UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

IN RE JDS UNIPHASE CORPORATION SEcurities Litigation
CLASS ACTION
DECLARATION OF CATHERINE E. LAMARR
LAMARR IN OPPOSITION TO THE MOTION OF THE JDS DEFENDANTS TO ALLOW DELOITTE

Date: September 26, 2006
Time: 9:00 a.m.
Crm: E, 15th Floor
Before: Hon. Elizabeth D. Laporte

DECLARATION OF CATHERINE E. LAMARR
Master File No. C 02-1486 CW
I, CATHERINE E. LAMARR, declare as follows pursuant to 28 U.S.C. § 1746:

1. I am General Counsel of the Office of the Treasurer of the State of Connecticut ("Connecticut"). I make this declaration based on my personal knowledge after review of records.

2. I respectfully submit this declaration in support of Connecticut's Opposition to the Motion of the JDS Defendants to Allow Participation of Deloitte.

3. Annexed hereto as Exhibit A are true and correct copies of contracts with Deloitte with the Office of the Treasurer of Connecticut.

4. The open-end date of 999 on certain of the contracts indicates an end date in the year nine thousand, nine hundred and ninety-nine. Similarly, "indefinite" means the contract is open-ended.

5. Annexed hereto as Exhibit B is a summary of payments by the Office of the Treasurer of the State of Connecticut to Deloitte reflecting total payments from that date of $1,025,818.00.

I declare under penalty of perjury that the foregoing is true and correct. Executed on September 5, 2006.

Catherine E. LaMarr

Of Counsel:

Catherine E. LaMarr
General Counsel
Office of the Treasurer of the State of Connecticut
55 Elm Street
Hartford, Connecticut 06106

Hon. Richard Blumenthal
Attorney General of Connecticut
Joseph Rubin  
Associate Attorney General  
55 Elm Street  
Hartford, Connecticut 06106
Exhibit A
PERSONAL SERVICE AGREEMENT

CONTRACTOR NAME: DELOITE & TOUCHE LLP
CONTRACTOR ADDRESS: 1 PLACE, HARTFORD, CT 06103

STATE AGENCY: OFFICE OF THE STATE TREASURER, 33 HLM STREET, HARTFORD, CT 06104

CONTRACT PERIOD: 06/01/96 THROUGH 12/31/98

CANCELLATION CLAUSE: This Agreement shall remain in full force and effect for the entire term of the contract period stated above unless cancelled by the State Agency, by giving the contractor written notice of such intention required days notice specified at right.

Contractor agrees to provide annual audits of the special transportation fund for the three years ending June 30, 1996, 1997 and 1998.

Cost and Schedule of Payments:
- $6,160 for each bond issue through June 30, 1996. $6,160 adjusted for the CPI for corresponding periods for the years ending June 30, 1997 and 1998 for each bond issue.

Acceptances and Approvals:
- Statutory Authority C.G.S. 33-11a and P.A. 94-25
- Partner: Date 06/03/96
- Acting Deputy Treasurer: Date 06/03/96

Distribution:
- PART 1 - CONTRACTOR
- PART 2 - COMPTROLLER
- PART 3 - OPM / DAS
- PART 4 - ATTORNEY GENERAL
- PART 5 - AGENCY

OFFICE OF THE STATE COMPTROLLER
CENTRAL ACCOUNTS PAYABLE DIVISION

PRINT OR TYPE
This FINANCIAL SERVICES AGREEMENT ("Agreement") is entered into as of the 1st day of June, 1996 ("Commencement Date"), between the STATE OF CONNECTICUT ("State"), acting through its Treasurer, as Trustee ("Treasurer") pursuant to Conn. Gen. Stat. Sections 3-11a, and Public Act 84-254 (6) (g), and DELOITTE & TOUCHE LLP ("Deloitte & Touche") a partnership, having a principal place of business at CityPlace, Hartford, Connecticut 06103 ("Contractor").

1. Term

This Agreement shall commence on the Commencement Date, and shall end on December 31, 1998 or upon termination by either party as set forth in paragraph 19 hereof.

2. Services to be Provided by Contractor

The purpose of this Agreement is to provide for annual audits and related services with respect to the Special Transportation Fund.

The State has established the Special Transportation Fund for the purpose of budgeting and accounting for all related taxes, fees and revenues to secure its Special Tax Obligation (STO) bonds for transportation infrastructure purposes.

The Deloitte & Touche Proposal dated March 15, 1996 is incorporated by reference and attached as Exhibit I. In the event of a conflict between this agreement and the proposal, the language in this Agreement will prevail.

A. Contractor shall provide annual audits of the Fund for the three (3) years ending June 30, 1996, 1997 and 1998. With regard to this requirement, Contractor shall:

(a) Participate in discussions with appropriate personnel at the Office of the Treasurer, the Department of Transportation, the Motor Vehicle Department and its branch offices, the Judicial Department, the Office of the Comptroller, the State Auditors of Public Accounts in charge of the audit of the Department of Revenue Services, and the State's Financial Advisors, and other state agencies as required.

(b) In consultation with the State Treasurer's Office, refine overall audit approach based on additional information gathered during the above phase.

(c) Assign engagement staff and roles detailing work to be performed by employees of Deloitte & Touche.
(d) Identify and evaluate internal accounting controls that are currently in place for the Special Transportation Fund.

(e) Determine the nature, timing, and extent of the Fund’s current audit procedures, and evaluate any weaknesses in such audit procedures. The evaluation will: identify specific types of potential errors in the transactions or balances and the point where the system is weak, determine the effectiveness of the various controls in order to determine Contractor’s audit procedures and extent of testing; and assist management in implementing corrective procedures.

(f) Test compliance with those accounting controls upon which reliance will be placed.

(g) Using the procedures outlined in the Procedures Matrix (page 16 of Exhibit I attached hereto), begin testing account balances at the interim date referred to in the Engagement Work Plan Schedule (pages 11-15 and 17-18 of Exhibit I attached hereto).

(h) Determine whether controls are operating as evaluated in steps d-g above.

(i) Update year-end account balances and perform additional testing, as determined during steps d-g above.

(k) Conduct exit conference with appropriate personnel to review draft of financial statements and management letter.

(l) Issue required reports as outlined in the State’s Request for Proposal dated March 1, 1996.

(m) Issue pursuant to Section 7.4 of the state’s Indenture of Trust with Fleet Bank (formerly Shawmut Bank Connecticut/Connecticut National Bank) as Trustee (dated September 15, 1984) and any subsequent Special Tax Obligation Indentures, a letter stating whether in connection with the examination of the Special Transportation Fund the state was in compliance with covenant of Section 2.4(b) (1) of the Indenture and reporting on the certificates delivered pursuant to Sections 2.4(b) (1), if any, and 2.4(b) (2), without material qualification.

B. Contractor shall perform agreed upon procedures for any related STO bond issues, including certification of the coverage ratio.

3. **Compensation of Contractor**

**Audit**: Contractor shall be paid $48,500 for the 1996 audit. The fee to be paid for the 1997 audit shall be $48,500 plus an amount calculated by multiplying $48,500 by the increase in
the Consumer Price Index (CPI) for the period July 1, 1996 through June 30, 1997. The fee to be paid for the 1998 audit shall be $48,500 plus an amount calculated by multiplying $48,500 by the increase in the CPI for the period July 1, 1996 through June 30, 1998.

Bond Issues: Contractor shall be paid $6,160 for each bond issue for which it provides services, in accordance with the terms of this Agreement, for the period June 1, 1996 through June 30, 1996. For each bond issue for which Contractor provides services, in accordance with the terms of this Agreement, for the period July 1, 1996 through June 30, 1997, Contractor shall be paid $6,160 plus an amount calculated by multiplying $6,160 by the increase in the Consumer Price Index (CPI) for the period July 1, 1996 through June 30, 1997. For each bond issue for which Contractor provides services, in accordance with the terms of this Agreement, for the period July 1, 1997 through December 31, 1998, Contractor shall be paid $6,160 plus an amount calculated by multiplying $6,160 by the increase in the CPI for the period July 1, 1996 through June 30, 1998.

4. Representations and Warranties of Contractor

Contractor represents that it is fully experienced and properly qualified to perform the services provided for herein, and that it is properly licensed, equipped, organized and financed to perform such services. Contractor shall act as an independent contractor in performing this Agreement, maintaining complete control over its employees and any subcontractors hired by it to perform services hereunder. Contractor shall perform all services in accordance with its methods, subject to compliance with this Agreement and all applicable laws and regulations. Contractor represents that services to be rendered hereunder do not in any way conflict with other contractual commitments with or by Contractor.

5. Changes in Services

When changes in services are required or requested by the Treasurer, Contractor shall promptly estimate their monetary effect and so notify the Treasurer. No change shall be implemented by Contractor unless it is approved by the Treasurer and Contractor in writing; and, unless otherwise agreed to in writing, the provisions of this Agreement shall apply to all changes in services.

6. Labor and Personnel

At all times, Contractor shall utilize qualified personnel necessary to perform the services under this Agreement. Contractor shall, if requested to do so by the Treasurer, reassign from the Account, within a reasonable period of time, any employee or authorized representative whom the Treasurer, in its sole discretion, determines is incompetent, dishonest or uncooperative.
7. **Quality Surveillance**

All services performed by Contractor shall be subject to the inspection and approval of the State at all times, and Contractor shall furnish all information concerning such services, and shall grant the Treasurer's duly authorized representatives free access at all reasonable times to Contractor's facilities where the services under this Agreement are performed. Contractor shall allow such representatives free access to any of Contractor's books and records relating to the services provided hereunder. At the Treasurer's request, Contractor shall provide the State with hard copies or computer transmittal of any data or information in the possession of Contractor which pertains to the Treasurer's business under this Agreement. Contractor shall incorporate this paragraph verbatim into any agreement it enters into with any vendor providing services under this Agreement.

8. **Nondisclosure**

Subject to the provisions in paragraph 10, Contractor shall not release any information concerning the services provided pursuant to this Agreement or any part thereof to any member of the public, press, business entity or any official body unless prior written consent is obtained from the Treasurer.

9. **Promotion**

Unless specifically authorized in writing by the Treasurer on a case by case basis, Contractor shall have no right to use, and shall not use, the name of the State of Connecticut, its officials or employees, or the seal of the State:

(i) in any advertising, publicity, or promotion;

(ii) as an express or implied endorsement of Contractor's products or services;

(iii) in any other manner (whether or not similar to uses prohibited by subparagraphs (i) and (ii) above), except to perform and deliver in accordance with this Agreement such services as are hereby contracted by the State.

10. **Confidentiality**

All data provided to Contractor by the Treasurer or developed internally by Contractor with regard to the Treasurer will be treated as proprietary to the State and confidential unless the State agrees in writing to the contrary. Contractor agrees to forever hold in confidence all files, records, documents or other information as designated, whether prepared by the State or others, which may come into Contractor's possession during the term of this Agreement, except where a disclosure of such information by Contractor is required (whether in the ordinary course of business or otherwise) by another governmental authority to ensure compliance with laws, rules or regulations, and such disclosure will be limited to that actually so required. Where such
disclosure is required, Contractor will provide, to the extent practicable, advance notice to the Treasurer of the need for disclosure.

11. Non-Discrimination

(a) Contractor agrees and warrants that in the performance of this Agreement it will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, (including, but not limited to, blindness), unless it is shown by it that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut.

(b) Contractor agrees to take affirmative action to insure that applicants with job-related qualifications are employed, and that employees are treated when employed, without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, or physical disability, (including, but not limited to, blindness), unless it is shown by it that such disability prevents performance of the work involved.

(c) Contractor agrees, in all solicitations or advertisements for employees placed by it or on its behalf, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the Commission on Human Rights and Opportunities ("Commission").

(d) Contractor agrees to provide each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding and each vendor with which it has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers representative of the Contractor's commitments under this paragraph 11, and to post copies of the notice in conspicuous places available to employees and applicants for employment.

(e) Contractor agrees to comply with each provision of this paragraph 11 and Conn. Gen. Stat. sections 46a-68e and 46a-68f and with each regulation or relevant order issued by the Commission pursuant to Conn. Gen. Stat. sections 46a-56, 46a-68e and 46a-68f.

(f) Contractor agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning its employment practices and procedures as related to the provisions of this paragraph 11 and Conn. Gen. Stat. section 46a-56.

(g) If this Agreement is a public works contract, as defined in Conn. Gen. Stat. section 46a-68b, Contractor agrees and warrants that it will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works project. For the purposes of this subparagraph, "minority business enterprise" means any small
contractor or supplier of materials fifty-one per cent or more of the capital stock, if any, or assets of which is owned by a person or persons:

(i) who are active in the daily affairs of the enterprise;

(ii) who have the power to direct the management and policies of the enterprises; and

(iii) who are members of a minority, as such term is defined in subsection (a) of Conn. Gen. Stat.-section:32-9n;

"good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations; "good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements. Determination of Contractor's good faith efforts shall include but shall not be limited to the following factors: Contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.

(h) Contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.

(i) Contractor shall include the provisions of subparagraphs (a)-(g) in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state of Connecticut and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Conn. Gen. Stat. section 46a-56; provided, if Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, Contractor may request the state of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

(j) Contractor agrees and warrants that in the performance of this Agreement it will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the state of Connecticut, and that employees are treated when employed without regard to their sexual orientation.

(k) Contractor agrees to provide each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding and each vendor with which it has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers' representative of the Contractor's commitments under...
paragraph 11, and to post copies of the notice in conspicuous places available to employees and applicants for employment.

(i) Contractor agrees to comply with each provision of this paragraph 11 and sections 46a-68e and 46a-68f of the general statutes and with each regulation or relevant order issued by the Commission pursuant to section 46a-56.

(m) Contractor agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning its employment practices and procedures which relate to the provisions of this paragraph 11 and Conn. Gen. Stat. section 46a-56.

(n) Contractor shall include the provisions of sub-paragraphs (j)-(m) in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Conn. Gen. Stat. section 46a-56; provided, if Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, Contractor may request the state of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

12. **Entire Agreement**

This Agreement embodies the entire agreement between the State and Contractor on the matters specifically addressed herein. The parties shall not be bound by or be liable for any statement, representation, promise, inducement or understanding of any kind or nature not set forth herein. This Agreement shall supersede all prior written agreements between the parties and their predecessors. For the matters specifically addressed herein, no changes, amendments or modifications of any of the terms or conditions of the Agreement shall be valid unless reduced to writing, signed by both parties and approved by the Attorney General or his Deputy. This Agreement shall inure to the benefit of and be binding upon each party's heirs, successors, and assigns.

13. **Notices**

Unless otherwise expressly provided to the contrary, any notices provided for hereunder shall be in writing and may be delivered personally, via facsimile or by mail to, and will be effective upon receipt at, the following addresses:

TREASURER: David Warren  
Office of the Treasurer  
55 Elm Street
14. Laws and Regulations

This Agreement shall be interpreted under and governed by the laws of the State of Connecticut. Contractor, its employees and representatives shall at all times comply with all applicable laws, ordinances, statutes, rules, regulations and orders of governmental authorities, including those having jurisdiction over its registration and licensing to perform services hereunder. The parties agree that this Agreement has a Connecticut situs, and Contractor specifically and irrevocably consents to the jurisdiction of the courts of the State of Connecticut with respect to all matters arising out of this Agreement.

