations under the Contract without the prior written approval of the State. Contractor must notify the State at least 90 calendar days before the proposed delegation, and provide the State any information it requests to determine whether the delegation is in its best interest. If approved, Contractor must: (a) be the sole point of contact regarding all contractual matters, including payment and charges for all Contract Activities; (b) make all payments to the subcontractor; and (c) incorporate the terms and conditions contained in this Contract in any subcontract with a subcontractor. Contractor remains responsible for the completion of the Contract Activities, compliance with the terms of this Contract, and the acts and omissions of the subcontractor. The State, in its sole discretion, may require the replacement of any subcontractor.
11. **Staffing.** The State's Contract Administrator may require Contractor to remove or reassign personnel by providing a notice to Contractor.
12. **Background Checks.** Upon request, Contractor must perform background checks on all employees and subcontractors and its employees prior to their assignment. The scope is at the discretion of the State and documentation must be provided as requested. Contractor is responsible for all costs associated with the requested background checks. The State, in its sole discretion, may also perform background checks.
13. **Assignment.** Contractor may not assign this Contract to any other party without the prior approval of the State. Upon notice to Contractor, the State, in its sole discretion, may assign in whole or in part, its rights or responsibilities under this Contract to any other party. If the State determines that a novation of the

Contract to a third party is necessary, Contractor will agree to the novation and provide all necessary documentation and signatures.

- 14. Change of Control.** Contractor will notify, at least 90 calendar days before the effective date, the State of a change in Contractor's organizational structure or ownership. For purposes of this Contract, a change in control means any of the following: (a) a sale of more than 50% of Contractor's stock; (b) a sale of substantially all of Contractor's assets; (c) a change in a majority of Contractor's board members; (d) consummation of a merger or consolidation of Contractor with any other entity; (e) a change in ownership through a transaction or series of transactions; (f) or the board (or the stockholders) approves a plan of complete liquidation. A change of control does not include any consolidation or merger effected exclusively to change the domicile of Contractor, or any transaction or series of transactions principally for bona fide equity financing purposes.

In the event of a change of control, Contractor must require the successor to assume this Contract and all of its obligations under this Contract.

- 15. Ordering.** Contractor is not authorized to begin performance until receipt of authorization as identified in Schedule A.

- 16. Acceptance.** Contract Activities are subject to inspection and testing by the State within 30 calendar days of the State's receipt of them ("**State Review Period**"), unless otherwise provided in Schedule A. If the Contract Activities are not fully accepted by the State, the State will notify Contractor by the end of the State Review Period that either: (a) the Contract Activities are accepted, but noted deficiencies must be corrected; or (b) the Contract Activities are rejected. If the State finds material deficiencies, it may: (i) reject the Contract Activities without performing any further inspections; (ii) demand performance at no additional cost; or (iii) terminate this Contract in accordance with Section 23, Termination for Cause.

Within 10 business days from the date of Contractor's receipt of notification of acceptance with deficiencies or rejection of any Contract Activities, Contractor must cure, at no additional cost, the deficiency and deliver unequivocally acceptable Contract Activities to the State. If acceptance with deficiencies or rejection of the Contract Activities impacts the content or delivery of other non-completed Contract Activities, the parties' respective Program Managers must determine an agreed to number of days for re-submission that minimizes the overall impact to the Contract. However, nothing herein affects, alters, or relieves Contractor of its obligations to correct deficiencies in accordance with the time response standards set forth in this Contract.

If Contractor is unable or refuses to correct the deficiency within the time response standards set forth in this Contract, the State may cancel the order in whole or in part. The State, or a third party identified by the State, may perform the Contract Activities and recover the difference between the cost to cure and the Contract price plus an additional 10% administrative fee.

- 17. Delivery.** Contractor must deliver all Contract Activities F.O.B. destination, within the State premises with transportation and handling charges paid by Contractor, unless otherwise specified in Schedule A. All containers and packaging becomes the State's exclusive property upon acceptance.

- 18. Risk of Loss and Title.** Until final acceptance, title and risk of loss or damage to Contract Activities remains with Contractor. Contractor is responsible for filing, processing, and collecting all damage claims. The State will record and report to Contractor any evidence of visible damage. If the State rejects the Contract Activities, Contractor must remove them from the premises within 10 calendar days after notification of rejection. The risk of loss of rejected or non-conforming Contract Activities remains with Contractor. Rejected Contract Activities not removed by Contractor within 10 calendar days will be deemed abandoned by Contractor, and the State will have the right to dispose of it as its own property. Contractor must reimburse the State for costs and expenses incurred in storing or effecting removal or disposition of rejected Contract Activities.

- 19. Warranty Period.** The warranty period, if applicable, for Contract Activities is a fixed period commencing on the date specified in Schedule A. If the Contract Activities do not function as warranted during the warranty period the State may return such non-conforming Contract Activities to the Contractor for a full refund.

- 20. Terms of Payment.** Invoices must conform to the requirements communicated from time-to-time by the State. All undisputed amounts are payable within 45 days of the State's receipt. Contractor may only charge for Contract Activities performed as specified in Schedule A. Invoices must include an itemized statement of all charges. The State is exempt from State sales tax for direct purchases and may be exempt from federal excise tax, if Services purchased under this Agreement are for the State's exclusive

use. Notwithstanding the foregoing, all prices are inclusive of taxes, and Contractor is responsible for all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any federal, state, or local governmental entity on any amounts payable by the State under this Contract.

The State has the right to withhold payment of any disputed amounts until the parties agree as to the validity of the disputed amount. The State will notify Contractor of any dispute within a reasonable time. Payment by the State will not constitute a waiver of any rights as to Contractor's continuing obligations, including claims for deficiencies or substandard Contract Activities. Contractor's acceptance of final payment by the State constitutes a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still disputed.

The State will only disburse payments under this Contract through Electronic Funds Transfer (EFT). Contractor must register with the State at <http://www.michigan.gov/SIGMAVSS> to receive electronic fund transfer payments. If Contractor does not register, the State is not liable for failure to provide payment. Without prejudice to any other right or remedy it may have, the State reserves the right to set off at any time any amount then due and owing to it by Contractor against any amount payable by the State to Contractor under this Contract.

21. **Liquidated Damages.** Liquidated damages, if applicable, will be assessed as described in Schedule A.
22. **Stop Work Order.** The State may suspend any or all activities under the Contract at any time. The State will provide Contractor a written stop work order detailing the suspension. Contractor must comply with the stop work order upon receipt. Within 90 calendar days, or any longer period agreed to by Contractor, the State will either: (a) issue a notice authorizing Contractor to resume work, or (b) terminate the Contract or purchase order. The State will not pay for Contract Activities, Contractor's lost profits, or any additional compensation during a stop work period.
23. **Termination for Cause.** The State may terminate this Contract for cause, in whole or in part, if Contractor, as determined by the State: (a) endangers the value, integrity, or security of any location, data, or personnel; (b) becomes insolvent, petitions for bankruptcy court proceedings, or has an involuntary bankruptcy proceeding filed against it by any creditor; (c) engages in any conduct that may expose the State to liability; (d) breaches any of its material duties or obligations; or (e) fails to cure a breach within the time stated in a notice of breach. Any reference to specific breaches being material breaches within this Contract will not be construed to mean that other breaches are not material.

If the State terminates this Contract under this Section, the State will issue a termination notice specifying whether Contractor must: (a) cease performance immediately, or (b) continue to perform for a specified period. If it is later determined that Contractor was not in breach of the Contract, the termination will be deemed to have been a Termination for Convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in Section 24, Termination for Convenience.