15. Discovery of Conflicts, Errors, Omissions and Discrepancies

(a) In the event of any conflict between the provisions of this Agreement and the provisions of Form CO-802A to which this Agreement is attached, the provisions of this Agreement shall control.

(b) In case of conflicts, discrepancies, errors or omissions among the various parts of this Agreement, any such matter shall be submitted immediately by Contractor to the Treasurer for clarification. The Treasurer shall issue such clarification within a reasonable period of time. This remedy shall not be deemed exclusive and Contractor does not waive any of its legal or equitable remedies. Any services affected by such conflicts, discrepancies, errors or omissions which are performed by Contractor prior to clarification by the State shall be at Contractor's risk.

16. Non-Waiver

None of the conditions of this Agreement shall be considered waived by the Treasurer or Contractor unless given in writing. No such waiver shall be a waiver of any past or future default, breach or modification of any of the conditions of this Agreement unless expressly stipulated in such waiver.

17. Survival

The rights and obligations of the parties which by their nature survive termination or completion of this Agreement, including but not limited to those set forth herein paragraphs 8, 9, 10, and 12 of this Agreement, shall remain in full force and effect.
18. **Sovereign Immunity**

Notwithstanding any provisions to the contrary contained in this Agreement, it is agreed and understood that the State of Connecticut shall not be construed to have waived any rights or defenses of sovereign immunity which it may have with respect to all matters arising out of this Agreement.

19. **Termination**

The parties mutually agree, that either may terminate this Agreement upon thirty (30) days' written notice delivered to the other by certified or registered mail to the addresses provided in paragraph 13. Following the delivery of any notice of termination hereunder, the Contractor shall perform all of its obligations hereunder in good faith as directed by the State and will cooperate fully with the State in taking all necessary or appropriate steps in order to effectuate the orderly transfer of functions to third parties designated by the State.

20. **Assignment**

This Agreement shall not be assigned by either party without the express prior written consent of the other.

21. **Severability**

If any part or parts of this Agreement shall be held to be void or unenforceable, such part or parts shall be treated as severable, leaving valid the remainder of this Agreement notwithstanding the part or parts found to be void or unenforceable.
22. **Counterpart Originals**

This Agreement may be executed in any number of counterparts, each of which shall be an original, but which, taken together, shall constitute one and the same instrument.

**DELOITTE & TOUCHE LLP**

By

Title: [Signature]

Dated 6/5/96

[SEAL]

**STATE OF CONNECTICUT**

By [Signature]

PAUL J. SILVESTER

Acting Deputy Treasurer

Dated 6/5/96

**Approved as to form:**

OFFICE OF THE ATTORNEY GENERAL

By [Signature]

Title: Assoc. Atty. General

Dated: 6/13/96
The State agency and the contractor as listed below hereby enter into an agreement subject to the terms and conditions stated herein and/or attached hereto and subject to the provisions of Section 4-98 of the Connecticut General Statutes as applicable.

**CONTRACTOR**

NAME AND ADDRESS OF CONTRACTOR (include FEIN and SSN)

DELOITTE & TOUCHE, CITY PLACE, HARTFORD, CT

Are you presently a state employee? [ ] No [ ] Yes

[ ] Master Agreement [ ] Contract Award No.

**STATE AGENCY**

AGENCY NAME AND ADDRESS

OFFICE OF THE TREASURER

55 ELM STREET, 7TH FLOOR, HARTFORD, CT 06106

**PERIOD**

FROM (Date) THROUGH (Date)

12-1-91 08-31-93

**CANCELLATION CLAUSE**

This agreement shall remain in full force and effect for the entire term of the contract period stated above unless cancelled by the State agency by giving the contractor written notice of such intention (required days notice specified at right.)

**TERMS AND CONDITIONS**

Acceptance of this contract implies conformance with conditions stated on the reverse side of this form.

THE CONTRACTOR (DELOITTE & TOUCHE) WILL PROVIDE SERVICES AS SPECIFIED IN "ATTACHMENT A, AMENDMENT TO AGREEMENT".

**COST AND SCHEDULE OF PAYMENTS**

PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES:

SEE ATTACHED AMENDMENT TO AMENDMENT TO AGREEMENT, PART III

**STATUTORY AUTHORITY**

CONN. GEN. STAT. 3-13a(b) and 3-13a(c)

**ACCEPTANCES AND APPROVALS**

CONTRACTOR (Owner or authorized)

DATE 12/4/91

AGENCY (Authorized Official)

DATE 12/4/91

TREASURER

DATE 1/3/92

Assoc. Atty. General

DATE


LP 04224
Amendment II

The Agreement between the State of Connecticut acting through the Treasurer of the State of Connecticut, ("Treasurer" or "State") pursuant to Conn. Gen. Stat. § 3-11a, and Deloitte & Touche (successor to Deloitte, Haskins & Sells) ("contractor") dated April 6, 1986 and amended December 4, 1989, is hereby amended as follows:

PART 1

Section 11, Non-Discrimination, is hereby amended to add a new sub-section (g) as follows:

(g) The contractor agrees and warrants that in the performance of this agreement such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the state of Connecticut, and that employees are treated when employed without regard to their sexual orientation; the contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be provided by the commission on human rights and opportunities advising the labor union or workers' representative of the contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; the contractor agrees to comply with each provision of this section and sections 46a-68e and 46a-68F of the general statutes and with each regulation or relevant order issued by said commission pursuant to sections 46a-56, 46a-68e and 46a-68f of the general statutes; the contractor agrees to provide the commission on human rights and opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the contractor as relate to the provisions of this section and section 46a-56 of the general statutes.

The contractor shall include the provisions of the foregoing paragraph in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the commission. The contractor shall take such action with respect to any such subcontract or purchase order as the commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with section 46a-56 of the general statutes; provided, if such contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a
result of such direction by the commission, the contractor may request the state of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

PART 2

Section 3 is deleted and the following is inserted in lieu thereof:

Section 3.

(a) The Contractor agrees to provide the Treasurer with services in overseeing the implementation of an integrated data and image processing system for the Second Injury Fund (SIF). The Contractor’s duties may include any of the following services:

Assisting with contract negotiations (including final work statement and payment schedule)

- Review draft contract materials
- Meet with SIF staff and vendor to discuss contract terms, conditions, scope, and payment schedule
- Recommend changes to SIF management

Developing implementation schedule

- Review vendor’s proposed implementation schedule
- Conduct research on similar projects
- Discuss proposed schedule with SIF and vendor staff
- Recommend changes to SIF management

Reviewing system design

- Monitor design work sessions
- Review draft design document
- Hold design review sessions with staff
- Discuss with vendor
- Recommend changes to SIF management

Monitoring installation (including software initialization)

- Review vendors installation schedule
- Review installation of hardware and software
- Track adherence to schedule and contract
- Assist with software initialization planning sessions
- Monitor software initialization
Reviewing test plan

- Review vendors draft test plan
  (the test plan is the document which describes how the vendor will demonstrate how the system meets the terms of the Request for Proposal).
- Discuss with SIF and vendor staff
- Recommend changes to SIF management

Conducting/overseeing unit testing and retesting
- Carry out/monitor execution of test plan
- Communicate test failures to vendor and SIF staff
- Track system corrections and retests

Conducting/overseeing system testing and retesting
- Carry out/monitor execution of test plan
- Communicate test failures to vendor and SIF staff
- Track system corrections and retests

Reviewing documentation/run notebooks
- Review drafts of user and operations documentation provided by the vendor.
- Discuss with SIF and vendor staff
- Recommend changes to SIF management

Reviewing SIF staff training plan/oversee training
- Review vendors staff training plan
- Recommend changes to SIF management
- Monitor training classes
- Monitor informal training

Reviewing data and document conversion plan
- Review vendors draft plan
- Discuss with SIF and vendor staff
- Recommend changes to SIF management

Overseeing data and document conversion
- Monitor adherence to plan
- Identify variances from plan
- Recommend corrective actions to vendor and SIF staff

Overseeing acceptance testing
- Monitor execution of acceptance test plan
- Communicate test failures to vendor and SIF staff
- Track system corrections and retests
Assisting with development of new procedures and manuals
- Assist SIP staff in identifying new procedures
- Review staff-prepared outlines of new procedures
- Recommend changes to SIP staff
- Review SIP staff-prepared draft procedure manuals
- Recommend changes to SIP staff

Project oversight
- Assist SIP staff and vendor with planning
- Monitor budget compliance
- Monitor schedule compliance
- Review SIP requested changes to determine variance from Request for Proposal
- Monitor contract compliance

Full-time project management
- Manage open issues list
- Coordinate SIP/OTT staff
- Set Meetings for review of deliverable documents
- Monitor review process for vendor deliverable documents
- Review vendor status reports and highlight to SIP and vendor
- Assist new project manager

(b) The Treasurer through the Assistant Treasurer-Second Injury Fund shall request services from the Contractor, by task and time period, using a format similar to the sample Request for Services included as Attachment 1. Requests for Services may be cancelled by the Treasurer by providing, in writing, the Contractor within twenty (20) business days of notice. The Contractor shall provide to the Treasurer, upon request, a record of daily hours worked, the staff category of the person performing the task(s), and activities performed. Current hour estimates for project tasks listed in Section 1 are shown in Attachment 2.

(c) Implementation oversight services for the Second Injury Fund’s integrated data and image processing system for the period November 5, 1991 through completion shall be referred to as Phase IC.

PART 3

Section 4 is deleted and the following is inserted in lieu thereof:

Section 4

(a) The maximum cost to the State for all Phase IC services shall not exceed $203,400.
AMENDMENT II
Attachment 1
Sample Request for Services

November 1, 1991

Mr. Peter F. Tartaglia
Principal
Deloitte & Touche
Stamford Harbor Park
333 Ludlow Street
Stamford, CT 06904

Dear Mr. Tartaglia:

Pursuant to the Phase IC contract amendment effective November 5, 1991, we request the assistance of Deloitte & Touche for the following tasks in overseeing implementation of the Second Injury Fund's data and image processing system:

<table>
<thead>
<tr>
<th>Task</th>
<th>Period</th>
<th>Estimated Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monitor Installation</td>
<td>November 15, 1991 - 80</td>
<td>January 31, 1992</td>
</tr>
<tr>
<td>Project Oversight</td>
<td>December 2, 1991 - 100</td>
<td>March 31, 1992</td>
</tr>
</tbody>
</table>

Deloitte & Touche is not authorized to exceed the estimated hours without a subsequent Request for Services.

Sincerely,

James L. Tyler
Assistant Treasurer -
Second Injury Fund

cc: Edward J. Forand Jr.
Ivars Maidelis
Amendment II

Attachment 2. Estimated Hours to Oversee Implementation of an Integrated Data and Image Processing System

<table>
<thead>
<tr>
<th>Task</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assist with contract negotiations</td>
<td>24</td>
</tr>
<tr>
<td>Review system design</td>
<td>86</td>
</tr>
<tr>
<td>Develop implementation schedule</td>
<td>32</td>
</tr>
<tr>
<td>Monitor installation</td>
<td>104</td>
</tr>
<tr>
<td>Review test plan</td>
<td>16</td>
</tr>
<tr>
<td>Conduct/oversee unit testing and retesting</td>
<td>96</td>
</tr>
<tr>
<td>Conduct/oversee system testing and retesting</td>
<td>128</td>
</tr>
<tr>
<td>Review documentation/run notebooks</td>
<td>32</td>
</tr>
<tr>
<td>Review training plan/oversee training</td>
<td>40</td>
</tr>
<tr>
<td>Review data and document conversion plan</td>
<td>32</td>
</tr>
<tr>
<td>Oversee data and document conversion</td>
<td>240</td>
</tr>
<tr>
<td>Oversee acceptance testing</td>
<td>64</td>
</tr>
<tr>
<td>Assist with developing new procedures and manuals</td>
<td>190</td>
</tr>
<tr>
<td>Project oversight</td>
<td>200</td>
</tr>
<tr>
<td>Full-time project management (six months)</td>
<td>858</td>
</tr>
</tbody>
</table>

**Total hours** 2,142

Note: These estimates are based on the current IBM project schedule extended by two additional months, and do not include time to design or implement unique features for the Attorney General's Office.
(b) The Contractor shall be compensated for Phase IC services according to the Phase IB fee and expense schedule, as amended December 4, 1989. Billing for Phase IC services shall begin as of November 5, 1991. The State shall be billed every four weeks. Payment by the State to the Contractor shall be due within sixty (60) days of the receipt of a properly submitted invoice. A properly submitted invoice is one which details the tasks performed, the dates and hours worked, by whom, and the applicable hourly rates.

In all other respects, the terms and conditions of the Agreement dated April 6, 1986 and amended December 4, 1989 remain in full force and effect.
December 6, 1991

Honorable Francisco L. Borges
Treasurer
State of Connecticut
Office of the Treasurer
55 Elm Street
Hartford, CT 06106-1773

Dear Treasurer Borges:

I, W. Fletcher Wright, Office Managing Partner of the Stamford Office of Deloitte & Touche do hereby certify that Peter F. Tartaglia, is a Principal in the firm of Deloitte & Touche and, therefore, is empowered to execute and deliver in the name of Deloitte & Touche a contract with the Office of the Treasurer, State of Connecticut for consulting services.

Sincerely,

[Signature]

W. Fletcher Wright

WFW:ml
Consultant Services Justification

<table>
<thead>
<tr>
<th>Office of the State Treasurer</th>
<th>Date: 11/20/91</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ivars Maidellis</td>
<td>Phone #: 566-6133</td>
</tr>
</tbody>
</table>

Consulting Service Being Sought (Type)

See Note # 7

Purpose and Scope

See Note # 8

Approximate Cost and Source of Funds

- $204,300 from the Second Injury Fund. This is not a General Fund Program.

Negative impact if not allowed to proceed

See Note # 9

Were Other Alternatives Explored Prior to Submitting This Request?  

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
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Comments

See Note # 10

APPROVALS: (Based on information submitted by the agency)

<table>
<thead>
<tr>
<th>Management (If Applicable)</th>
<th>Information &amp; Technology (If Applicable)</th>
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</thead>
<tbody>
<tr>
<td>Need for Service:</td>
<td>Services Appropriate:</td>
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<tr>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

Management Analyst

Date

Management Analyst

Date

Budget Division

Funding Available:

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

Secretary of OPM:

Approval:

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

LP 04233
CONTINUANCE OF CONSULTANT SERVICES BY AMENDMENT

Agency Name: State Treasury
Contract Identification: Data & Image Systems Date: 11/20/91
Contractor's Name: Deloitte & Touche
Contractor's Address: 1600 Summer Street, Stamford, CT 06905
Contract Term: from: 5/23/86 to: Open
Service/Project (include a very brief description):

See Note # 1

1) How many amendments have there been to this contract previously? 1
2) What was the cost of the original contract? 695,000
3) What was the cost of any previous amendment(s)? 50,300
4) What is the cost of this amendment? 204,300
5) Did the original contract involve a waiver for noncompetitive procurement? No
6) Why is this amendment, rather than a new RFP and contract, necessary? 

See Note # 2
The following series of questions are provided to assist agencies in documenting decisions to acquire consulting services on a non-competitive basis. They are not intended to be all inclusive, and agencies may supplement them with factors specifically relevant to their own areas of expertise.

Each question, if applicable, should be answered with a concise statement.

1. Is the proposed contractor:
   _ NO _ The only respondee to the RFP? (Indicate cost of the proposal)
   _ NO _ One of two respondees to the RFP? (Indicate cost of both proposals)

2. Is the proposed contractor another government agency?
   _ YES _ _ NO _ _ XX _ (If YES, describe)

3. Is the proposed contract in response to an emergency situation to protect health or life?
   _ YES _ _ NO _ _ XX _ (If YES, describe)

4. Will the consultant services be used in specific academic areas which include instructional or research activities?
   _ YES _ _ NO _ _ XX _ (If YES, describe)

LP 04235
5. Does the proposed contractor have a capability that is important to this project which makes the contractor clearly unique in comparison to other contractors in the same general field?

YES XX NO (If YES, describe.)

See Note # 3

6. Does the proposed contractor have prior experience of a highly specialized nature that is vital to the proposed effort?

YES XX NO (If YES, describe.)

See Note # 4

7. What specialized facilities and equipment does the proposed contractor have that are vital to the project?

None; specialized facilities and equipment are required

8. Does the proposed contractor have a substantial investment of some kind that would have to be duplicated at the State's expense by another source entering the field?

YES XX NO (If YES, describe.)

See Note # 5

9. If schedules are a reason for the non-competitive designation, why are they critical, and why can the proposed contractor meet them better than anyone else?

See Note # 6

10. If lack of drawings or specifications is a reason for the non-competitive designation, why is the proposed contractor best able to perform under these conditions? Why are drawings or specifications lacking? What would be the required lead time necessary to get drawings or specifications prepared for competition?

N/A
11. Is competition precluded because of the existence of patent rights, copyrights or secret processes?
   YES _____ NO _____ XX (If YES, describe)

12. Is competition precluded due to legislative mandate or compelling public need?
   YES _____ NO _____ XX (If YES, describe)

13. For the past three years, how many competitive designations has this contractor received from this Dept/Organization for the provision of similar services?
   Total Number _____ 0 _____
   List contracts by Project Title and Cost:

This form prepared by:

   Ivars P. Meidelis, Business Administrator
   Name and Title

   Signature   Date

LP 04237
Notes for Consultant Continuance

1. Assistance with implementation of an integrated data-and-image processing system for the Second Injury Fund. Consultant will provide project management, project oversight, implementation planning, design review, unit and system testing, training plan review, data and document conversion plan review, data and document conversion oversight and procedure manual development assistance.

2. The consultant's current contract requires the consultant to provide services in overseeing implementation of the integrated data image processing system, subject to the Treasurer's approval of the consultant's estimate of hours and fees for such services. Now that proposals have been received, and a vendor has been preliminarily selected, the consultant is now able to estimate the hours and fees for providing the previously contracted services. This amendments necessary to authorize the consultant to proceed.

Furthermore, the consultant is already under contract to assist with implementation of a data processing system for the Second Injury Fund. Since the project now includes an image processing system, and integration of the image processing system and the data processing system, the use of two consultants -- one for data processing and one for image processing -- would seriously fragment accountability and present extraordinary coordination problems.

3. Under its current contract, the consultant developed the system requirements, assisted with preparation of the RFP, and has been assisting with contract negotiations. Therefore, the consultant has substantial knowledge of our operations and requirements. More importantly, the consultant is already under contract to assist with implementation of the data processing portion of the system. To have a different consultant assist on the integration of image and data processing would be extremely inefficient and highly cumbersome and time consuming.

4. The consultant has substantial experience with the implementation of integrated data and image processing systems. In addition, as just discussed, the consultant has substantial experience with the Second Injury Fund.

5. The consultant has substantial knowledge of our operations and requirements that a different consultant would need to develop. This would be quite expensive in terms of time and money.
6. The consultant has staff on site who are now providing services under the existing contract. As a result, the consultant's staff is ready to proceed without delay.

7. We are seeking to extend our current contract with the consultant to include assistance with implementation of an integrated data and image processing system. We currently have a contract with the consultant that covers its assistance with implementation of the data processing portion of the project. We now need assistance with the image processing and image/data integration portions of the project.

8. Assistance with implementation of an integrated data and image processing system for the Second Injury Fund. The consultant will provide project management, project oversight, implementation oversight, implementation planning, design review, unit and system testing, training plan review, training oversight, data and document conversion plan review, data and document conversion oversight, and procedure manual development assistance.

9. Without consulting assistance we would not have adequate staff time or expertise to properly oversee and manage the hardware and software vendors (one prime vendor and two subcontractors). This system involves multiple technologies (e.g., data processing, image processing, and data and image communications) and multiple vendors (e.g., for hardware and system software, application software, and conversion services). Accordingly, we require skilled, experienced, and rigorous project management and oversight assistance to protect the state's investment in this project.

10. Hiring State staff has not proven to be a viable, short-term option. Available candidates that meet existing job classification requirements do not have the necessary mix of project management, data processing, and image processing experience.
PERSONAL SERVICE AGREEMENT

STATE OF CONNECTICUT
OFFICE OF THE STATE COMPTROLLER

The State agency and the contractor as listed below hereby enter into an agreement subject to the terms and conditions stated herein and/or attached hereto and subject to the provisions of Section 4-96 of the Connecticut General Statutes as applicable.

CONTRACTOR
NAME AND ADDRESS OF CONTRACTOR (Include FEIN or ST)
WNL - 135113500
Deloitte & Touche P.C. Box 442, Milford, CT 06897-0820

STATE AGENCY
AGENCY NAME AND ADDRESS
Office of the Treasurer, 55 Kilm St., Hartford, CT 06105

CONTRACT PERIOD
FROM (Date) THROUGH (Date)
9/1/92 THROUGH 4/1/93

CANCELLATION CLAUSE
This agreement shall remain in full force and affect for the entire term of the contract period stated above unless cancelled by the State agency by giving the contractor written notice of such intention (required days specified at right.)

TERMS AND CONDITIONS
Acceptance of this contract implies conformance with conditions stated on the reverse side of this form.

COMPLETE DESCRIPTION OF SERVICE
See Attachment A

PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.

See Attachment A

STATUTORY AUTHORITY

ACCEPTANCES

APPROVALS

DISTRIBUTION: Original - Contractor
Part 2 - Comptroller
Part 3 - OPM/OAS
Part 4 - Attorney General
Part 5 - Agency

John P. Geenier
Treasurer

Joseph M. Scoppa

DATE
3-22-93

DATE
03/25/93

DATE
4-2-92

LP 04240
ATTACHMENT A

This Special Consultant Agreement (hereinafter referred to as "Agreement") entered into this day of 1993 (the "date of execution"), between the STATE OF CONNECTICUT acting through the Treasurer of the State of Connecticut as Trustee acting pursuant to Conn. Gen. Stat. section 3-11a hereinafter referred to as "State" or "Treasurer") and Deloitte & Touche, having a principal place of business at City Place, Hartford, CT 06103-3402 (hereinafter referred to as "Special Consultant" or "Contractor"). The parties hereto agree that the services specified below shall be provided by Contractor in strict compliance with the provisions of this Agreement.

TERM

This Agreement shall commence on the date of the execution and shall terminate on April 1, 1993. This Agreement may also be terminated as provided in Section 18 of this Agreement.

PART I

CONDITIONS

1. Entire Agreement

This Agreement embodies the entire agreement between the State and Contractor on the matters specifically addressed herein. The parties shall not be bound by or be liable for any statement, representation, promise, inducement or understanding of any kind or nature not set forth herein. No changes, amendments or modifications of any of the terms or conditions of the Agreement shall be valid unless reduced to writing, signed by both parties and approved by the Attorney General or his Deputy. This Agreement shall inure to the benefit of and be binding upon each party’s heirs, successors, and assigns.

2. Changes in Services

When changes in the services are required or requested by the Treasurer, Contractor shall promptly estimate their monetary effect and so notify the State. No material change shall be implemented by Contractor unless it is approved by the Treasurer and the Contractor in writing; and, unless otherwise agreed to in writing, the provisions of this Agreement shall apply to all changes in the services. If the Treasurer determines that any change materially affects the cost or time of performance of this Agreement as a whole, Contractor and the Treasurer will mutually agree in writing to an equitable adjustment.
3. Independent Contractor

Contractor represents that it is qualified to perform the services provided for herein, and that it is licensed, equipped, organized and financed to perform such services. Contractor shall act as an independent contractor in performing this Agreement, maintaining complete control over its employees and all of its subcontractors. Contractor shall perform all services in accordance with its methods, subject to compliance with this Agreement and all applicable laws and regulations. Contractor shall furnish qualified personnel to perform the services under this Agreement. It is acknowledged that services rendered by the Contractor to the Treasurer hereunder do not in any way conflict with other contractual commitments with or by the Contractor.

4. Notices

Unless otherwise expressly provided to the contrary, any notices provided for hereunder shall be in writing and may be delivered personally or by mail. Notices will be effective if delivered personally or, if by mail, upon receipt, to the following addresses:

TREASURER: Office of the Treasurer
55 Elm Street
Hartford, CT 06106
Tele# (203) 566-6422
Attention: Donald Kirshbaum

CONTRACTOR: Deloitte & Touche
Ten Westport Road
P.O. Box 820
Wilton, CT 06897-0820
Tele# (203) 761-3017
Attention: Patrick F. Hardiman

The parties may change their respective addresses for notices under this paragraph 4 upon prior written notification to the other.

5. Laws and Regulations

This Agreement shall be interpreted under and governed by the laws of the State of Connecticut.

Contractor, its employees and representatives shall at all times comply with all laws, ordinances, statutes, rules, regulations and orders of governmental authorities applicable to the performance by Contractor of services hereunder.
6. Labor and Personnel

At all times, Contractor shall utilize qualified personnel and any State approved subcontractors necessary to perform the services under this Agreement.

Contractor shall advise the Treasurer promptly, in writing, of any labor dispute or anticipated labor dispute or other labor related occurrence known to Contractor involving Contractor's employees which may reasonably be expected to affect Contractor's performance of services under this Agreement. The Treasurer may then, at its option, ask Contractor to arrange for a temporary employee(s) or subcontractor(s) satisfactory to the Treasurer to provide the services otherwise performable by Contractor hereunder. Contractor will be responsible to the State for any economic detriment caused the Treasurer by such subcontract arrangement.

Contractor shall, if requested to do so by the Treasurer, reassign from the Treasurer's account any employee or authorized representatives whom the Treasurer in its sole discretion, determines is incompetent, dishonest or uncooperative. In requesting the reassignment of an employee under this paragraph, the Treasurer shall give thirty-days notice to Contractor of the State's desire for such reassignment. Contractor will then have fifteen days to investigate the situation and attempt, if it so desires, to satisfy The State that the employee should not be reassigned; however, the State's decision in its sole discretion after such fifteen day period shall be final. Should the Treasurer still desire reassignment, then fifteen days thereafter, or thirty days from the date of the notice of reassignment, the employee shall be reassigned from the Treasurer's account.

7. Discovery of Conflicts, Errors, Omissions and Discrepancies

In the event of any conflict between the provisions of this Agreement and the provisions of Form Co-802A to which this Agreement is attached, the provisions of this Agreement shall control.

In case of conflicts, discrepancies, errors or omissions among the various parts of this Agreement, any such matter shall be submitted immediately by Contractor to the Treasurer for clarification. The Treasurer shall issue such clarification within a reasonable period of time. This remedy shall not be deemed exclusive and Contractor does not waive any of its legal or equitable remedies. Any services affected by such conflicts, discrepancies, errors or omissions which are performed by Contractor after discovery of such conflict, discrepancy, error or omission and prior to clarification by the State shall be at Contractor's risk.
8. Indemnity

(a) The Contractor hereby indemnifies and shall defend and hold harmless the Treasurer, the State, and its officers and employees from and against any and all suits, actions, legal or administrative proceedings, claims, demands, damages and liabilities, including reasonable attorney’s fees, costs and expenses (collectively, "Damages"), to the extent that such Damages resulted directly and proximately from the negligence, gross negligence or willful misconduct of the Contractor or its employees, agents or subcontractors in the performance of services and duties hereunder; provided, however, that the foregoing indemnity obligation shall not apply if such Damages arise out of or relate to the advice or recommendations provided by Contractor to the Treasurer hereunder, provided such advice or recommendations are made in good faith, or any data or information provided to Contractor by the Treasurer or any third party for purposes of performance of services hereunder.

(b) The Treasurer and his employees shall provide the Contractor with prompt notice of any claim for which indemnification may be sought hereunder, shall cooperate fully with the Contractor in defending such claim and shall make available to the Contractor the documents relating to such claim.

(c) Any and all counsel defending such claim shall be subject to approval by the Attorney General, which approval shall not be unreasonably withheld. The Attorney General reserves the right to appear and defend any such claim, and no settlement of any claim shall be valid without the approval of the Attorney General.

(d) The provisions of this paragraph 8 are solely for the benefit of the parties hereto and are not intended to create or grant any rights, contractual or otherwise, to any other person or entity.

9. Non-Waiver

None of the conditions of this Agreement shall be considered waived by the Treasurer or the Contractor unless given in writing. No such waiver shall be a waiver of any past or future default, breach or modification of any of the conditions of this Agreement unless expressly stipulated in such waiver.

10. Promotion

Unless specifically authorized in writing by the Treasurer on a
case by case basis, Contractor shall have no right to use, and shall not use, the name or the State of Connecticut, its officials or employees, or the seal of the State:

(a) in any advertising, publicity, promotion; nor

(b) to express or to imply any endorsement of Contractor’s products or services; nor

(c) to use the names of the State, its officials or employees or the State Seal in any manner (whether or not similar to uses prohibited by Subparagraphs (a) and (b) above), except only to manufacture and deliver in accordance with this Agreement such items as are hereby contracted by the State.

11. Survival

The rights and obligations of the parties which by their nature survive termination or completion of this Agreement, including but not limited to those set forth herein in Part 1, Sections 8, 10, and 12 of this Agreement, shall remain in full force and effect.

12. Confidentiality

All data provided to the Contractor by the Treasurer or developed internally by Contractor with regard to the Treasurer will be treated as proprietary to the State and confidential unless the State agrees in writing to the contrary. Contractor agrees to forever hold in confidence all files, records, documents or other information as designated, whether prepared by the State or others, which may come into Contractor’s possession during the term of this Agreement, except where a disclosure of such information by Contractor is required by other governmental authority to ensure compliance with laws, rules or regulations, and such disclosure will be limited to that actually so required. Where such disclosure is required, Contractor will provide advance notice to the Treasurer of the need for disclosure and will not disclose absent consent from the Treasurer.