The State will only pay for amounts due to Contractor for Contract Activities accepted by the State on or before the date of termination, subject to the State's right to set off any amounts owed by the Contractor for the State's reasonable costs in terminating this Contract. The Contractor must pay all reasonable costs incurred by the State in terminating this Contract for cause, including administrative costs, attorneys' fees, court costs, transition costs, and any costs the State incurs to procure the Contract Activities from other sources.

24. **Termination for Convenience.** The State may immediately terminate this Contract in whole or in part without penalty and for any reason, including but not limited to, appropriation or budget shortfalls. The termination notice will specify whether Contractor must: (a) cease performance of the Contract Activities immediately, or (b) continue to perform the Contract Activities in accordance with Section 25, Transition Responsibilities. If the State terminates this Contract for convenience, the State will pay all reasonable costs, as determined by the State, for State approved Transition Responsibilities.
25. **Transition Responsibilities.** Upon termination or expiration of this Contract for any reason, Contractor must, for a period of time specified by the State (not to exceed 180 calendar days), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract Activities to continue without interruption or adverse effect, and to facilitate the orderly transfer of such Contract Activities to the State or its designees. Such transition assistance may include, but is not limited to: (a) continuing to perform the Contract Activities at the established Contract rates; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable

Contract Activities, training, equipment, software, leases, reports and other documentation, to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all materials, data, property, and confidential information provided directly or indirectly to Contractor by any entity, agent, vendor, or employee of the State; (d) transferring title in and delivering to the State, at the State's discretion, all completed or partially completed deliverables prepared under this Contract as of the Contract termination date; and (e) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, "**Transition Responsibilities**"). This Contract will automatically be extended through the end of the transition period.

- 26. General Indemnification.** Contractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and employees harmless, without limitation, from and against any and all actions, claims, losses, liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification), arising out of or relating to: (a) any breach by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable) of any of the promises, agreements, representations, warranties, or insurance requirements contained in this Contract; (b) any infringement, misappropriation, or other violation of any intellectual property right or other right of any third party; (c) any bodily injury, death, or damage to real or tangible personal property occurring wholly or in part due to action or inaction by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable); and (d) any acts or omissions of Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable).

The State will notify Contractor in writing if indemnification is sought; however, failure to do so will not relieve Contractor, except to the extent that Contractor is materially prejudiced. Contractor must, to the satisfaction of the State, demonstrate its financial ability to carry out these obligations.

The State is entitled to: (i) regular updates on proceeding status; (ii) participate in the defense of the proceeding; (iii) employ its own counsel; and to (iv) retain control of the defense if the State deems necessary. Contractor will not, without the State's written consent (not to be unreasonably withheld), settle, compromise, or consent to the entry of any judgment in or otherwise seek to terminate any claim, action, or proceeding. To the extent that any State employee, official, or law may be involved or challenged, the State may, at its own expense, control the defense of that portion of the claim.

Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. An attorney designated to represent the State may not do so until approved by the Michigan Attorney General and appointed as a Special Assistant Attorney General.

- 27. Infringement Remedies.** If, in either party's opinion, any piece of equipment, software, commodity, or service supplied by Contractor or its subcontractors, or its operation, use or reproduction, is likely to become the subject of a copyright, patent, trademark, or trade secret infringement claim, Contractor must, at its expense: (a) procure for the State the right to continue using the equipment, software, commodity, or service, or if this option is not reasonably available to Contractor, (b) replace or modify the same so that it becomes non-infringing; or (c) accept its return by the State with appropriate credits to the State against Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.
- 28. Limitation of Liability and Disclaimer of Damages.** **NEITHER THE STATE'S NOR THE CONTRACTOR'S AGGREGATE LIABILITY UNDER THIS CONTRACT, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT, EXCEED THE GREATER OF (i)\$5,000,000.00 (ii) OR THE MAXIMUM AMOUNT OF FEES PAYABLE UNDER THIS CONTRACT.** Neither the State nor the Contractor will be liable for consequential, incidental, indirect, or special damages, regardless of the nature of the action.
- 29. Disclosure of Litigation, or Other Proceeding.** Contractor must notify the State within 14 calendar days of receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "**Proceeding**") that would materially affect the Contractor's ability to perform under this Contract.
- 30. Reserved**

31. State Data.

- a. Ownership. The State's data ("**State Data**," which will be treated by Contractor as Confidential Information) includes: (a) the State's data collected, used, processed, stored, or generated as the result of the Contract Activities; (b) personally identifiable information ("**PII**") collected, used, processed, stored, or generated as the result of the Contract Activities, including, without limitation, any information that identifies an individual, such as an individual's social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother's maiden name, email address, credit card information, or an individual's name in combination with any other of the elements here listed; and, (c) personal health information ("**PHI**") collected, used, processed, stored, or generated as the result of the Contract Activities, which is defined under the Health Insurance Portability and Accountability Act (HIPAA) and its related rules and regulations. State Data is and will remain the sole and exclusive property of the State and all right, title, and interest in the same is reserved by the State. This Section survives the termination of this Contract.
- b. Contractor Use of State Data. Contractor is provided a limited license to State Data for the sole and exclusive purpose of providing the Contract Activities, including a license to collect, process, store, generate, and display State Data only to the extent necessary in the provision of the Contract Activities. Contractor must: (a) keep and maintain State Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Contract and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose State Data solely and exclusively for the purpose of providing the Contract Activities, such use and disclosure being in accordance with this Contract, any applicable Statement of Work, and applicable law; and (c) not use, sell, rent, transfer, distribute, or otherwise disclose or make available State Data for Contractor's own purposes or for the benefit of anyone other than the State without the State's prior written consent. This Section survives the termination of this Contract.
- c. Extraction of State Data. Contractor must, within five (5) business days of the State's request, provide the State, without charge and without any conditions or contingencies whatsoever (including but not limited to the payment of any fees due to Contractor), an extract of the State Data in the format specified by the State.
- d. Backup and Recovery of State Data. Unless otherwise specified in Schedule A, Contractor is responsible for maintaining a backup of State Data and for an orderly and timely recovery of such data. Unless otherwise described in Schedule A, Contractor must maintain a contemporaneous backup of State Data that can be recovered within two (2) hours at any point in time.
- e. Loss or Compromise of Data. In the event of any act, error or omission, negligence, misconduct, or breach on the part of Contractor that compromises or is suspected to compromise the security, confidentiality, or integrity of State Data or the physical, technical, administrative, or organizational safeguards put in place by Contractor that relate to the protection of the security, confidentiality, or integrity of State Data, Contractor must, as applicable: (a) notify the State as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence; (b) cooperate with the State in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by the State; (c) in the case of PII or PHI, at the State's sole election, (i) with approval and assistance from the State, notify the affected individuals who comprise the PII or PHI as soon as practicable but no later than is required to comply with applicable law, or, in the absence of any legally required notification period, within five (5) calendar days of the occurrence; or (ii) reimburse the State for any costs in notifying the affected individuals; (d) in the case of PII, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the PII for the period required to comply with applicable law, or, in the absence of any legally required monitoring services, for no less than twenty-four (24) months following the date of notification to such individuals; (e) perform or take any other actions required to comply with applicable law as a result of the occurrence; (f) pay for any costs associated with the occurrence, including but not limited to any costs incurred by the State in investigating and resolving the occurrence, including reasonable

attorney's fees associated with such investigation and resolution; (g) without limiting Contractor's obligations of indemnification as further described in this Contract, indemnify, defend, and hold harmless the State for any and all claims, including reasonable attorneys' fees, costs, and incidental expenses, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the occurrence; (h) be responsible for recreating lost State Data in the manner and on the schedule set by the State without charge to the State; and (i) provide to the State a detailed plan within ten (10) calendar days of the occurrence describing the measures Contractor will undertake to prevent a future occurrence. Notification to affected individuals, as described above, must comply with applicable law, be written in plain language, not be tangentially used for any solicitation purposes, and contain, at a minimum: name and contact information of Contractor's representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps Contractor has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact information for major credit card reporting agencies; and, information regarding the credit and identity monitoring services to be provided by Contractor. The State will have the option to review and approve any notification sent to affected individuals prior to its delivery. Notification to any other party, including but not limited to public media outlets, must be reviewed and approved by the State in writing prior to its dissemination. This section survives termination or expiration of this Contract.

32. Non-Disclosure of Confidential Information. The parties acknowledge that each party may be exposed to or acquire communication or data of the other party that is confidential, privileged communication not intended to be disclosed to third parties. The provisions of this Section survive the termination of this Contract.

- a. Meaning of Confidential Information. For the purposes of this Contract, the term "**Confidential Information**" means all information and documentation of a party that: (a) has been marked "confidential" or with words of similar meaning, at the time of disclosure by such party; (b) if disclosed orally or not marked "confidential" or with words of similar meaning, was subsequently summarized in writing by the disclosing party and marked "confidential" or with words of similar meaning; and, (c) should reasonably be recognized as confidential information of the disclosing party. The term "Confidential Information" does not include any information or documentation that was: (a) subject to disclosure under the Michigan Freedom of Information Act (FOIA); (b) already in the possession of the receiving party without an obligation of confidentiality; (c) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party's proprietary rights; (d) obtained from a source other than the disclosing party without an obligation of confidentiality; or, (e) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through, or on behalf of, the receiving party). For purposes of this Contract, in all cases and for all matters, State Data is deemed to be Confidential Information.
- b. Obligation of Confidentiality. The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Contract or to use such Confidential Information for any purposes whatsoever other than the performance of this Contract. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to a subcontractor is permissible where: (a) use of a subcontractor is authorized under this Contract; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the subcontractor's responsibilities; and (c) Contractor obligates the subcontractor in a written contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor or any subcontractor may be required to execute a separate agreement to be bound by the provisions of this Section.
- c. Cooperation to Prevent Disclosure of Confidential Information. Each party must use its best efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, each party must

advise the other party immediately in the event either party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Contract and each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.

- d. Remedies for Breach of Obligation of Confidentiality. Each party acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to the other party, which damage may be inadequately compensable in the form of monetary damages. Accordingly, a party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available, to include, in the case of the State, at the sole election of the State, the immediate termination, without liability to the State, of this Contract or any Statement of Work corresponding to the breach or threatened breach.
- e. Surrender of Confidential Information upon Termination. Upon termination of this Contract or a Statement of Work, in whole or in part, each party must, within 5 calendar days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party's possession, custody, or control; provided, however, that Contractor must return State Data to the State following the timeframe and procedure described further in this Contract. Should Contractor or the State determine that the return of any Confidential Information is not feasible, such party must destroy the Confidential Information and must certify the same in writing within 5 calendar days from the date of termination to the other party. However, the State's legal ability to destroy Contractor data may be restricted by its retention and disposal schedule, in which case Contractor's Confidential Information will be destroyed after the retention period expires.

33. Data Privacy and Information Security.

- a. Undertaking by Contractor. Without limiting Contractor's obligation of confidentiality as further described, Contractor is responsible for establishing and maintaining a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that is designed to: (a) ensure the security and confidentiality of the State Data; (b) protect against any anticipated threats or hazards to the security or integrity of the State Data; (c) protect against unauthorized disclosure, access to, or use of the State Data; (d) ensure the proper disposal of State Data; and (e) ensure that all employees, agents, and subcontractors of Contractor, if any, comply with all of the foregoing. In no case will the safeguards of Contractor's data privacy and information security program be less stringent than the safeguards used by the State, and Contractor must at all times comply with all applicable State IT policies and standards, which are available to Contractor upon request.
- b. Audit by Contractor. No less than annually, Contractor must conduct a comprehensive independent third-party audit of its data privacy and information security program and provide such audit findings to the State.
- c. Right of Audit by the State. Without limiting any other audit rights of the State, the State has the right to review Contractor's data privacy and information security program prior to the commencement of Contract Activities and from time to time during the term of this Contract. During the providing of the Contract Activities, on an ongoing basis from time to time and without notice, the State, at its own expense, is entitled to perform, or to have performed, an on-site audit of Contractor's data privacy and information security program. In lieu of an on-site audit, upon request by the State, Contractor agrees to complete, within 45 calendar days of receipt, an audit questionnaire provided by the State regarding Contractor's data privacy and information security program.
- d. Audit Findings. Contractor must implement any required safeguards as identified by the State or by any audit of Contractor's data privacy and information security program.
- e. State's Right to Termination for Deficiencies. The State reserves the right, at its sole election, to immediately terminate this Contract or a Statement of Work without limitation

and without liability if the State determines that Contractor fails or has failed to meet its obligations under this Section.

34. **Reserved.**

35. **Reserved.**

36. **Records Maintenance, Inspection, Examination, and Audit.** The State or its designee may audit Contractor to verify compliance with this Contract. Contractor must retain, and provide to the State or its designee and the auditor general upon request, all financial and accounting records related to the Contract through the term of the Contract and for 4 years after the latter of termination, expiration, or final payment under this Contract or any extension ("**Audit Period**"). If an audit, litigation, or other action involving the records is initiated before the end of the Audit Period, Contractor must retain the records until all issues are resolved.

Within 10 calendar days of providing notice, the State and its authorized representatives or designees have the right to enter and inspect Contractor's premises or any other places where Contract Activities are being performed, and examine, copy, and audit all records related to this Contract. Contractor must cooperate and provide reasonable assistance. If any financial errors are revealed, the amount in error must be reflected as a credit or debit on subsequent invoices until the amount is paid or refunded. Any remaining balance at the end of the Contract must be paid or refunded within 45 calendar days.

This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.

37. **Warranties and Representations.** Contractor represents and warrants: (a) Contractor is the owner or licensee of any Contract Activities that it licenses, sells, or develops and Contractor has the rights necessary to convey title, ownership rights, or licensed use; (b) all Contract Activities are delivered free from any security interest, lien, or encumbrance and will continue in that respect; (c) the Contract Activities will not infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party; (d) Contractor must assign or otherwise transfer to the State or its designee any manufacturer's warranty for the Contract Activities; (e) the Contract will be performed in accordance with applicable professional standards; (f) the Contract signatory has the authority to enter into this Contract; (g) all information furnished by Contractor in connection with the Contract fairly and accurately represents Contractor's business, properties, finances, and operations as of the dates covered by the information, and Contractor will inform the State of any material adverse changes; (h) all information furnished and representations made in connection with the award of this Contract is true, accurate, and complete, and contains no false statements or omits any fact that would make the information misleading; and that (i) Contractor is neither currently engaged in nor will engage in the boycott of a person based in or doing business with a strategic partner as described in 22 USC 8601 to 8606. A breach of this Section is considered a material breach of this Contract, which entitles the State to terminate this Contract under Section 23, Termination for Cause.