13. Non-Discrimination

(a) For the purposes of this section, "minority business enterprise" means any small contractor or supplier of materials fifty-one per cent or more of the capital stock, if any, or assets of which is owned by a person or persons: (1) who are active in the daily affairs of the enterprise, (2) who have the power to direct the management and policies of the enterprise and (3) who are members of a minority, as such term
is defined in subsection (a) of Conn. Gen. Stat. 32-9n; and "good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations. "Good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements.

For purposes of this section, "Commission" means the Commission on Human Rights and Opportunities.

For purposes of this section, "Public works contract" means any agreement between any individual, firm or corporation and the state or any political subdivision of the state other than a municipality for construction, rehabilitation, conversion, extension, demolition or repair of a public building, highway or other changes or improvements in real property, or which is financed in whole or in part by the state, including, but not limited to, matching expenditures, grants, loans, insurance or guarantees.

(b) (1) The Contractor agrees and warrants that in the performance of the contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut. The Contractor further agrees to take affirmative action to insure that applicants with job related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved; (2) the Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the Commission; (3) the Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such Contractor has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers
representative of the Contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (4) the Contractor agrees to comply with each provision of this section and Conn. Gen. Stat. 46a-68e and 46a-68f and with each regulation or relevant order issued by said Commission pursuant to Conn. Gen. Stat. 46a-56, as amended by Section 5 of Public Act 89-253, 46a-68a and 46a-68f; (5) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor as relate to the provisions of this section and section 46a-56. If the contract is a public works contract, the Contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works project.

(c) Determination of the Contractor's good faith efforts shall include but shall not be limited to the following factors: The Contractor’s employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.

(d) The Contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.

(e) The Contractor shall include the provisions of subsection (b) of this section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Conn. Gen. Stat. 46a-56, as amended by Section 5 of Public Act 89-253; provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

(f) The Contractor agrees to comply with the regulations referred to in this section as they exist on the date of this contract.
and as they may be adopted or amended from time to time during the term of this contract and any amendments thereto.

(g) The contractor agrees and warrants that in the performance of this agreement such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation; the contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; the contractor agrees to comply with each provision of this section and sections 46a-68e and 46a-68f of the general statutes and with each regulation or relevant order issued by said commission pursuant to sections 46a-56, 46a-68e and 46a-68f of the general statutes; the contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the contractor as relate to the provisions of this section and section 46a-56 of the general statutes.

The contractor shall include the provisions of the foregoing paragraph in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with section 46a-56 of the general statutes; provided, if such contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

14. Sovereign Immunity

Notwithstanding any provisions to the contrary contained in this
Agreement, it is agreed and understood that the State of Connecticut shall not be construed to have waived any rights or defenses of sovereign immunity which it may have with respect to all matters arising out of this Agreement.

15. Assignment

This Agreement shall not be assigned by either party without the express prior written consent of the other.

16. Severability

If any part or parts of this Agreement shall be held to be void or unenforceable, such part or parts shall be treated as severable, leaving valid the remainder of this Agreement notwithstanding the part or parts found to be void or unenforceable.

17. Examination of Contractor’s Records

The Treasurer or its representatives shall have the right at reasonable hours to examine any books, records and other documents of Contractor or its subcontractors pertaining to work performed under this Contract. The State will give Contractor or such subcontractor 24-hours notice of such intended examination. At the Treasurer’s request, the Contractor shall provide the Treasurer with hard copies of or magnetic tape containing any data or information relating the Treasurer’s business previously provided by the Treasurer, which data or information is in the possession or control of the Contractor. The Contractor shall incorporate this paragraph 17 verbatim into any agreement it enters into with any subcontractor providing services under this agreement.

18. Termination

The parties mutually agree that either may terminate this Agreement upon thirty (30) days written notice delivered to the other by certified or registered mail as provided in section 4 of this Part.

19. It is understood and agreed that the Contractor shall be providing advice and recommendations hereunder to the State; provided, however, that all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, the State. The State shall be responsible for the accuracy and completeness of all data and information provided to the Contractor for purposes of the performance by the Contractor of its services hereunder.

20. Contractor shall not be liable for any amounts representing lost profits, any claims based upon any third party claim (except as provided in Section 8), or any consequential, incidental, indirect, special or punitive damages of any nature whatsoever,
even if Contractor has been advised of the possibility of such damages.
PART 2

SPECIFICATION OF SERVICES

1. SCOPE

(a) The Contractor shall assist the Treasurer in fulfilling his duties as a member of the Commission established by Public Act 92-205 Section 4 to study the finding of the past service liability of the state employee retirement system.

(b) The Contractor shall research whether and to what extent state employee retirement system liabilities incurred by one generation are being transferred to the future, and the current and future cost and fiscal impact of current and proposed methods to make payments toward unfunded pension liabilities.

(c) In fulfilling its duties under subparagraphs (a) and (b) of this section, the Contractor will provide written or oral presentations to the Treasurer upon request.

PART 3

PAYMENT

1. The Treasurer agrees to pay the Contractor the following fees for services performed under this Agreement:

   Partner $275/hr
   Actuary $180/hr

2. The Treasurer agrees to pay the Contractor for any necessary expenses that are incurred. The maximum payment for overall expenses shall be $1,000.00.

3. Total payments and expenses shall not exceed $25,000.00.

4. Contractor shall submit proper invoices to the Treasurer on a monthly basis.

5. A properly submitted invoice shall be one which specifically details the services provided pursuant to this agreement, including the number of hours spent on a particular portion of the project.

6. The Treasurer shall, within forty-five (45) days of receiving such invoice, promptly review the same and reimburse the Contractor for all proper invoices.
TO THE OFFICE OF THE STATE TREASURER:

This acknowledges that John H. Schuyler is a general partner of Deloitte & Touche and, as such, is authorized to execute documents in connection with engagements by Deloitte & Touche to provide professional services to its clients.

Austin T. Lydon
Office Managing Partner
Hartford and New Haven Offices
March 22, 1993

State of Connecticut: Hartford
County of Hartford: Hartford

I, Patricia Zambrello, a notary public in and for the said county and state, do hereby certify that Austin T. Lydon personally known to me to be the Hartford/New Haven Office Managing Partner of Deloitte & Touche, appeared before me this day in person and acknowledged that he executed the above instrument freely and voluntarily as an act of said partnership.

Given under my hand and seal this twenty-second day of March, 1993.

Notary Public

My commission expires: Dec. 31, 1998
PERSONAL SERVICE AGREEMENT

ONTRACTOR
DELOITE & TOUCHE LLP
CITYPLACE, HARTFORD, CT 06103

STATE AGENCY
OFFICE OF THE STATE TREASURER, 55 ELM STREET, HARTFORD, CT 06106

CONTRACT PERIOD
06/01/96 THROUGH 10/31/99

AMENDMENT PER ATTACHMENT A TO EXTEND SERVICES TO COVER BOND ISSUES WHICH OCCUR PRIOR TO THE NEXT ANNUAL AUDIT.

PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES:


An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code section 3121(d). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and federal insurance Contributions Act (FICA) taxes.

ACCEPANCES AND APPROVALS

STATUTORY AUTHORITY C.G.S. §3-11a and P.A. 84-254

LP 04254
ATTACHMENT A

This Amendment to Financial Services Agreement is entered into this 30th day of December, 1998 between the STATE OF CONNECTICUT (the “State”), acting through its Treasurer, pursuant to Conn. Gen. Stat. Section 3-11a and Public Act 84-254(6)(g), and DELOITE & TOUCHE LLP, a limited liability partnership having a place of business at CityPlace, Hartford, Connecticut 06103 (the “Contractor”).

WITNESSETH THAT:

WHEREAS, the State and Contractor entered into a Financial Services Agreement dated June 1, 1996 (the “Agreement”) to provide certain services as described in Section 2 of the Agreement; and

WHEREAS, it is necessary and appropriate at this time to amend the Agreement to extend the term of the Agreement specifically as to the bond issuance services;

NOW THEREFORE, the State and the Contractor mutually agree to amend the Agreement as follows:

1. Section 1 of the Agreement, entitled “Term,” is hereby deleted in its entirety and the following language is substituted in its place and stead as a new Section 1 also entitled “Term”:

This Agreement shall commence on the Commencement Date, and shall end on December 31, 1998 or upon termination by either party as set forth in paragraph 19 hereof. Notwithstanding the foregoing, Contractor will provide those services described in Section 2(B) of this Agreement (which are more fully described in Exhibit A hereto) for STO bond issues occurring during the time period (the “Extended Bond Issue Period”) in which the audits of the Fund’s financial statements performed by Contractor pursuant to Section 2(A) hereof may, in accordance with Exhibit A hereto, be included in official statements of said bond issues, which in no event shall be later than October 31, 1999.

3. The last sentence of the second paragraph of Section 3 of the Agreement, entitled “Compensation of Contractor,” is hereby deleted in its entirety and the following language is substituted in its place and stead:

For each bond issue for which Contractor provides services, in accordance with the terms of this Agreement, for the period July 1, 1997 through the expiration of the Extended Bond Issue Period, Contractor shall be paid $6,160 plus an amount calculated by multiplying $6,160 by the increase in the CPI for the period July 1, 1996 through The Extended Bond Issue Period.

4. The Exhibit A attached to this Amendment is hereby added to the Agreement as a new Exhibit A.

5. Except as specifically amended herein, the terms of the Agreement shall remain the same and be in full force and effect.

Promptly following the request of the Special Transportation Fund (the "Fund"), Contractor will perform procedures under generally accepted auditing standards, including, but not limited to, procedures with respect to events subsequent to the date of its auditors' reports on the financial statements of the Fund for the three years ended June 30, 1996, 1997 and 1998 up to the effective date of any STO bond issues, or as close to such date as is reasonable and practicable in the circumstances.

In connection therewith, Contractor will read the pertinent portions of the STO bond preliminary official statements for issuance (the "Bond Offering Documents"), and will make inquiries of State and Fund personnel responsible for financial and accounting matters about whether any events have occurred, other than those reflected or disclosed in the Bond Offering Documents, that, in such personnel's opinion, have a material effect on the audited financial statements included therein or that should be disclosed in order to keep those statements from being misleading. Contractor will also consider, based on its reading of other pertinent parts of the Bond Offering Documents, whether such other information, or the manner of its presentation, is materially inconsistent with information, or the manner of its presentation, appearing in the financial statements included therein. However, Contractor will not perform any procedures to corroborate the other information included in the Bond Offering Documents.

The objective of Contractor's procedures is to provide it with a basis for reissuing its auditors' report on the Fund's financial statements for each of the years in the three-year period ended June 30, 1998. Contractor's willingness to reissue its report, and the wording of its report, should Contractor reissue its report, will be dependent on the facts and circumstances existing at the date of Contractor's completion of such procedures. If Contractor is unable to complete the procedures, Contractor will not be in a position to reissue its report. If Contractor becomes aware of matters that it believes should be disclosed in order to keep the financial statements from being misleading, or from Contractor's reading of other parts of the Bond Offering Documents Contractor believes modifications are needed to correct materially inconsistent information, and Fund personnel does not appropriately revise the financial statements or offering document, Contractor may determine that it will be unable to (i) reissue its auditors' report on the Fund's financial statements or (ii) consent to its inclusion by reference. Accordingly, neither this Amendment nor the Agreement should be construed as constituting Contractor's agreement to be associated with the offering of securities referred to above.

If Contractor concludes that it will not be able to reissue its report, or if its report requires modification, such matter will be discussed with Fund and State personnel.

Contractor will make specific inquiries of Fund and State personnel about the representations embodied in the financial statements included, or incorporated by reference, in the Bond
Offering Documents, and about events subsequent to the date of its auditors' report. As part of Contractor's procedures under this Attachment A, Contractor will request that such personnel provide it with a representation letter acknowledging such personnel's responsibility for the preparation of the financial statements, reaffirming the representations made at the date of its original auditors' report, and confirming certain representations made to it in connection with the procedures to reissue its report on the Fund's financial statements for each of the years in the three-year period ended June 30, 1998. The responses to those inquiries and related written representations of Fund and State personnel required by generally accepted auditing standards are part of the evidential record that Contractor will rely on as auditors in determining whether to reissue its auditors' report on the Fund's financial statements and, if so, whether its report requires modification.

2. **Agreed-Upon Procedures.**

Promptly following the request of the Fund, Contractor will perform certain agreed-upon procedures in accordance with standards established by the American Institute of Certified Public Accountants consistent with (i) those agreed-upon procedures performed prior to the date hereof by Contractor under the Agreement and (ii) the limitations contained in Contractor's report(s) relating to such procedures. The procedures will be established based on discussions between Contractor and the Fund. However, Contractor will not perform any agreed-upon procedures relating to financial statements of the Fund for which Contractor has not issued an auditors' report. Contractor will not be in a position to express, and will not express, an opinion or other form of assurance, with respect to any matters (including, without limitation, any matters relating to the year 2000), as a result of performing the agreed-upon procedures. In addition, neither this Amendment nor the Agreement should be construed as constituting Contractor's agreement to be associated with any document or offering.
PERSONAL SERVICE AGREEMENT

1. PREPARE IN QUINTUPLUCATE.
2. THE STATE AGENCY AND THE CONTRACTOR AS LISTED BELOW HERETO INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HERIN AND OR ATTACHED HERETO AND SUBJECT TO THE PROVISIONS OF SECTION 4-98 OF THE CONNECTICUT GENERAL STATUTES AS APPLICABLE.
3. ACCEPTANCE OF THIS CONTRACT IMPLIES CONFORMANCE WITH TERMS AND CONDITIONS STATED HEREIN.

STATE OF CONNECTICUT
OFFICE OF THE STATE COMPTROLLER
CENTRAL ACCOUNTS PAYABLE DIVISION

CONTRACTOR
DELOITE & TOUCHE LLP
CITYPLACE, HARTFORD, CT 06103

STATE AGENCY
OFFICE OF THE STATE TREASURER, 55 ELM STREET, HARTFORD, CT 06106

CONTRACT PERIOD
09/09/96 THROUGH 12/31/98

CANCELLATION CLAUSE
This agreement shall remain in full force and effect for the entire term of the contract period stated above unless cancelled by the state agency, by giving the contractor written notice of its intention, required days notice specified at right.


DETAILED IN PARAGRAPH 2 OF ATTACHMENT.

PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.

1996 AUDIT - $75,000.00
1997 AUDIT - $75,000.00 ADJUSTED BY THE INCREASE IN THE CPI FOR PERIOD 7/1/96-6/30/97
1998 AUDIT - $75,000.00 ADJUSTED BY THE INCREASE IN THE CPI FOR PERIOD 7/1/96-6/30/98

LEVEL I ATTEST: 8,500.00 FOR 1996. 1997 AND 1998 AMOUNTS WILL BE $8,500.00 ADJUSTED FOR INCREASES IN THE BBL CPI.