38. **Conflicts and Ethics.** Contractor will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Contract; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Contract; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Contractor, any consideration contingent upon the award of the Contract. Contractor must immediately notify the State of any violation or potential violation of these standards. This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.

39. **Compliance with Laws.** Contractor must comply with all federal, state and local laws, rules and regulations.

40. **Reserved.**

41. **Reserved.**

42. **Nondiscrimination.** Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, Contractor and its

subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status, or mental or physical disability. Breach of this covenant is a material breach of this Contract.

43. **Unfair Labor Practice.** Under MCL 423.324, the State may void any Contract with a Contractor or subcontractor who appears on the Unfair Labor Practice register compiled under MCL 423.322.
44. **Governing Law.** This Contract is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Contract are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in Michigan Court of Claims. Contractor consents to venue in Ingham County, and waives any objections, such as lack of personal jurisdiction or *forum non conveniens*. Contractor must appoint agents in Michigan to receive service of process.
45. **Non-Exclusivity.** Nothing contained in this Contract is intended nor will be construed as creating any requirements contract with Contractor. This Contract does not restrict the State or its agencies from acquiring similar, equal, or like Contract Activities from other sources.
46. **Force Majeure.** Neither party will be in breach of this Contract because of any failure arising from any disaster or acts of god that are beyond their control and without their fault or negligence. Each party will use commercially reasonable efforts to resume performance. Contractor will not be relieved of a breach or delay caused by its subcontractors. If immediate performance is necessary to ensure public health and safety, the State may immediately contract with a third party.
47. **Dispute Resolution.** The parties will endeavor to resolve any Contract dispute in accordance with this provision. The dispute will be referred to the parties' respective Contract Administrators or Program Managers. Such referral must include a description of the issues and all supporting documentation. The parties must submit the dispute to a senior executive if unable to resolve the dispute within 15 business days. The parties will continue performing while a dispute is being resolved, unless the dispute precludes performance. A dispute involving payment does not preclude performance.

Litigation to resolve the dispute will not be instituted until after the dispute has been elevated to the parties' senior executive and either concludes that resolution is unlikely, or fails to respond within 15 business days. The parties are not prohibited from instituting formal proceedings: (a) to avoid the expiration of statute of limitations period; (b) to preserve a superior position with respect to creditors; or (c) where a party makes a determination that a temporary restraining order or other injunctive relief is the only adequate remedy. This Section does not limit the State's right to terminate the Contract.
48. **Media Releases.** News releases (including promotional literature and commercial advertisements) pertaining to the Contract or project to which it relates must not be made without prior written State approval, and then only in accordance with the explicit written instructions of the State.
49. **Website Incorporation.** The State is not bound by any content on Contractor's website unless expressly incorporated directly into this Contract.
50. **Entire Agreement and Order of Precedence.** This Contract, which includes Schedule A – Statement of Work, and expressly incorporated schedules and exhibits, is the entire agreement of the parties related to the Contract Activities. This Contract supersedes and replaces all previous understandings and agreements between the parties for the Contract Activities. If there is a conflict between documents, the order of precedence is: (a) first, this Contract, excluding its schedules, exhibits, and Schedule A – Statement of Work; (b) second, Schedule A – Statement of Work as of the Effective Date; and (c) third, schedules expressly incorporated into this Contract as of the Effective Date. NO TERMS ON CONTRACTOR'S INVOICES, ORDERING DOCUMENTS, WEBSITE, BROWSE-WRAP, SHRINK-WRAP, CLICK-WRAP, CLICK-THROUGH OR OTHER NON-NEGOTIATED TERMS AND CONDITIONS PROVIDED WITH ANY OF THE CONTRACT ACTIVITIES WILL CONSTITUTE A PART OR AMENDMENT OF THIS CONTRACT OR IS BINDING ON THE STATE FOR ANY PURPOSE. ALL SUCH OTHER TERMS AND CONDITIONS HAVE NO FORCE AND EFFECT AND ARE DEEMED REJECTED BY THE STATE, EVEN IF ACCESS TO OR USE OF THE CONTRACT ACTIVITIES REQUIRES AFFIRMATIVE ACCEPTANCE OF SUCH TERMS AND CONDITIONS.

51. **Severability.** If any part of this Contract is held invalid or unenforceable, by any court of competent jurisdiction, that part will be deemed deleted from this Contract and the severed part will be replaced by agreed upon language that achieves the same or similar objectives. The remaining Contract will continue in full force and effect.
52. **Waiver.** Failure to enforce any provision of this Contract will not constitute a waiver.
53. **Survival.** The provisions of this Contract that impose continuing obligations, including warranties and representations, termination, transition, insurance coverage, indemnification, and confidentiality, will survive the expiration or termination of this Contract.
54. **Contract Modification.** This Contract may not be amended except by signed agreement between the parties (a "**Contract Change Notice**"). Notwithstanding the foregoing, no subsequent Statement of Work or Contract Change Notice executed after the Effective Date will be construed to amend this Contract unless it specifically states its intent to do so and cites the section or sections amended.

STATE OF MICHIGAN

Contract No.171 180000000879

Financial & Strategic Consulting and Advisory Services including Public-Private Partnership (P3)
Consulting

SCHEDULE A STATEMENT OF WORK CONTRACT ACTIVITIES

This schedule identifies the requirements of this Contract.

The Contractor must respond to each requirement or question and explain how it will fulfill each requirement. Attach any supplemental information and appropriately reference within your response.

BACKGROUND

Many state and local governments as well as the federal government are partnering with private sector firms in new ways to make better use of assets and receive a greater return. The State of Michigan (State) is looking for ways to partner with private sector firms to extract more value from the State's assets with minimum up-front expenditure of its own funds. As such, the State is seeking a Contractor to provide Public-Private Partnership (P3) consulting/advice on a wide variety of public private partnerships. The work tasks will involve a full range of activities to coordinate ongoing activities and focus on new ventures.

SCOPE

The Contractor must provide financial & strategic and advisory consulting services, including P3 consulting, to the State and its staff to assist with the assessment of governance and financial models, assist in securing necessary advisors, and provide leadership to the advisors on behalf of the State. These services shall be subject to reasonable deadlines established by the State and the requirements of Michigan statutes. In fulfilling this Contract, the Contractor will be responsible to take direction from the State and designated staff.

The scope of work will include strategic, financial, feasibility, assessment, recommendation, implementation and post-implementation consulting services.

REQUIREMENTS

1. General Requirements

1.1 Assessment

The Contractor must provide the following:

- A. Written, objective advice to the State on options and the appropriate structure for each individual transaction (e.g. asset, concession, financial transaction, etc.). This advice must be provided in a written format approved by the respective State Program Manager. The advice may include, but not be limited to the following:
 1. Assessment of the governance related to the transaction:
 - a. Verify that a transaction is right for a P3 model.
 - b. Assist the State in demonstrating it will be an effective and reliable partner to its private sector counterpart.
 - c. Work closely with State staff to help craft policy and project benefits messages and develop supporting materials that Michigan leadership and elected officials need to make the case for a project delivery approach.
 2. Assessment of the financial models and estimated value to be received by the transaction.
 3. Assessment of the feasibility of the transaction.
 4. Assessment of the strengths, weaknesses, opportunities and threats in undertaking a transaction relating to the operations of State government.
- B. Assistance with program and project risk analysis and strategy.

The Contractor will work with the State to develop a detailed risk assessment approach for each project, and this may be the opportune time to engage technical advisors to help inform the risk assessment. Below we outline our risk analysis approach, which has been tested and refined with a variety of clients and previously employed with the State:

- Identify key project risks, including technical, commercial, financial, policy and legal, that could impact the project
- Review, with your other advisors, project capital cost and revenue forecasts (if any), and evaluate potential scope refinements and risk allocation
- Evaluate Operations and Maintenance and lifecycle cost estimates and risk factors, e.g., long-term inflation, construction cost escalation, etc.
- Quantify base cost and time implications based on probability of occurrence and magnitude

— Review and help identify available insurance coverages and other mitigation factors
A well-constructed risk analysis will be fundamental to State's decision of whether and how to move forward with each project and should inform your decision-making by answering the following questions:

- How can the project be implemented without exposing the State to undue financial or commercial risk?
- Would the project attract sufficient competitive interest from the developer community to drive value for the State?
- Are there specific risks that need to be addressed in order to minimize impact on schedule?
- Is the project likely to attract adequate financing and at competitive pricing?
- If implemented as a P3, would the project support the State's public policy objectives?

Following the selection of the preferred delivery option, this analysis will also allow the State to develop the term sheet and the project procurement documents and to inform activities that need to take place in order to meet the desired schedule.

- C. Assistance with organizational, service delivery and asset performance strategy.
- D. Project-specific market sounding for P3 projects which includes communication of information prior to an announcement of a transaction in order to gauge the interest of potential investors in a possible transaction and the conditions (potential size or pricing).

1.2 Recommendation/Findings

The Contractor must provide the following:

- A. Recommendations for which options should be implemented in a format approved by the respective Program Manager that includes, but is not limited to, the following requirements:
 - 1. Return on Investment (ROI);
Given a specific project, the Contractor's economic professionals can help develop a Benefit-Cost-Analyses (BCA) model that estimates the potential benefits of the project to the society including capturing the impacts on travel time or delay reductions, vehicle costs impacts, safety impacts (e.g., accident increase/decrease), environmental impacts (e.g., carbon impacts on society), and impacts of travel time reliability of the transportation network.
 - 2. Impact on Michigan's Economy (Direct impacts + Indirect impacts);
The Contractor's professionals work with economic impact modeling tools such as IMPLAN (Impact analysis for Planning), a well-recognized impact modeling framework developed by MIG, Inc., or the RIMS II (Regional Industrial Multiplier System) multipliers developed by the U.S. Bureau of Economic Analysis.
 - 3. Risk identification, assessment and framework;

Depending on the scope of the analysis – specific project cost and schedule – or overall programmatic risks, the Contractor can develop a quantitative or qualitative risk analysis to identify key risks to the project. Quantitative risk analysis would seek to develop a frequency of the risk materializing and the associated cost and schedule impact of the risk. Qualitative risk analysis focuses on developing the risk register and a likely score to identify the scale and magnitude of the impact. Regardless of the chosen focus (qualitative or quantitative), the methodological approach would consist of developing a risk register to identify all risks to the project. Once all risks to the project have been identified, the next step would consist of developing appropriate mitigations. These may include for example transfer of risk to the bidder or other mitigations such as purchasing insurance or allowing for additional time in the schedule or budget should these risks materialize. Once mitigations have been developed a mitigated risk register will be developed – which include specific mitigations and where mitigations cannot be implemented the acceptance of risks.

4. Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis for the proposed recommendation(s);

The SWOT analysis brings together all the aspects of the analysis that have been qualitatively or quantitatively identified. These will include the financial return on investment, direct and indirect economic impacts and jobs generated from projects, the potential social benefits of projects (earlier delivery, improved service outcomes etc.) and potential risks to the project that would be identified as part of the risk identification process. Unmitigated risks would continue to impact the project and these would need to be identified and monitored. The SWOT analysis will be structured so as to help the State develop a public case around specific initiatives.

- B. Advice on development of Alternative Project Delivery models (APD) (procedures, policies, processes).
- C. Financial, commercial, and strategic advice on infrastructure and capital projects and associated services.
This advice may come in a number of forms depending on the project, including:
- **Physical scope options development**
 - **Commercial options assessment**
 - **Funding Strategy**
 - **Financing options review**
 - **Financial Analysis**
 - **Procurement options analysis**
 - **Best Value Analysis**
 - **Development of business case**
 - **Communications and approvals**
- D. Financial, commercial, and strategic advice on alternative project delivery and P3 projects, including DBFOM (i.e. Design, Build, Finance, Operate, Maintain), DBFM and DBF, and Availability Payment or user pay.
- E. Financial and business case analysis for potential projects, including affordability and Value for Money analysis (Value for money is based not only on the minimum purchase price (economy) but also on the maximum efficiency and effectiveness of the purchase).
- F. Assistance with commercial and financial close activities for projects:
- Coordinate with banks and/or underwriters to close financing.
 - Facilitate the financial close process for the State.

- G. Asset management strategy; provide maintenance and rehabilitation plan of an asset.
- H. Assistance with identification of revenue enhancements and cost reduction opportunities.
- I. Assistance with identification of P3 and alternative project delivery opportunities.
- J. Assistance with procurement support including P3 and alternative delivery options.
- K. Assistance with procurement of other advisors; including technical and legal, when necessary.
Contractor will work with the State officials to:
 - Identify the need of advisors and the specific disciplines;
 - Make recommendations on roles and responsibilities for advisors;
 - Assist in determining the selection criteria;
 - Support in the evaluation of the submitted proposals.