ACCEPTANCES AND APPROVALS

STATUTORY AUTHORITY C.G.S. § 3-11a, 3-27a and 3-31
This FINANCIAL SERVICES AGREEMENT ("Agreement") is entered into as of the 5th day of September, 1996 ("Commencement Date"), between the STATE OF CONNECTICUT ("State"), acting through its Treasurer, as Trustee ("Treasurer") pursuant to Conn. Gen. Stat. Sections 3-11a, 3-27a and 3-31b, and DELOITTE & TOUCHE LLP ("Deloitte & Touche") a partnership, having a principal place of business at CityPlace, Hartford, Connecticut 06103 ("Contractor").

1. Term

This Agreement shall commence on the Commencement Date, and shall end on December 31, 1998 or upon termination by either party as set forth in paragraph 19 hereof.

2. Services to be Provided by Contractor

The purpose of this Agreement is to provide for annual audits and related services with respect to the Combined Investment Funds ("CIF") and the Short-Term Investment Fund ("STIF").

The Deloitte & Touche Proposal dated July 31, 1995 and amendments dated June 21, 1996 and July 3, 1996 are incorporated by reference and attached as Exhibit I. In the event of a conflict between this agreement and the proposal, the language in this Agreement will prevail.

A. Contractor shall provide annual audits, in accordance with generally accepted auditing standards, of the financial statements and supplemental schedules of the CIF and STIF for each of the three (3) years ending June 30, 1996, 1997 and 1998. Contractor shall perform any audit work necessary on the opening balances as of July 1, 1995 in order to render an audit opinion for the requested period.

B. Contractor shall provide a letter to the Treasurer which identifies any reportable conditions, including any such reportable conditions which are deemed to be material weaknesses in the internal control structure (as such terms are defined in Statements of Auditing Standards as promulgated by the AICPA), which are discovered during the course of the audit work. In addition, since the Office of the Treasurer seeks to continuously improve internal controls and operating efficiency, written comments and recommendations concerning any and all matters of internal control effectiveness and operation efficiency noted during the audit should be discussed in this letter.

C. Contractor shall provide a Level II verification of the performance results of STIF in accordance with the Performance Presentation Standards of the Association for Investment Management and Research (AIMR).

In addition to these deliverables, Contractor is expected to provide assistance to the Office of the Treasurer in the development of appropriate disclosures in the financial statements.
This assistance would include advice with regard to disclosures based upon the Contractor’s experience and a review of a limited number of drafts of the financial statements.

3. Compensation of Contractor

Audit: Contractor shall be paid $75,000 for the 1996 audit. The fee to be paid for the 1997 audit shall be $75,000 plus an amount calculated by multiplying $75,000 by the increase in the Consumer Price Index (CPI) for the period July 1, 1996 through June 30, 1997. The fee to be paid for the 1998 audit shall be $75,000 plus an amount calculated by multiplying $75,000 by the increase in the CPI for the period July 1, 1996 through June 30, 1998. Notwithstanding this formula, the maximum fee payable for the fiscal years ended June 30, 1997 and 1998 shall not exceed $77,250 and $79,500 respectively.

Level II Attest: Contractor shall be paid $8,500 for a Level II attestation regarding AIMR standards for the STIF fund in conjunction with the 1996 audit. In accordance with the formula used above to calculate the audit fee, for the 1997 and 1998 attestation services, the CPI adjusted fees shall not exceed $8,750 and $9,000 respectively.

The above described fees for both the audit and attestation services shall be inclusive of all out-of-pocket expenses.

4. Representations and Warranties of Contractor

Contractor represents that it is fully experienced and properly qualified to perform the services provided for herein, and that it is properly licensed, equipped, organized and financed to perform such services. Contractor shall act as an independent contractor in performing this Agreement, maintaining complete control over its employees and any subcontractors hired by it to perform services hereunder. Contractor shall perform all services in accordance with its methods, subject to compliance with this Agreement and all applicable laws and regulations. Contractor represents that services to be rendered hereunder do not in any way conflict with other contractual commitments with or by Contractor.

5. Changes in Services

When changes in services are required or requested by the Treasurer, Contractor shall promptly estimate their monetary effect and so notify the Treasurer. No change shall be implemented by Contractor unless it is approved by the Treasurer and Contractor in writing; and, unless otherwise agreed to in writing, the provisions of this Agreement shall apply to all changes in services.

6. Labor and Personnel

At all times, Contractor shall utilize qualified personnel necessary to perform the services under this Agreement. Contractor shall, if requested to do so by the Treasurer, reassign from the
Account, within a reasonable period of time, any employee or authorized representative whom the Treasurer, in his sole discretion, determines is incompetent, dishonest or uncooperative.

7. **Quality Surveillance**

All services performed by Contractor shall be subject to the inspection and approval of the State at all times, and Contractor shall furnish all information concerning such services, and shall grant the Treasurer's duly authorized representatives free access at all reasonable times to Contractor's facilities where the services under this Agreement are performed. Upon reasonable prior notice and during normal business hours, Contractor shall allow such representatives free access to any of Contractor's books and records, including audit work papers, relating to the services provided hereunder. At the Treasurer's request, Contractor shall provide the State with hard copies or computer transmittal of any data or information in the possession of Contractor which pertains to the Treasurer's business under this Agreement. Contractor shall incorporate this paragraph verbatim into any agreement it enters into with any vendor providing services under this Agreement.

Contractor shall affirm annually in writing whether or not it continues to participate in a peer review program as required by AICPA standards. Pursuant to such participation, in the event that working papers produced in conjunction with these services are selected to be peer reviewed, Contractor will obtain prior written permission before allowing such review. Such permission shall not be unreasonably withheld by the Treasurer.

8. **Nondisclosure**

Subject to the provisions in paragraph 10, Contractor shall not release any information concerning the services provided pursuant to this Agreement or any part thereof to any member of the public, press, business entity or any official body unless prior written consent is obtained from the Treasurer.

9. **Promotion**

Unless specifically authorized in writing by the Treasurer on a case by case basis, Contractor shall have no right to use, and shall not use, the name of the State of Connecticut, its officials or employees, or the seal of the State:

(i) in any advertising, publicity, or promotion;

(ii) as an express or implied endorsement of Contractor's products or services;

(iii) in any other manner (whether or not similar to uses prohibited by subparagraphs (i) and (ii) above), except to perform and deliver in accordance with this Agreement such services as are hereby contracted by the State.
10. **Confidentiality**

All data provided to Contractor by the Treasurer or developed internally by Contractor with regard to the Treasurer will be treated as proprietary to the State and confidential unless the State agrees in writing to the contrary. Contractor agrees to forever hold in confidence all such files, records, documents or other information, whether prepared by the State or others, which may come into Contractor's possession during the term of this Agreement, except where a disclosure of such information by Contractor is required (whether in the ordinary course of business or otherwise) by another governmental authority or by court order, or to ensure compliance with laws, rules or regulations, subpoena or other process, or professional standards of the American Institute of Certified Public Accountants or the Connecticut State Board of Accountancy, and such disclosure will be limited to that actually so required. Where such disclosure is required, Contractor will provide, to the extent practicable, advance notice to the Treasurer of the need for disclosure.

11. **Non-Discrimination**

(a) Contractor agrees and warrants that in the performance of this Agreement it will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, (including, but not limited to, blindness), unless it is shown by it that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut.

(b) Contractor agrees to take affirmative action to insure that applicants with job-related qualifications are employed, and that employees are treated when employed, without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, or physical disability, (including, but not limited to, blindness), unless it is shown by it that such disability prevents performance of the work involved.

(c) Contractor agrees, in all solicitations or advertisements for employees placed by it or on its behalf, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the Commission on Human Rights and Opportunities ("Commission").

(d) Contractor agrees to provide each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding and each vendor with which it has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers representative of the Contractor's commitments under this paragraph 11, and to post copies of the notice in conspicuous places available to employees and applicants for employment.
(e) Contractor agrees to comply with each provision of this paragraph 11 and Conn. Gen. Stat. sections 46a-68e and 46a-68f and with each regulation or relevant order issued by the Commission pursuant to Conn. Gen. Stat. sections 46a-56, 46a-68e and 46a-68f.

(f) Contractor agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning its employment practices and procedures as related to the provisions of this paragraph 11 and Conn. Gen. Stat. section 46a-56.

(g) If this Agreement is a public works contract, as defined in Conn. Gen. Stat. section 46a-68b, Contractor agrees and warrants that it will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works project. For the purposes of this subparagraph, "minority business enterprise" means any small contractor or supplier of materials fifty-one per cent or more of the capital stock, if any, or assets of which is owned by a person or persons:

(i) who are active in the daily affairs of the enterprise;

(ii) who have the power to direct the management and policies of the enterprise; and

(iii) who are members of a minority, as such term is defined in subsection (a) of Conn. Gen. Stat. section 32-9n;

"good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations; "good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements.

Determination of Contractor's good faith efforts shall include but shall not be limited to the following factors: Contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.

(h) Contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.

(i) Contractor shall include the provisions of subparagraphs (a)-(g) in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State of Connecticut and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Conn. Gen. Stat. section 46a-56; provided, if Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the
Commission, Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

(j) Contractor agrees and warrants that in the performance of this Agreement it will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation.

(k) Contractor agrees to provide each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding and each vendor with which it has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers' representative of the Contractor's commitments under paragraph 11, and to post copies of the notice in conspicuous places available to employees and applicants for employment.

(l) Contractor agrees to comply with each provision of this paragraph 11 and sections 46a-68e and 46a-68f of the general statutes and with each regulation or relevant order issued by the Commission pursuant to section 46a-56.

(m) Contractor agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning its employment practices and procedures which relate to the provisions of this paragraph 11 and Conn. Gen. Stat. section 46a-56.

(n) Contractor shall include the provisions of sub-paragraphs (j)-(m) in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Conn. Gen. Stat. section 46a-56; provided, if Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

12. Entire Agreement

This Agreement, together with Contractor's annual engagement letter, a copy of which is attached hereto as Exhibit A, embodies the entire agreement between the State and Contractor on the matters specifically addressed herein. The parties shall not be bound by or be liable for any statement, representation, promise, inducement or understanding of any kind or nature not set forth herein. This Agreement shall supersede all prior written agreements between the parties and their predecessors. For the matters specifically addressed herein, no changes, amendments or modifications of any of the terms or conditions of the Agreement shall be valid unless reduced to writing, signed by both parties and approved by the Attorney General or his Deputy. This
Agreement shall inure to the benefit of and be binding upon each party's heirs, successors, and assigns.

13. **Notices**

Unless otherwise expressly provided to the contrary, any notices provided for hereunder shall be in writing and may be delivered personally, via facsimile or by mail to, and will be effective upon receipt at, the following addresses:

**TREASURER**: Ernest McNeill, Jr., Assistant Treasurer - Comptroller of the Treasury
Office of the Treasurer
.55 Elm Street
Hartford, CT 06106
Fax: (860)702-3044

**CONTRACTOR**: Deloitte & Touche LLP
CityPlace
Hartford, CT 06103
Attention: John Schuyler, Partner
Fax: (860) 280-3051

The parties may change their respective addresses for notices under this paragraph upon prior written notification to the other.

14. **Laws and Regulations**

This Agreement shall be interpreted under and governed by the laws of the State of Connecticut without regard to principles of conflict of laws. Contractor, its employees and representatives shall at all times comply with all applicable laws, ordinances, statutes, rules, regulations and orders of governmental authorities, including those having jurisdiction over its registration and licensing to perform services hereunder. The parties agree that this Agreement has a Connecticut situs, and Contractor specifically and irrevocably consents to the jurisdiction of the courts of the State of Connecticut with respect to all matters arising out of this Agreement.

15. **Discovery of Conflicts, Errors, Omissions and Discrepancies**

(a) In the event of any conflict between the provisions of this Agreement and the provisions of Form CO-802A to which this Agreement is attached, the provisions of this Agreement shall control.

(b) In case of conflicts, discrepancies, errors or omissions among the various parts of this Agreement, any such matter shall be submitted immediately by Contractor to the Treasurer for clarification. The Treasurer shall issue such clarification within a reasonable period of time. This remedy shall not be deemed exclusive and Contractor does not waive any of its legal or equitable remedies. Any services affected by such conflicts, discrepancies, errors or omissions
which are performed by Contractor after discovery thereof and prior to clarification by the State shall be at Contractor's risk.

16. **Non-Waiver**

   None of the conditions of this Agreement shall be considered waived by the Treasurer or Contractor unless given in writing. No such waiver shall be a waiver of any past or future default, breach or modification of any of the conditions of this Agreement unless expressly stipulated in such waiver.

17. **Survival**

   The rights and obligations of the parties which by their nature survive termination or completion of this Agreement, including but not limited to those set forth herein paragraphs 8, 9, 10, and 12 of this Agreement, shall remain in full force and effect.

18. **Sovereign Immunity**

   Notwithstanding any provisions to the contrary contained in this Agreement, it is agreed and understood that the State of Connecticut shall not be construed to have waived any rights or defenses of sovereign immunity which it may have with respect to all matters arising out of this Agreement.

19. **Termination**

   The parties mutually agree, that either may terminate this Agreement upon thirty (30) days' written notice delivered to the other by certified or registered mail to the addresses provided in paragraph 13. Following the delivery of any notice of termination hereunder, the Contractor shall perform all of its obligations hereunder in good faith as directed by the State and will cooperate fully with the State in taking all necessary or appropriate steps in order to effectuate the orderly transfer of functions to third parties designated by the State.

20. **Assignment**

   This Agreement shall not be assigned by either party without the express prior written consent of the other.

21. **Severability**

   If any part or parts of this Agreement shall be held to be void or unenforceable, such part or parts shall be treated as severable, leaving valid the remainder of this Agreement notwithstanding the part or parts found to be void or unenforceable.

22. **Counterpart Originals**

   This Agreement may be executed in any number of counterparts, each of which shall be an original, but which, taken together, shall constitute one and the same instrument.
DELOITTE & TOUCHE LLP

By
Title:

Dated 9-9-96

STATE OF CONNECTICUT

By
Title: Treasurer

Dated 9/5/96

Approved as to form:
OFFICE OF THE ATTORNEY GENERAL

By
Title: Assoc. Atty. General

Dated 9/16/96

SEAL
ERS: ONAL SERVICE AGREEMENT

STATE OF CONNECTICUT
OFFICE OF THE STATE COMPTROLLER
CENTRAL ACCOUNTS PAYABLE DIVISION

CONTRACTOR
DELOITE & TOUCHE LLP
CITYPLACE, HARTFORD, CT 06103

STATE AGENCY
OFFICE OF THE STATE TREASURER, 55 ELM STREET, HARTFORD, CT 06106

CONTRACT PERIOD
06/01/96 - 12/31/98

CANCELLATION CLAUSE
This agreement shall remain in full force and effect for the entire term of the contract period stated above unless cancelled by the State Agency, by giving the Contractor written notice of such intention (required 30 days).