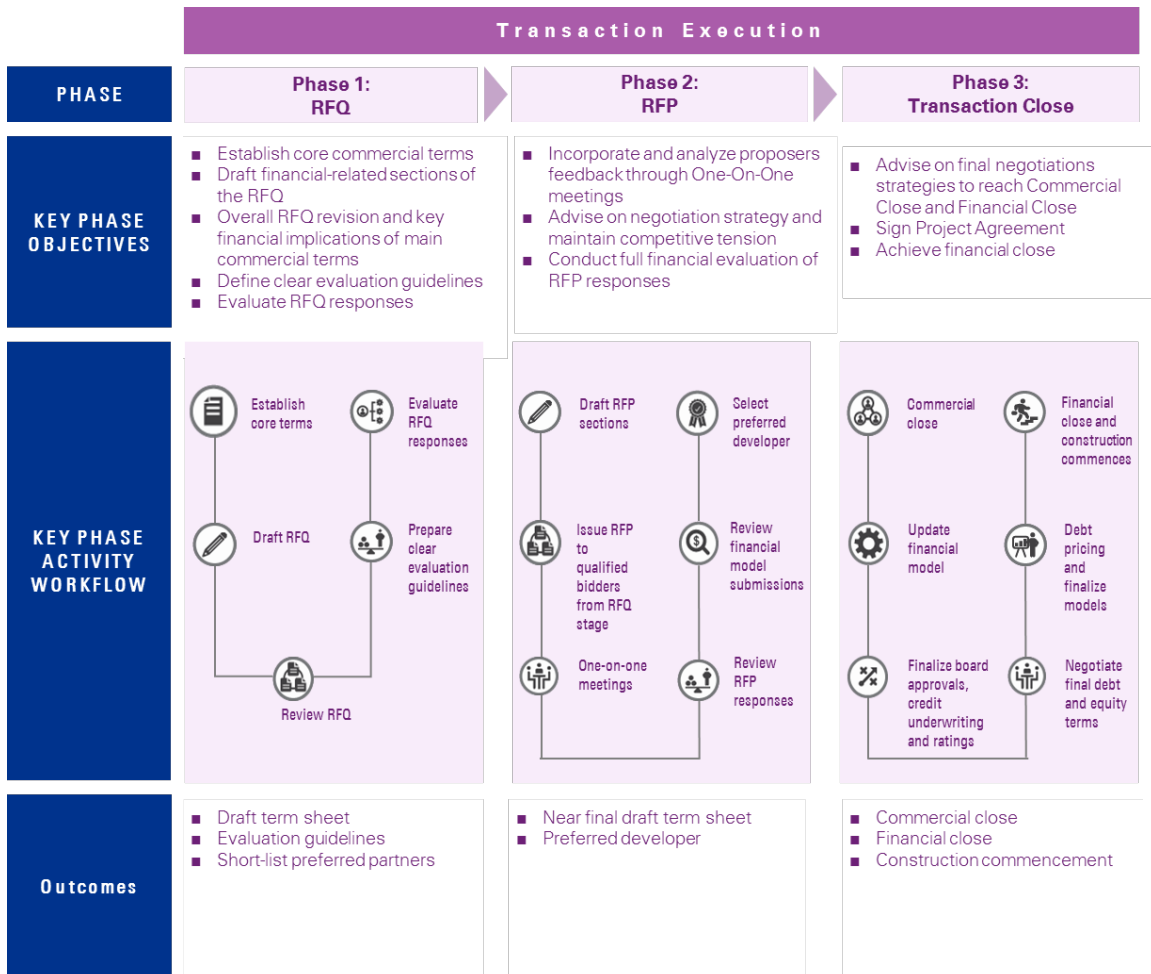
1.3 Implementation

- A. The Contractor must provide consultation for implementation of an approved recommendation(s).
The Program Manager will approve recommendation(s).

Consultation includes, but is not limited to, the following:

- B. The Contractor must provide project implementation support and benchmark achievement analysis for recommendation(s) as needed, including reviewing periodic progress reports and recommending actions. The Program Manager must approve the format.
- C. The Contractor must assist the State in securing the necessary advisors for assessing and implementing recommendation(s) (e.g. financial, legal, business, etc. advisors). Assistance with securing the necessary advisors may include, but not limited to, identification, selection criteria development and selection. Also, the Contractor must provide project management to these advisors with and on behalf of the State.
- D. The Contractor must provide as needed, assistance to the State in the purchasing process for the approved recommendation(s) for Requests for Information, Requests for Qualifications, Requests for Proposal, Requests for Qualifications, (e.g. RFI, RFQ, RFP and/or other applicable documents). The Contractor would assist in the process from recognition of need through implementation of contractual deliverables. Assistance may include, but not limited to, the following:
 - Development of RFI, RFQ, RFP and/or ITB documents with involvement from State staff and advisors
 - Contribute to the bidder evaluation and selection process
 - Work with State staff to execute contract(s) for recommendation(s)
 - Provide project management consultation of the contract and/or concession from implementation until the final milestone is achieved.

The following graphic displays Contractor's general approach to identifying, developing and implementing transactions.



Additional details on key tasks the Contractor will provide to guide the execution phase include the following:

Procurement Development Phase:

- Organize and conduct market sounding meetings or telephone calls to inform structuring of some of the more complex projects, or release RFI, if appropriate.
- Develop draft Request for Qualifications (if applicable) and/or Request for Proposals, depending on the procurement approach selected
- Assist the State with RFQ evaluation and selection of shortlist (if applicable)
- Work closely with the Attorney General's office and legal counsel (if applicable) with respect to commercial and financial aspects of the RFP including key commercial, financial and business terms, financial submittal requirements and financial evaluation criteria
- Help ensure that submittal requirements will allow for a normalized comparison across all teams
- Help ensure that the evaluation criteria enables the State to assess whether and how the goals and objectives of the project will be accomplished
- Work closely with the Attorney General's office and external legal counsel (if applicable) on the project agreement from a commercial and financial perspective
- Complete a final review of procurement documents for consistency with the State's project objectives, commercial requirements, and procurement guidelines
- Leverage precedent transaction experience and documents to develop an initial term sheet in conjunction with the State's counsel that includes the key commercial and financial terms to be negotiated with the developer

- Key terms could include: contract/lease term, responsibility and risk allocation, payment mechanism, revenue share, rate setting policies, maintenance reserve, handback provisions, default and termination provisions
- Review term sheet with the State and refine as necessary to meet requirements and objectives

Procurement Execution Phase:

- Assist the State in the industry review process involving the negotiation of key commercial and financial terms of the P3 or lease agreement
- Provide input to the State with respect to market precedent in support of its position as well as the impact of potential changes in terms and conditions
- Attend one-on-one meetings between the State and the bidders and assist in meeting preparation
- Assist the State in developing an evaluation manual that defines review team structure, committee members, timelines, scoring parameters, etc.
- Host evaluation training session for evaluation committee members
- Review proposals against pass/fail and responsiveness to the RFP requirements
- Perform financial capacity analysis for each developer and its key team members, using financial statements/information to assess the teams' likelihood of meeting the proposed funding and performance commitments on the respective project
- Assist the State in conducting reference checks
- Assist State's evaluation committee members with assessing proposals against technical and financial evaluation criteria
- Facilitate requests for clarification process and developer team responses
- Review bid financial models for accuracy and normalize outputs for comparison
- Refresh financial analysis as necessary to assess whether delivery approach still provides value to the State
- Facilitate committee meetings as required
- Advise the State as it makes a decision on its preferred developer
- Summarize each proposal at a high level including the structure of the team, the proposed approach and key strengths and weakness observed in the proposals, interviews and term sheet negotiations
- Document the State's selection of the preferred developer and the rationale behind the recommendation

Assist with facilitating the commercial and financial close process and coordinate with the State on next steps for contract monitoring and oversight.

E. The Contractor must work with the State to establish effective performance standards for the contracts resulting from the assessment(s) and/or recommendation(s) of this Contract, other financial transaction, asset, etc. The contractors resulting from the assessment(s) and/or recommendation(s) must provide the State with the same or better service to customers (internal and external) once the asset is in the hands of a service provider.

Some of the specific activities that will go into developing performance standards include:

- Assist the State and its technical advisor(s) in compiling relevant State policies and performance guidelines with an emphasis on identifying the key requirements and minimum performance levels that need to be adhered to.
- Using the information above, along with benchmark information from previous similar projects, identify the operations and maintenance specifications and key performance indicators for the specific project

- Help ensure that the State's specifications for a given project strike the appropriate balance between prescriptive and allowing the service provider opportunities for innovation and efficiency
- Help the State draft a performance regime that links with the payment mechanism in a way that incents the service provider to meet or exceed performance specifications.
- The following are the types of facilities management performance specifications that our team has experience with:
 - On-time financial close
 - On-time substantial completion of construction
 - On-time occupancy of project
 - Meeting availability conditions for an asset owned or occupied by the State
 - Incident response and rectification times
 - Facilities management specifications including plant management, cleaning, pest control, utilities services, parking services, waste removal and recycling services, environmental and sustainability services
 - Customer satisfaction surveys
 - Adherence to reporting requirements
 - Adherence to scheduled maintenance plans

F. The Contractor must assist in the development of procedures to provide oversight and performance monitoring of contractors/advisors and State resources related to implementation resulting from recommendation(s) and/or implementation(s). This includes establishing the requisite resources and training needed.

1.4 Post Implementation

- A. The Contractor must provide assistance with smart infrastructure initiatives including autonomous vehicles.
- B. The Contractor must provide program and task management, including quality control and assurance for monitoring strategy.

2. Acceptance

2.1. Acceptance, Inspection and Testing

The State will use the following criteria to determine acceptance of the Contract Activities: Section 16, Acceptance, of the Standard Contract Terms.

2.2. Training

The Contractor must provide the following training: transfer the oversight and performance monitoring function knowledge of implemented recommendation(s) to specified State staff, if applicable. Documentation and training materials must be provided to the State for knowledge transfer.

3. Staffing

3.1. Contractor Representative

The Contractor must appoint a Contractor Representative, specifically assigned to State of Michigan accounts, that will respond to State inquiries regarding the Contract Activities, answering questions related to ordering and delivery, etc. (the "Contractor Representative").

The Contractor Representative is:

Liam Kelly
Principal
KPMG LLP
liamkelly@kpmg.com
Phone: +1 415 932 9040

The Contractor must notify the Contract Administrator at least 30 calendar days before removing or assigning a new Contractor Representative.

3.2. Work Hours

The Contractor must provide Contract Activities during the State's normal working hours Monday – Friday, 7:00 a.m. to 6:00 p.m. EST, and possible night and weekend hours depending on the requirements of the project.

3.3. Key Personnel

The Contractor must appoint up to 6 individuals (senior staff members) who will be directly responsible for the day-to-day operations of the Contract (“Key Personnel”). Key Personnel must be knowledgeable on the contractual requirements and respond to State inquiries within 24 hours.

The Key Personnel must demonstrate that they have experience in the following areas:

- Experience in advising state agencies on DBFM, DBFOM, DBF projects and alternative project delivery models
- Experience in advising US state agencies across key sectors
- Experience in advising US public sector agencies on tolling and revenue risk DBFOM, DBFOM, DBF projects and alternative project delivery models
- Experience in advising US state agencies on P3 programs and alternative project delivery models
- Experience in advising US state agencies on range of federal funding and financing tools
- Experience in advising public sector agencies on asset management
- Experience in advising US agencies on performance, operational efficiencies and alternative revenue sources
- Experience in advising public sector agencies on smart technology

Key Personnel:

Key Personnel/Core Team

Declan McManus
Gareth Lifton
George Spakouris
Alex Seleznyov
Piyush Mishra
Ted Hamer

Project Manager

Alex Seleznyov

Specialist Team

Brian Shea, Economic Impact Analysis
Gary Silberg, Autonomous Vehicles
Iain Tester, Water Utilities
Ian McPherson, Justice
Kate Stusrud, Federal Funding and Policy
Oscar Bedolla, Data Analytics
Raj Shelat, Smart Technologies
Richard Threfall, International P3 experience
Tim Wilschetz, Financing
Tom Harmening, Real Estate Valuations
Tom Hiddemen, Strategy and Performance

Extended Team

Bryan Bungo
Casey Bush

Jimmy Driscoll
Jonny Scholes
JP O'Hare
Lauren Wilson
Prakash Ganesh

The State has the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, introduce the individual to the State's Project Manager, and provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection. The State may require a 30-calendar day training period for replacement personnel.

Contractor will not remove any Key Personnel from their assigned roles on this Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("Unauthorized Removal"). An Unauthorized Removal does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation, or for cause termination of the Key Personnel's employment. Any Unauthorized Removal may be considered by the State to be a material breach of this Contract, in respect of which the State may elect to terminate this Contract for cause under Termination for Cause in the Standard Terms. It is further acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of this Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under Termination for Cause, Contractor will issue to the State the corresponding credits set forth below (each, an "Unauthorized Removal Credit"):

(i) For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the credit amount will be \$25,000.00 per individual if Contractor identifies a replacement approved by the State and assigns the replacement to shadow the Key Personnel who is leaving for a period of at least 30 calendar days before the Key Personnel's removal.

(ii) If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30 calendar days, in addition to the \$25,000.00 credit specified above, Contractor will credit the State \$833.33 per calendar day for each day of the 30 calendar-day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to \$25,000.00 maximum per individual. The total Unauthorized Removal Credits that may be assessed per Unauthorized Removal and failure to provide 30 calendar days of shadowing will not exceed \$50,000.00 per individual.

Contractor acknowledges and agrees that each of the Unauthorized Removal Credits assessed above: (i) is a reasonable estimate of and compensation for the anticipated or actual harm to the State that may arise from the Unauthorized Removal, which would be impossible or very difficult to accurately estimate; and (ii) may, at the State's option, be credited or set off against any fees or other charges payable to Contractor under this Contract.

3.4. Organizational Chart

The Contractor must provide an overall organizational chart that details staff members, by name and title, and subcontractors.



3.5. Disclosure of Subcontractors

If the Contractor intends to utilize subcontractors, the Contractor must disclose the following in a subsequent work plan or Statement of Work provided based on the project:

The legal business name; address; telephone number; a description of subcontractor's organization and the services it will provide; and information concerning subcontractor's ability to provide the Contract Activities.

The relationship of the subcontractor to the Contractor.

Whether the Contractor has a previous working experience with the subcontractor. If yes, provide the details of that previous relationship.

A complete description of the Contract Activities that will be performed or provided by the subcontractor.

3.6. Security

The Contractor must explain any additional security measures in place to ensure the security of State facilities.

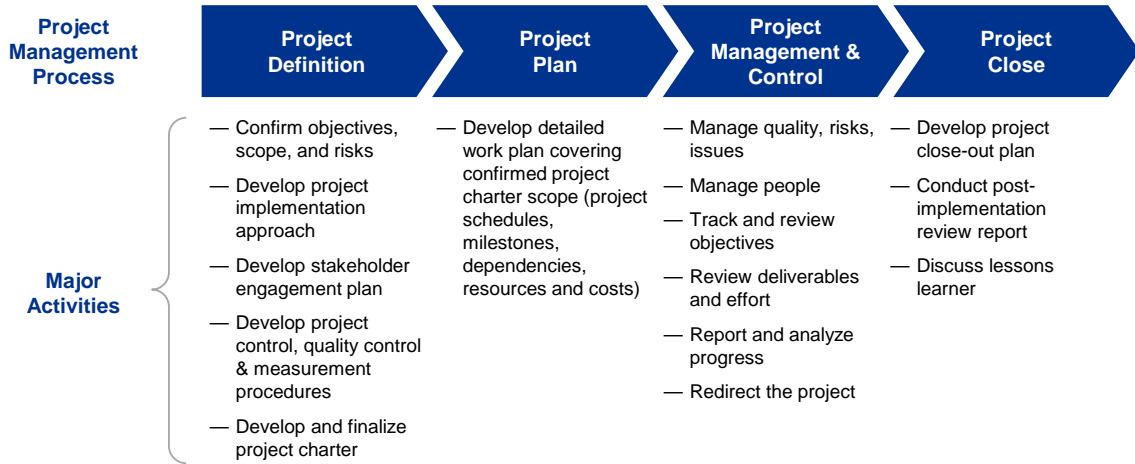
The bidder's staff may be required to make deliveries to or enter State facilities. The bidder must: (a) explain how it intends to ensure the security of State facilities, (b) whether it uses uniforms and ID badges, etc., (c) identify the company that will perform background checks, and (d) the scope of the background checks. The State may require the Contractor's personnel to wear State issued identification badges.

4. Project Management

4.1. Project Plan

The Contractor will carry out each project under the direction and control of the Program Manager. Within 30 calendar days of the start date of a new project, the Contractor must submit a project plan to the Program Manager for final approval for each project. The plan must include: (a) the Contractor's organizational chart with names and title of personnel assigned to the project, which must align with the staffing stated in accepted proposals; and (b) the project breakdown showing sub-projects, tasks, and resources required.