CONTRACTOR AGREES TO:
1. Acceptance of this contract implies conformance with terms and conditions stated on the reverse side of part 1.
2. Offices and conditions stated herein and subject to the provisions of section 4-84 of the Connecticut General Statutes, applicable.
3. Acceptance of this contract implies performance with terms and conditions stated on the reverse side of part 1.
4. Payment to be made under the following schedule upon receipt of properly executed and approved invoices.
   - $6,160 for each bond issue through June 30, 1996. $6,160 adjusted for the CPI for corresponding periods for the years ending June 30, 1997 and 1998 for each bond issue.

STATE OF CONNECTICUT
OFFICE OF THE STATE TREASURER, 55 ELM STREET, HARTFORD, CT 06106

CONTRACTOR
DELOITE & TOUCHE LLP
CITYPLACE, HARTFORD, CT 06103

AGENCY NAME AND ADDRESS
OFFICE OF THE STATE TREASURER, 55 ELM STREET, HARTFORD, CT 06106

DATE
06/01/96

PERIOD
06/01/96 - 12/31/98

COST AND SCHEDULE OF PAYMENTS

ACCT CD
1201

COMMITTED AMOUNT $3871201

COMM. AGCY.
3871201

AGENCY TAIL
06/01/96 - 12/31/98

EXTENSION

STATEMENT OF OFFICIAL
Title
Partner
06/05/96

STATUTORY AUTHORITY
C.G.S. §3-11a and P.A. 84-254

DISTRIBUTION:
PART 1 - CONTRACTOR
PART 2 - COMPTROLLER
PART 3 - OPM / DAS
PART 4 - ATTORNEY GENERAL
PART 5 - AGENCY

LP 04270
This FINANCIAL SERVICES AGREEMENT ("Agreement") is entered into as of the 1st day of June, 1996 ("Commencement Date"), between the STATE OF CONNECTICUT ("State"), acting through its Treasurer, as Trustee ("Treasurer") pursuant to Conn. Gen. Stat. Sections 3-11a, and Public Act 84-254 (6) (g), and DELOITTE & TOUCHE LLP ("Deloitte & Touche") a partnership, having a principal place of business at CityPlace, Hartford, Connecticut 06103 ("Contractor").

1. **Term**

   This Agreement shall commence on the Commencement Date, and shall end on December 31, 1998 or upon termination by either party as set forth in paragraph 19 hereof.

2. **Services to be Provided by Contractor**

   The purpose of this Agreement is to provide for annual audits and related services with respect to the Special Transportation Fund.

   The State has established the Special Transportation Fund for the purpose of budgeting and accounting for all related taxes, fees and revenues to secure its Special Tax Obligation (STO) bonds for transportation infrastructure purposes.

   The Deloitte & Touche Proposal dated March 15, 1996 is incorporated by reference and attached as Exhibit I. In the event of a conflict between this agreement and the proposal, the language in this Agreement will prevail.

   A. Contractor shall provide annual audits of the Fund for the three (3) years ending June 30, 1996, 1997 and 1998. With regard to this requirement, Contractor shall:

   (a) Participate in discussions with appropriate personnel at the Office of the Treasurer, the Department of Transportation, the Motor Vehicle Department and its branch offices, the Judicial Department, the Office of the Comptroller, the State Auditors of Public Accounts in charge of the audit of the Department of Revenue Services, and the State’s Financial Advisors, and other state agencies as required.

   (b) In consultation with the State Treasurer’s Office, refine overall audit approach based on additional information gathered during the above phase.

   (c) Assign engagement staff and roles detailing work to be performed by employees of Deloitte & Touche.
(d) Identify and evaluate internal accounting controls that are currently in place for the Special Transportation Fund.

(e) Determine the nature, timing, and extent of the Fund's current audit procedures, and evaluate any weaknesses in such audit procedures. The evaluation will: identify specific types of potential errors in the transactions or balances and the point where the system is weak, determine the effectiveness of the various controls in order to determine Contractor's audit procedures and extent of testing; and assist management in implementing corrective procedures.

(f) Test compliance with those accounting controls upon which reliance will be placed.

(g) Using the procedures outlined in the Procedures Matrix (page 16 of Exhibit I attached hereto), begin testing account balances at the interim date referred to in the Engagement Work Plan Schedule (pages 11-15 and 17-18 of Exhibit I attached hereto).

(h) Determine whether controls are operating as evaluated in steps d-g above.

(i) Update year-end account balances and perform additional testing, as determined during steps d-g above.

(k) Conduct exit conference with appropriate personnel to review draft of financial statements and management letter.

(l) Issue required reports as outlined in the State's Request for Proposal dated March 1, 1996.

(m) Issue pursuant to Section 7.4 of the state’s Indenture of Trust with Fleet Bank (formerly Shawmut Bank Connecticut/Connecticut National Bank) as Trustee (dated September 15, 1984) and any subsequent Special Tax Obligation Indentures, a letter stating whether in connection with the examination of the Special Transportation Fund the state was in compliance with covenant of Section 2.4(b) (1) of the Indenture and reporting on the certificates delivered pursuant to Sections 2.4(b) (1), if any, and 2.4(b) (2), without material qualification.

B. Contractor shall perform agreed upon procedures for any related STO bond issues, including certification of the coverage ratio.

3. **Compensation of Contractor**

Audit: Contractor shall be paid $48,500 for the 1996 audit. The fee to be paid for the 1997 audit shall be $48,500 plus an amount calculated by multiplying $48,500 by the increase in
the Consumer Price Index (CPI) for the period July 1, 1996 through June 30, 1997. The fee to be paid for the 1998 audit shall be $48,500 plus an amount calculated by multiplying $48,500 by the increase in the CPI for the period July 1, 1996 through June 30, 1998.

**Bond Issues:** Contractor shall be paid $6,160 for each bond issue for which it provides services, in accordance with the terms of this Agreement, for the period June 1, 1996 through June 30, 1996. For each bond issue for which Contractor provides services, in accordance with the terms of this Agreement, for the period July 1, 1996 through June 30, 1997, Contractor shall be paid $6,160 plus an amount calculated by multiplying $6,160 by the increase in the Consumer Price Index (CPI) for the period July 1, 1996 through June 30, 1997. For each bond issue for which Contractor provides services, in accordance with the terms of this Agreement, for the period July 1, 1997 through December 31, 1998, Contractor shall be paid $6,160 plus an amount calculated by multiplying $6,160 by the increase in the CPI for the period July 1, 1996 through June 30, 1998.

4. **Representations and Warranties of Contractor**

   Contractor represents that it is fully experienced and properly qualified to perform the services provided for herein, and that it is properly licensed, equipped, organized and financed to perform such services. Contractor shall act as an independent contractor in performing this Agreement, maintaining complete control over its employees and any subcontractors hired by it to perform services hereunder. Contractor shall perform all services in accordance with its methods, subject to compliance with this Agreement and all applicable laws and regulations. Contractor represents that services to be rendered hereunder do not in any way conflict with other contractual commitments with or by Contractor.

5. **Changes in Services**

   When changes in services are required or requested by the Treasurer, Contractor shall promptly estimate their monetary effect and so notify the Treasurer. No change shall be implemented by Contractor unless it is approved by the Treasurer and Contractor in writing; and, unless otherwise agreed to in writing, the provisions of this Agreement shall apply to all changes in services.

6. **Labor and Personnel**

   At all times, Contractor shall utilize qualified personnel necessary to perform the services under this Agreement. Contractor shall, if requested to do so by the Treasurer, reassign from the Account, within a reasonable period of time, any employee or authorized representative whom the Treasurer, in its sole discretion, determines is incompetent, dishonest or uncooperative.
7. **Quality Surveillance**

All services performed by Contractor shall be subject to the inspection and approval of the State at all times, and Contractor shall furnish all information concerning such services, and shall grant the Treasurer’s duly-authorized representatives free access at all reasonable times to Contractor’s facilities where the services under this Agreement are performed. Contractor shall allow such representatives free access to any of Contractor’s books and records relating to the services provided hereunder. At the Treasurer’s request, Contractor shall provide the State with hard copies or computer transmittal of any data or information in the possession of Contractor which pertains to the Treasurer’s business under this Agreement. Contractor shall incorporate this paragraph verbatim into any agreement it enters into with any vendor providing services under this Agreement.

8. **Nondisclosure**

Subject to the provisions in paragraph 10, Contractor shall not release any information concerning the services provided pursuant to this Agreement or any part thereof to any member of the public, press, business entity or any official body unless prior written consent is obtained from the Treasurer.

9. **Promotion**

Unless specifically authorized in writing by the Treasurer on a case by case basis, Contractor shall have no right to use, and shall not use, the name of the State of Connecticut, its officials or employees, or the seal of the State:

(i) in any advertising, publicity, or promotion;

(ii) as an express or implied endorsement of Contractor’s products or services;

(iii) in any other manner (whether or not similar to uses prohibited by subparagraphs (i) and (ii) above), except to perform and deliver in accordance with this Agreement such services as are hereby contracted by the State.

10. **Confidentiality**

All data provided to Contractor by the Treasurer or developed internally by Contractor with regard to the Treasurer will be treated as proprietary to the State and confidential unless the State agrees in writing to the contrary. Contractor agrees to forever hold in confidence all files, records, documents or other information as designated, whether prepared by the State or others, which may come into Contractor’s possession during the term of this Agreement, except where a disclosure of such information by Contractor is required (whether in the ordinary course of business or otherwise) by another governmental authority to ensure compliance with laws, rules or regulations, and such disclosure will be limited to that actually so required. Where such
disclosure is required, Contractor will provide, to the extent practicable, advance notice to the Treasurer of the need for disclosure.

11. Non-Discrimination

(a) Contractor agrees and warrants that in the performance of this Agreement it will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, (including, but not limited to, blindness), unless it is shown by it that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut.

(b) Contractor agrees to take affirmative action to insure that applicants with job-related qualifications are employed, and that employees are treated when employed, without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, or physical disability, (including, but not limited to, blindness), unless it is shown by it that such disability prevents performance of the work involved.

(c) Contractor agrees, in all solicitations or advertisements for employees placed by it or on its behalf, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the Commission on Human Rights and Opportunities ("Commission").

(d) Contractor agrees to provide each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding and each vendor with which it has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers representative of the Contractor's commitments under this paragraph 11, and to post copies of the notice in conspicuous places available to employees and applicants for employment.

(e) Contractor agrees to comply with each provision of this paragraph 11 and Conn. Gen. Stat. sections 46a-68e and 46a-68f and with each regulation or relevant order issued by the Commission pursuant to Conn. Gen. Stat. sections 46a-56, 46a-68e and 46a-68f.

(f) Contractor agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning its employment practices and procedures as related to the provisions of this paragraph 11 and Conn. Gen. Stat. section 46a-56.

(g) If this Agreement is a public works contract, as defined in Conn. Gen. Stat. section 46a-68b, Contractor agrees and warrants that it will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works project. For the purposes of this subparagraph, "minority business enterprise" means any small
contractor or supplier of materials fifty-one per cent or more of the capital stock, if any, or assets of which is owned by a person or persons:

(i) who are active in the daily affairs of the enterprise;

(ii) who have the power to direct the management and policies of the enterprises; and

(iii) who are members of a minority, as such term is defined in subsection (a) of Conn. Gen. Stat. section 32-9n;

"good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations; "good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements.

Determination of Contractor's good faith efforts shall include but shall not be limited to the following factors: Contractor's employment and subcontracting policies, patterns and practices; affirmative advertising; recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.

(h) Contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.

(i) Contractor shall include the provisions of subparagraphs (a)-(g) in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state of Connecticut and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Conn. Gen. Stat. section 46a-56; provided, if Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, Contractor may request the state of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

(j) Contractor agrees and warrants that in the performance of this Agreement it will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the state of Connecticut, and that employees are treated when employed without regard to their sexual orientation.

(k) Contractor agrees to provide each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding and each vendor with which it has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers' representative of the Contractor's commitments under
paragraph 11, and to post copies of the notice in conspicuous places available to employees and applicants for employment.

(l) Contractor agrees to comply with each provision of this paragraph 11 and sections 46a-68e and 46a-68f of the general statutes and with each regulation or relevant order issued by the Commission pursuant to section 46a-56.

(m) Contractor agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning its employment practices and procedures which relate to the provisions of this paragraph 11 and Conn. Gen. Stat. section 46a-56.

(n) Contractor shall include the provisions of sub-paragraphs (j)-(m) in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Conn. Gen. Stat. section 46a-56; provided, if Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, Contractor may request the state of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

12. Entire Agreement

This Agreement embodies the entire agreement between the State and Contractor on the matters specifically addressed herein. The parties shall not be bound by or be liable for any statement, representation, promise, inducement or understanding of any kind or nature not set forth herein. This Agreement shall supersede all prior written agreements between the parties and their predecessors. For the matters specifically addressed herein, no changes, amendments or modifications of any of the terms or conditions of the Agreement shall be valid unless reduced to writing, signed by both parties and approved by the Attorney General or his Deputy. This Agreement shall inure to the benefit of and be binding upon each party's heirs, successors, and assigns.

13. Notices

Unless otherwise expressly provided to the contrary, any notices provided for hereunder shall be in writing and may be delivered personally, via facsimile or by mail to, and will be effective upon receipt at, the following addresses:

TREASURER: David Warren
Office of the Treasurer
55 Elm Street
The parties may change their respective addresses for notices under this paragraph upon prior written notification to the other.

14. **Laws and Regulations**

This Agreement shall be interpreted under and governed by the laws of the State of Connecticut. Contractor, its employees and representatives shall at all times comply with all applicable laws, ordinances, statutes, rules, regulations and orders of governmental authorities, including those having jurisdiction over its registration and licensing to perform services hereunder. The parties agree that this Agreement has a Connecticut situs, and Contractor specifically and irrevocably consents to the jurisdiction of the courts of the State of Connecticut with respect to all matters arising out of this Agreement.

15. **Discovery of Conflicts, Errors, Omissions and Discrepancies**

(a) In the event of any conflict between the provisions of this Agreement and the provisions of Form CO-802A to which this Agreement is attached, the provisions of this Agreement shall control.

(b) In case of conflicts, discrepancies, errors or omissions among the various parts of this Agreement, any such matter shall be submitted immediately by Contractor to the Treasurer for clarification. The Treasurer shall issue such clarification within a reasonable period of time. This remedy shall not be deemed exclusive and Contractor does not waive any of its legal or equitable remedies. Any services affected by such conflicts, discrepancies, errors or omissions which are performed by Contractor prior to clarification by the State shall be at Contractor's risk.

16. **Non-Waiver**

None of the conditions of this Agreement shall be considered waived by the Treasurer or Contractor unless given in writing. No such waiver shall be a waiver of any past or future default, breach or modification of any of the conditions of this Agreement unless expressly stipulated in such waiver.