Contractor's Project Plan Methodology is shown below:



4.2. Meetings

A. The Contractor must attend the following meetings:

- Kick off meeting
- Project Status meetings – frequency to be determined with each project
- Project Wrap-up meetings – post project timeframe to be determined with each project.

The State may request other meetings, as it deems appropriate.

B. Participate and/or represent the State at public meetings, legislative hearings, regulatory meetings and trade group meetings, etc. Inspire and facilitate a positive public perception. This includes addressing legislative and regulatory requirements of the recommendation(s).

4.3. Reporting

A. Dependent on the work being done, the Contractor will be expected to provide weekly updates (via e-mail) as well as monthly progress reports to the respective State Program Manager. Additional reports may be requested.

Each weekly progress report must contain the following:

- **Hours:** Indicate the number of hours expended during the past two weeks, and the cumulative total to date for the project. Also state whether the remaining hours are sufficient to complete the project.
- **Accomplishments:** Indicate the status of each task that has been worked on, what task was completed, and deliverables provided during the current reporting period.
- **Funds:** Indicate the amount of funds expended during the current reporting period by category, and the cumulative total to date for the project.

*The Contractor will meet with the Project Manager (SOM staff as appropriate/necessary) on a weekly basis to review weekly progress report, open issues and plans to address any concerns.

*The Contractor will identify and explain any deviations from the required reporting as stated above in this contractual agreement. The Contractor should and will be required to identify standard reports available and noting where customization is necessary.

B. The following reports may be required and will be determined with each project:

Assessment and Recommendation

- White papers: identify global commercial and financial issues in the P3 marketplace to

assist the State in making informed decisions on policy.

- Screening reports: reports that screen early State projects for potential P3 delivery.

Implementation

- Financial model data book: provide a summary of the project scope, inputs and financial assumptions.
- Public Sector Comparator: benchmark of a public scenario, typically a state bonding solution to the project.
- Research reports: provide detailed summaries of global practices on P3 and project finance related issues.

Reports must be sent to the respective Program Manager.

5. Ordering

5.1. Authorizing Document

The appropriate authorizing document for the Contract will be a delivery order (DO), which will be issued for each Administration that is utilizing this Contract.

6.. Invoice and Payment

6.1. Invoice Requirements

All invoices submitted to the State must include: (a) date; (b) delivery order; (c) quantity; (d) description of the Contract Activities; (e) unit price; (f) shipping cost (if any); and (g) total price. Overtime, holiday pay, and travel expenses will not be paid and international calling when required must be included and will not be paid.

6.2. Payment Methods

The State will make payment for Contract Activities via EFT based on monthly invoices submitted by the Contractor.

6.3. Procedure

Contractor must submit invoices to the respective State Program Manager for acceptance determination.

7. Liquidated Damages

Late or improper completion of the Contract Activities will cause loss and damage to the State and it would be impracticable and extremely difficult to fix the actual damage sustained by the State. Therefore, if there is late or improper completion of the Contract Activities the State is entitled to collect liquidated damages in the amount of \$5,000 and an additional \$100 per day for each day Contractor fails to remedy the late or improper completion of the Work.

STATE OF MICHIGAN

Contract No.171 18000000879

Financial & Strategic Consulting and Advisory Services including Public-Private Partnership (P3)
Consulting

SCHEDULE B PRICING MATRIX

1. Pricing below lists hourly rate, inclusive of all expenses.
2. The Contractor offers the following quick payment terms. The number of days must not include processing time for payment to be received by the Contractor's financial institution.

Quick payment terms: 2 % discount off invoice if paid within 15 days after receipt of invoice.

Blended Hourly Rate for All Positions

Category/Title	Estimated* Hours per Year	Hourly Rate
All Positions (e.g., Project Manager, Consultant, Senior Consultant, Associate/Analyst and Para-Professional/Support)	2,100	\$405
TOTAL YEARLY PRICE		\$850,500

TOTAL THREE YEAR PRICE	\$2,602,870**
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*Hours are an estimate only. The actual number of hours that will be needed for each project will vary and are not guaranteed.

**Total Three Year Price includes a rate increase for years 2 and 3 (assumed at 2%). Increase in hourly rate must be requested and approved by the State via a Change Notice; increase in hourly rate must not exceed 2% annually.

Schedule C Federal Provisions

The provisions in this addendum may apply if the purchase will be paid for in whole or in part with funds obtained from the federal government. If any provision below is not required by federal law for this Contract, then it does not apply and must be disregarded. If any provision below is required to be included in this Contract by federal law, then the applicable provision applies and the language is not negotiable. If any provision below conflicts with the State's terms and conditions, including any attachments, schedules, or exhibits to the State's Contract, the provisions below take priority to the extent a provision is required by federal law; otherwise, the order of precedence set forth in the Contract applies. Hyperlinks are provided for convenience only; broken hyperlinks will not relieve Contractor from compliance with the law.

1. Federally Assisted Construction Contracts

If this contract is a "**federally assisted construction contract**" as defined in [41 CFR Part 60-1.3](#), and except as otherwise may be provided under [41 CFR Part 60](#), then during performance of this Contract, the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:

Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

(3) The Contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Contractor's legal duty to furnish information.

(4) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(5) The Contractor will comply with all provisions of [Executive Order 11246](#) of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(6) The Contractor will furnish all information and reports required by [Executive Order 11246](#) of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(7) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this Contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in [Executive Order 11246](#) of

September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in [Executive Order 11246](#) of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(8) The Contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of [Executive Order 11246](#) of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

2. Davis-Bacon Act (Prevailing Wage)

If applicable, the Contractor (and its subcontractors) for **prime construction contracts** in excess of \$2,000 must comply with the Davis-Bacon Act ([40 USC 3141-3148](#)) as supplemented by Department of Labor regulations ([29 CFR Part 5](#), "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction").

3. Copeland "Anti-Kickback" Act

If applicable, the Contractor must comply with the [Copeland "Anti-Kickback" Act \(40 USC 3145\)](#), as supplemented by Department of Labor regulations ([29 CFR Part 3](#), "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"), which prohibits the Contractor and subrecipients from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled.

4. Contract Work Hours and Safety Standards Act

If the Contract is **in excess of \$100,000** and **involves the employment of mechanics or laborers**, the Contractor must comply with [40 USC 3702](#) and [3704](#), as supplemented by Department of Labor regulations ([29 CFR Part 5](#)), as applicable.

5. Rights to Inventions Made Under a Contract or Agreement

If the Contract is funded by a federal "funding agreement" as defined under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

6. Clean Air Act

If this Contract is **in excess of \$150,000**, the Contractor must comply with all applicable standards, orders, and regulations issued under the Clean Air Act (42 USC 7401-7671q) and the Federal Water Pollution Control Act (33 USC 1251-1387). Violations must be reported to the federal awarding agency and the regional office of the Environmental Protection Agency.

7. Debarment and Suspension

A "contract award" (see [2 CFR 180.220](#)) must not be made to parties listed on the government-wide exclusions in the [System for Award Management \(SAM\)](#), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

8. Byrd Anti-Lobbying Amendment

If this Contract **exceeds \$100,000**, bidders and the Contractor must file the certification required under [31 USC 1352](#).

9. Procurement of Recovered Materials

Under [2 CFR 200.322](#), a non-Federal entity that is a state agency or agency of a political subdivision of a state **and its contractors** must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at [40 CFR part 247](#) that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.