17. **Survival**

The rights and obligations of the parties which by their nature survive termination or completion of this Agreement, including but not limited to those set forth herein paragraphs 8, 9, 10, and 12 of this Agreement, shall remain in full force and effect.
18. **Sovereign Immunity**

Notwithstanding any provisions to the contrary contained in this Agreement, it is agreed and understood that the State of Connecticut shall not be construed to have waived any rights or defenses of sovereign immunity which it may have with respect to all matters arising out of this Agreement.

19. **Termination**

The parties mutually agree, that either may terminate this Agreement upon thirty (30) days' written notice delivered to the other by certified or registered mail to the addresses provided in paragraph 13. Following the delivery of any notice of termination hereunder, the Contractor shall perform all of its obligations hereunder in good faith as directed by the State and will cooperate fully with the State in taking all necessary or appropriate steps in order to effectuate the orderly transfer of functions to third parties designated by the State.

20. **Assignment**

This Agreement shall not be assigned by either party without the express prior written consent of the other.

21. **Severability**

If any part or parts of this Agreement shall be held to be void or unenforceable, such part or parts shall be treated as severable, leaving valid the remainder of this Agreement notwithstanding the part or parts found to be void or unenforceable.
22. **Counterpart Originals**

This Agreement may be executed in any number of counterparts, each of which shall be an original, but which, taken together, shall constitute one and the same instrument.

DELOITE & TOUCHE LLP

By [Signature]

Title: [Title]

Dated: 6/5/96

[SEAL]

STATE OF CONNECTICUT

By [Signature]

PAUL J. SILVESTER

Acting Deputy Treasurer

Dated: 6/5/96

Approved as to form:

OFFICE OF THE ATTORNEY GENERAL

By [Signature]

Title: Assoc. Atty. General

Dated: 6/13/96
The State agency and the contractor as listed below hereby enter into an agreement subject to the terms and conditions stated herein and/or attached hereto and subject to the provisions of Section 4-98 of the Connecticut General Statutes as applicable.

**CONTRACTOR**

- Name and Address of Contractor: Deloitte & Touche, City Place, Hartford, CT 06103
- Is the contractor a state employee? Yes

**STATE AGENCY**

- Address: Office of the Treasurer, 55 Elm St., Hartford, CT 06106
- Agency Name: Office of the Treasurer, 55 Elm St., Hartford, CT 06106
- PSC No.: 1201

**CANCELLATION CLAUSE**

This agreement shall remain in full force and effect for the entire term of the contract period stated above unless cancelled by the State agency by giving the contractor written notice of such intention (required days notice specified at right.)

**TERMS AND CONDTIONS**

Acceptance of this contract implies conformance with conditions stated on the reverse side of this form.

**COMPLETE DESCRIPTION OF SERVICE**

The Contractor (Deloitte & Touche) will provide services as specified in "Attachment A, Amendment to Agreement".

**COST AND SCHEDULE OF PAYMENTS**

See attached Amendment to Agreement, Part 3, Invoicing, Payment and Miscellaneous Features.

**STATUTORY AUTHORITY**

- Director: Date 2/2/90
- Treasurer: Date 2/17/90
- Assoc. Atty. General: Date 2/23/90

**DISTRIBUTION:**

- Original — Contractor
- 2 — Comptroller
- 3 — OPM/DAS
- 4 — Attorney General
- 5 — Agency
ATTACHMENT A

AMENDMENT TO AGREEMENT

This Amendment to the Agreement dated April 4, 1986 (herein referred to as the "Amended Agreement") entered into as of the 4th day of December, 1989 (the "effective date"), between the STATE OF CONNECTICUT acting through the Treasurer of the State of Connecticut pursuant to Conn. Gen. Stat. section 3-11a (herein referred to as "State" or "Treasurer") and Deloitte & Touche successor to Deloitte Haskins & Sells (herein referred to as "Contractor"). The parties hereto agree that the services specified below shall be provided by Contractor in strict compliance with the provisions of this Agreement.

WHEREAS, in January, 1986, the Treasurer announced its intent to implement an information and automation plan (hereinafter referred to as the "project") and issued a request for qualifications in connection therewith,

WHEREAS, the Contractor was declared the successful competitor,

WHEREAS, the Treasurer desires to achieve the timely completion of the project without the addition of staff,

WHEREAS, events not anticipated at the time of the original Agreement, and outside the control of the Contractor, have resulted in delays in the project,

WHEREAS, the Treasurer now desires to consider development of an integrated data and image processing system for the Second Injury Fund,

WHEREAS, the Contractor has the necessary staff to assist in developing an integrated data and image processing system,

NOW, THEREFORE, the Treasurer and Contractor deem it appropriate to amend the Agreement with respect to the scope of services to be provided by the Contractor and the fee schedule. In consideration of the premises, it is agreed as follows:

TERM

This Amended Agreement shall commence on the effective date, but may be terminated at will by either party upon ninety (90) days written notice as more fully set forth in section 14, PART 1 of this Amendment.
PART 1

CONDITIONS

1. Entire Agreement

This Amended Agreement embodies the entire agreement between the State and Contractor on the matters specifically addressed herein. The parties shall not be bound by or be liable for any statement, representation, promise, inducement or understanding of any kind or nature not set forth herein. This Amended Agreement shall supersede all prior written agreements between the parties and their predecessors. No changes, amendments or modifications of any of the terms or conditions of the Amended Agreement shall be valid unless reduced to writing, signed by both parties and approved by the Attorney General or her Deputy. This Amended Agreement shall inure to the benefit of and be binding upon each party's heirs, successors, and assigns.

2. Changes in Services

When changes in the services are required or requested by the Treasurer, Contractor shall promptly estimate their monetary effect and so notify the State. No change shall be implemented by Contractor unless it is approved by the Treasurer in writing; and, unless otherwise agreed to in writing, the provisions of this Amended Agreement shall apply to all changes in the services. If the Treasurer determines that any change materially affects the cost or time of performance of this Amended Agreement as a whole, Contractor and the Treasurer will mutually agree in writing to an equitable adjustment.

3. Independent Contractor

Contractor represents that it is fully experienced and properly qualified to perform the services provided for herein, and that it is properly licensed, equipped, organized and financed to perform such services. Contractor shall act as an independent contractor in performing this Agreement, maintaining complete control over its employees and all of its subcontractors. Contractor shall perform all services in accordance with its methods, subject to compliance with this Amended Agreement and all applicable laws and regulations. Contractor shall furnish fully qualified personnel to perform the services under this Amended Agreement. It is acknowledged that services rendered by the Contractor to the Treasurer hereunder do not in any way conflict with other contractual commitments with or by the Contractor.

4. Notices

Unless otherwise expressly provided to the contrary, any notices
provided for hereunder shall be in writing and may be delivered personally or by mail. Notices will be effective if delivered personally or, if by mail, upon receipt, to the following addresses:

TREASURER: Office of the Treasurer  
55 Elm Street  
Hartford, CT 06106  
Attention: Deputy Treasurer

CONTRACTOR: Deloitte & Touche  
City Place  
Hartford, CT 06103-3402  
Attention: David L. Connor  
Director

The parties may change their respective addresses for notices under this paragraph 4 upon prior written notification to the other.

5. Laws and Regulations

This Agreement shall be interpreted under and governed by the laws of the State of Connecticut.

Contractor, its employees and representatives shall at all times comply with all applicable laws, ordinances, statutes, rules, regulations and orders of governmental authorities, including those having jurisdiction over its registration and licensing to perform services hereunder.

6. Discovery of Conflicts, Errors, Omissions and Discrepancies

a. In the event of any conflict between the provisions of this Amended Agreement and the provisions of form CO-802a to which this Amended Agreement is attached, the provisions of this Amended Agreement shall control.

b. In case of conflicts, discrepancies, errors or omissions among the various parts of this Agreement, any such matter shall be submitted immediately by Contractor to the State for clarification. The Treasurer shall issue such clarification within a reasonable period of time. Any services affected by such conflicts, discrepancies, errors or omissions which are performed by Contractor prior to clarification by the State shall be at Contractor's risk.

7. Quality Surveillance

All services performed by Contractor shall be subject to the inspection and approval of the State at all times, and Contractor
shall furnish all information concerning the services and grant the Treasurer duly authorized representatives free access at all reasonable times upon 24 hour's notice to Contractor's facilities where the services under the Amended Agreement are performed or where the books and records relative to such services are maintained, and shall allow such representatives free access to any and all such books and records. At the Treasurer's request, the Contractor shall provide the State with hard copies of or magnetic tape containing any data or information in the possession of the Contractor which pertains to the Treasurer's business under this Amended Agreement.

8. Non-Waiver

None of the conditions of this Amended Agreement shall be considered waived by the Treasurer or the Contractor unless given in writing. No such waiver shall be a waiver of any past or future default, breach or modification of any of the conditions of this Amended Agreement unless expressly stipulated in such waiver.

9. Survival

The rights and obligations of the parties which by their nature survive termination or completion of this Amended Agreement shall remain in full force and effect.

10. Confidentiality

All data provided to the Contractor by the Treasurer or developed internally by Contractor with regard to the Treasurer will be treated as proprietary to the State and confidential unless the State agrees in writing to the contrary. Contractor agrees to forever hold in confidence all files, records, documents or other information as designated, whether prepared by the State or others, which may come into Contractor's possession during the term of this Amended Agreement, except where a disclosure of such information by Contractor is required by other governmental authority to ensure compliance with laws, rules or regulations, and such disclosure will be limited to that actually so required. Where such disclosure is required, Contractor will provide advance notice to the Treasurer of the need for disclosure and will not disclose absent consent from the Treasurer.

11. Non-Discrimination

(a) For the purposes of this section, "minority business enterprise" means any small contractor or supplier of materials fifty-one per cent or more of the capital stock, if any, or assets of which is owned by a person or persons: (1) Who are active in the daily affairs of the enterprise, (2) who have the power to direct the management and policies of the enterprise and (3) who are members of a minority, as such term
is defined in subsection (a) of Conn. Gen. Stat. 32-9n; and "good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations. "Good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements.

For purposes of this section, "Commission" means the Commission on Human Rights and Opportunities.

For purposes of this section, "Public works contract" means any agreement between any individual, firm or corporation and the state or any political subdivision of the state other than a municipality for construction, rehabilitation conversion, extension, demolition or repair of a public building, highway or other changes or improvements in real property, or which is financed in whole or in part by the state, including, but not limited to, matching expenditures, grants, loans, insurance or guarantees.

(b) (1) The Contractor agrees and warrants that in the performance of the contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the state of Connecticut. The Contractor further agrees to take affirmative action to insure that applicants with job related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved; (2) the Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the Commission; (3) the Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such Contractor has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers representative of the Contractor's commitments under this section, and to post copies of the
notice in conspicuous places available to employees and applicants for employment; (4) the Contractor agrees to comply with each provision of this section and Conn. Gen. Stat. 46a-68e and 46a-68f and with each regulation or relevant order issued by said Commission pursuant to Conn. Gen. Stat. 46a-56, as amended by Section 5 of Public Act 89-253, 46a-68e and 46a-68f; (5) the Contractor agrees to provide the Commission on human rights and opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor as relate to the provisions of this section and section 46a-56. If the contract is a public works contract, the Contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works project.

(c) Determination of the Contractor's good faith efforts shall include but shall not be limited to the following factors: The Contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.

(d) The Contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.

(e) The Contractor shall include the provisions of subsection (b) of this section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Conn. Gen. Stat. 46a-56, as amended by Section 5 of Public Act 89-253; provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the state of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

(f) The Contractor agrees to comply with the regulations referred to in this section as they exist on the date of this contract and as they may be adopted or amended from time to time during the term of this contract and any amendments thereto.
12. Executive Orders

This contract is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill promulgated June 16, 1971 and, as such, this contract may be canceled, terminated or suspended by the state labor commissioner for violation of or noncompliance with said Executive Order No. Three, or any state or federal law concerning nondiscrimination, notwithstanding that the labor commissioner is not a party to this contract. The parties to this contract, as part of the consideration hereof, agree that said Executive Order No. Three is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the State Labor Commissioner shall have continuing jurisdiction in respect to contract performance in regard to nondiscrimination, until the contract is completed or terminated prior to completion. The contractor agrees, as part consideration hereof, that this contract is subject to the Guidelines and Rules issued by the state labor commissioner to implement Executive Order No. Three, and that he will not discriminate in his employment practices or policies, will file all reports as required, and will fully cooperate with the State of Connecticut and the state labor commissioner. This contract is subject to the provisions of Executive Order No. Seventeen of Governor Thomas J. Meskill promulgated February 15, 1973, and, as such, this contract may be canceled, terminated or suspended by the contracting agency or the State Labor Commissioner for violation of or noncompliance with said Executive Order No. Seventeen, notwithstanding that the Labor Commissioner may not be a party to this contract. The parties to this contract, as part of the consideration hereof, agree that Executive Order No. Seventeen is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the contracting agency and the State Labor Commissioner shall have joint and several continuing jurisdiction in respect to contract performance in regard to listing all employment openings with the Connecticut State Employment Service.

13. Sovereign Immunity

Notwithstanding any provisions to the contrary contained in this Amended Agreement, it is agreed and understood that the State of Connecticut shall not be construed to have waived any rights or defenses of sovereign immunity which it may have with respect to all matters arising out of this Amended Agreement.

14. Termination

The parties mutually agree that either may terminate this Amended Agreement upon ninety (90) days written notice delivered to the other by certified or registered mail as provided in section 4 of
15. Wherever the term "Treasurer" is used in this Amended Agreement it shall include the State Treasurer or his authorized agent, employee or designee.

16. Assignment

This Amended Agreement shall not be assigned by—either party without the express prior written consent of the other.

17. Severability

If any part or parts of this Amended Agreement shall be held to be void or unenforceable, such part or parts shall be treated as severable, leaving valid the remainder of this Amended Agreement notwithstanding the part or parts found to be void or unenforceable.

18. All provisions of the original Agreement dated April 4, 1986 which are not inconsistent with this Amended Agreement shall remain in full force and effect as if fully set forth herein.


PART 2

SPECIFICATION OF SERVICES

1. Contractor Responsibilities

Section 1.

The portion of the project previously referred to as Phase II in the original Agreement shall henceforth be referred to as Phase IB.

Section 2.

The Contractor agrees to (a) provide the Treasurer with the development of a combined data/image processing Request for Proposal and (b) subsequently evaluate the proposals, as described in the Contractor's letter of November 15, 1989 to the Treasurer, (Exhibit IV).
Section 3.

The Contractor further agrees to provide the Treasurer with the services in overseeing the implementation of an integrated data/image processing system, if such a system is purchased by the Treasurer, as described in the Contractor's letter of November 15, 1989 to the Treasurer, (Exhibit IV) to the original Agreement. Prior to providing data/image processing implementation oversight services, the Contractor shall provide the Treasurer with an estimate of required hours and fees. The aforementioned fees require approval by the Treasurer before the State shall be responsible.

PART 3

INVOICING, PAYMENT AND MISCELLANEOUS FEATURES

Section 1.

Beginning January 4, 1990, the fee schedule in the April 4, 1986 agreement is amended as follows:

<table>
<thead>
<tr>
<th>Staff Category</th>
<th>1989 Hourly Rates</th>
<th>1990 Hourly Rates</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
<tr>
<td>Team Consultants</td>
<td>$79</td>
<td>$83</td>
</tr>
</tbody>
</table>

Rates for additional years, if any, will increase by the previous year's increase in the Consumer Price Index-Services.

Section 2. Phase IB Costs.

The maximum cost to the State for all Phase IB services shall not exceed $457,600.

Section 3.

The Contractor shall be paid a total fixed fee of $32,700 for providing the Treasurer with the services as set out in Part 2, section 2 of this Amended Agreement. Billing for the services shall begin as of January 1, 1990. Payment to the Contractor shall be due within sixty (60) days of receipt of a properly submitted invoice by the Treasurer. A properly submitted invoice is one which specifically details the activities performed.
Section 4.

If the Treasurer purchases a data/image processing system and the Contractor provides the services outlined in Part 2, section 3 of the Amended Agreement, then the Contractor shall be compensated according to the Phase IB fee and expense schedule, as amended herein. Billing for the services shall begin as of January 1, 1990. The State shall be billed every four weeks. Payment by the State to the Contractor shall be due within sixty (60) days of receipt of a properly submitted invoice. A properly submitted invoice is one which specifically details the activities performed, the dates and hours worked, by whom, and the applicable hourly rate.
ATTACHMENT A

AMENDMENT TO AGREEMENT

This Amendment to the Agreement dated April 4, 1986 (herein referred to as the "Amended Agreement") entered into as of the 4th day of December, 1989 (the "effective date"), between the STATE OF CONNECTICUT acting through the Treasurer of the State of Connecticut pursuant to Conn. Gen. Stat. section 3-11a (herein referred to as "State" or "Treasurer") and Deloitte & Touche successor to Deloitte Haskins & Sells (herein referred to as "Contractor"), The parties hereto agree that the services specified below shall be provided by Contractor in strict compliance with the provisions of this Agreement.

WHEREAS, in January, 1986, the Treasurer announced its intent to implement an information and automation plan (hereinafter referred to as the "project") and issued a request for qualifications in connection therewith,

WHEREAS, the Contractor was declared the successful competitor,

WHEREAS, the Treasurer desires to achieve the timely completion of the project without the addition of staff,

WHEREAS, events not anticipated at the time of the original Agreement, and outside the control of the Contractor, have resulted in delays in the project,

WHEREAS, the Treasurer now desires to consider development of an integrated data and image processing system for the Second Injury Fund,

WHEREAS, the Contractor has the necessary staff to assist in developing an integrated data and image processing system,

NOW, THEREFORE, the Treasurer and Contractor deem it appropriate to amend the Agreement with respect to the scope of services to be provided by the Contractor and the fee schedule. In consideration of the premises, it is agreed as follows:

TERM

This Amended Agreement shall commence on the effective date, but may be terminated at will by either party upon ninety (90) days written notice as more fully set forth in section 14, PART 1 of this Amendment.
PART I

CONDITIONS

1. Entire Agreement

This Amended Agreement embodies the entire agreement between the State and Contractor on the matters specifically addressed herein. The parties shall not be bound by or be liable for any statement, representation, promise, inducement or understanding of any kind or nature not set forth herein. This Amended Agreement shall supersede all prior written agreements between the parties and their predecessors. No changes, amendments or modifications of any of the terms or conditions of the Amended Agreement shall be valid unless reduced to writing, signed by both parties and approved by the Attorney General or her Deputy. This Amended Agreement shall inure to the benefit of and be binding upon each party's heirs, successors, and assigns.

2. Changes in Services

When changes in the services are required or requested by the Treasurer, Contractor shall promptly estimate their monetary effect and so notify the State. No change shall be implemented by Contractor unless it is approved by the Treasurer in writing; and, unless otherwise agreed to in writing, the provisions of this Amended Agreement shall apply to all changes in the services. If the Treasurer determines that any change materially affects the cost or time of performance of this Amended Agreement as a whole, Contractor and the Treasurer will mutually agree in writing to an equitable adjustment.

3. Independent Contractor

Contractor represents that it is fully experienced and properly qualified to perform the services provided for herein, and that it is properly licensed, equipped, organized and financed to perform such services. Contractor shall act as an independent contractor in performing this Agreement, maintaining complete control over its employees and all of its subcontractors. Contractor shall perform all services in accordance with its methods, subject to compliance with this Amended Agreement and all applicable laws and regulations. Contractor shall furnish fully qualified personnel to perform the services under this Amended Agreement. It is acknowledged that services rendered by the Contractor to the Treasurer hereunder do not in any way conflict with other contractual commitments with or by the Contractor.

4. Notices

Unless otherwise expressly provided to the contrary, any notices
provided for hereunder shall be in writing and may be delivered personally or by mail. Notices will be effective if delivered personally or, if by mail, upon receipt, to the following addresses:

TREASURER: Office of the Treasurer  
55 Elm Street  
Hartford, CT 06106  
Attention: Deputy Treasurer

CONTRACTOR: Deloitte & Touche  
City Place  
Hartford, CT 06103-3402  
Attention: David L. Connor  
Director

The parties may change their respective addresses for notices under this paragraph 4 upon prior written notification to the other.

5. Laws and Regulations

This Agreement shall be interpreted under and governed by the laws of the State of Connecticut.

Contractor, its employees and representatives shall at all times comply with all applicable laws, ordinances, statutes, rules, regulations and orders of governmental authorities, including those having jurisdiction over its registration and licensing to perform services hereunder.

6. Discovery of Conflicts, Errors, Omissions and Discrepancies

a. In the event of any conflict between the provisions of this Amended Agreement and the provisions of form CO-802a to which this Amended Agreement is attached, the provisions of this Amended Agreement shall control.

b. In case of conflicts, discrepancies, errors or omissions among the various parts of this Agreement, any such matter shall be submitted immediately by Contractor to the State for clarification. The Treasurer shall issue such clarification within a reasonable period of time. Any services affected by such conflicts, discrepancies, errors or omissions which are performed by Contractor prior to clarification by the State shall be at Contractor's risk.

7. Quality Surveillance

All services performed by Contractor shall be subject to the inspection and approval of the State at all times, and Contractor
shall furnish all information concerning the services and grant
the Treasurer duly authorized representatives free access at all
reasonable times upon 24 hour's notice to Contractor's facilities
where the services under the Amended Agreement are performed or
where the books and records relative to such services are
maintained, and shall allow such representatives free access to any
and all such books and records. At the Treasurer's request, the
Contractor shall provide the State with hard copies of or magnetic
tape containing any data or information in the possession of the
Contractor which pertains to the Treasurer's business under this
Amended Agreement.

8. Non-Waiver

None of the conditions of this Amended Agreement shall be
considered waived by the Treasurer or the Contractor unless given
in writing. No such waiver shall be a waiver of any past or
future default, breach or modification of any of the conditions of
this Amended Agreement unless expressly stipulated in such waiver.

9. Survival

The rights and obligations of the parties which by their nature
survive termination or completion of this Amended Agreement shall
remain in full force and effect.

10. Confidentiality

All data provided to the Contractor by the Treasurer or developed
internally by Contractor with regard to the Treasurer will be
treated as proprietary to the State and confidential unless the
State agrees in writing to the contrary. Contractor agrees to
forever hold in confidence all files, records, documents or other
information as designated, whether prepared by the State or others,
which may come into Contractor's possession during the term of this
Amended Agreement, except where a disclosure of such information
by Contractor is required by other governmental authority to
ensure compliance with laws, rules or regulations, and such
disclosure will be limited to that actually so required. Where
such disclosure is required, Contractor will provide advance notice
to the Treasurer of the need for disclosure and will not disclose
absent consent from the Treasurer.

11. Non-Discrimination

(a) For the purposes of this section, "minority business
enterprise" means any small contractor or supplier of
materials fifty-one per cent or more of the capital stock, if
any, or assets of which is owned by a person or persons: (1)
who are active in the daily affairs of the enterprise, (2) who
have the power to direct the management and policies of the
enterprise and (3) who are members of a minority, as such term
is defined in subsection (a) of Conn. Gen. Stat. 32-9n; and
"good faith" means that degree of diligence which a reasonable
person would exercise in the performance of legal duties and
obligations. "Good faith efforts" shall include, but not be
limited to, those reasonable initial efforts necessary to
comply with statutory or regulatory requirements and
additional or substituted efforts when it is determined that
such initial efforts will not be sufficient to comply with
such requirements.

For purposes of this section, "Commission" means the
Commission on Human Rights and Opportunities.

For purposes of this section, "Public works contract" means
any agreement between any individual, firm or corporation and
the state or any political subdivision of the state other than
a municipality for construction, rehabilitation conversion,
extension, demolition or repair of a public building, highway
or other changes or improvements in real property, or which
is financed in whole or in part by the state, including, but
not limited to, matching expenditures, grants, loans,
insurance or guarantees.

(b) (1) The Contractor agrees and warrants that in the
performance of the contract such Contractor will not
discriminate or permit discrimination against any person or
group of persons on the grounds of race, color, religious
creed, age, marital status, national origin, ancestry, sex,
mental retardation or physical disability, including, but not
limited to, blindness, unless it is shown by such contractor
that such disability prevents performance of the work
involved, in any manner prohibited by the laws of the United
States or of the state of Connecticut. The Contractor further
agrees to take affirmative action to insure that applicants
with job related qualifications are employed and that
employees are treated when employed without regard to their
race, color, religious creed, age, marital status, national
origin, ancestry, sex, mental retardation, or physical
disability, including, but not limited to, blindness, unless
it is shown by such Contractor that such disability prevents
performance of the work involved; (2) the Contractor agrees,
in all solicitations or advertisements for employees placed
by or on behalf of the Contractor, to state that it is an
"affirmative action-equal opportunity employer" in accordance
with regulations adopted by the Commission; (3) the Contractor
agrees to provide each labor union or representative of
workers with which such Contractor has a collective bargaining
agreement or other contract or understanding and each vendor
with which such Contractor has a contract or understanding,
a notice to be provided by the Commission advising the labor
union or workers representative of the Contractor's
commitments under this section, and to post copies of the
notice in conspicuous places available to employees and applicants for employment; (4) the Contractor agrees to comply with each provision of this section and Conn. Gen. Stat. 46a-68e and 46a-68f and with each regulation or relevant order issued by said Commission pursuant to Conn. Gen. Stat. 46a-56, as amended by Section 5 of Public Act 89-253, 46a-56e and 46a-68f; (5) the Contractor agrees to provide the Commission on human rights and opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor as relate to the provisions of this section and section 46a-56. If the contract is a public works contract, the Contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works project.

(c) Determination of the Contractor's good faith efforts shall include but shall not be limited to the following factors: The Contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.

(d) The Contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.

(e) The Contractor shall include the provisions of subsection (b) of this section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Conn. Gen. Stat. 46a-56, as amended by Section 5 of Public Act 89-253; provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the state of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

(f) The Contractor agrees to comply with the regulations referred to in this section as they exist on the date of this contract and as they may be adopted or amended from time to time during the term of this contract and any amendments thereto.
12. Executive Orders

This contract is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill promulgated June 16, 1971 and, as such, this contract may be canceled, terminated or suspended by the state labor commissioner for violation of or noncompliance with said Executive Order No. Three, or any state or federal law concerning nondiscrimination, notwithstanding that the labor commissioner is not a party to this contract. The parties to this contract, as part of the consideration hereof, agree that said Executive Order No. Three is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the State Labor Commissioner shall have continuing jurisdiction in respect to contract performance in regard to nondiscrimination, until the contract is completed or terminated prior to completion. The contractor agrees, as part consideration hereof, that this contract is subject to the Guidelines and Rules issued by the state labor commissioner to implement Executive Order No. Three, and that he will not discriminate in his employment practices or policies, will file all reports as required, and will fully cooperate with the State of Connecticut and the state labor commissioner. This contract is subject to the provisions of Executive Order No. Seventeen of Governor Thomas J. Meskill promulgated February 15, 1973, and, as such, this contract may be canceled, terminated or suspended by the contracting agency or the State Labor Commissioner for violation of or noncompliance with said Executive Order No. Seventeen, notwithstanding that the Labor Commissioner may not be a party to this contract. The parties to this contract, as part of the consideration hereof, agree that Executive Order No. Seventeen is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the contracting agency and the State Labor Commissioner shall have joint and several continuing jurisdiction in respect to contract performance in regard to listing all employment openings with the Connecticut State Employment Service.

13. Sovereign Immunity

Notwithstanding any provisions to the contrary contained in this Amended Agreement, it is agreed and understood that the State of Connecticut shall not be construed to have waived any rights or defenses of sovereign immunity which it may have with respect to all matters arising out of this Amended Agreement.

14. Termination

The parties mutually agree that either may terminate this Amended Agreement upon ninety (90) days written notice delivered to the other by certified or registered mail as provided in section 4 of
15. Wherever the term "Treasurer" is used in this Amended Agreement it shall include the State Treasurer or his authorized agent, employee or designee.

16. Assignment

This Amended Agreement shall not be assigned by either party without the express prior written consent of the other.

17. Severability

If any part or parts of this Amended Agreement shall be held to be void or unenforceable, such part or parts shall be treated as severable, leaving valid the remainder of this Amended Agreement notwithstanding the part or parts found to be void or unenforceable.

18. All provisions of the original Agreement dated April 4, 1986 which are not inconsistent with this Amended Agreement shall remain in full force and effect as if fully set forth herein.


PART 2

SPECIFICATION OF SERVICES

1. Contractor Responsibilities

Section 1.

The portion of the project previously referred to as Phase II in the original Agreement shall henceforth be referred to as Phase IB.

Section 2.

The Contractor agrees to (a) provide the Treasurer with the development of a combined data/image processing Request for Proposal and (b) subsequently evaluate the proposals, as described in the Contractor's letter of November 15, 1989 to the Treasurer, (Exhibit IV).
Section 3.

The Contractor further agrees to provide the Treasurer with the services in overseeing the implementation of an integrated data/image processing system, if such a system is purchased by the Treasurer, as described in the Contractor's letter of November 15, 1989 to the Treasurer, (Exhibit IV) to the original Agreement. Prior to providing data/image processing implementation oversight services, the Contractor shall provide the Treasurer with an estimate of required hours and fees. The aforementioned fees require approval by the Treasurer before the State shall be responsible.

PART 3

INVOICING, PAYMENT AND MISCELLANEOUS FEATURES

Section 1.

Beginning January 4, 1990, the fee schedule in the April 4, 1986 agreement is amended as follows:

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<td>Team Consultants</td>
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Rates for additional years, if any, will increase by the previous year's increase in the Consumer Price Index-Services.

Section 2. Phase IB Costs.

The maximum cost to the State for all Phase IB services shall not exceed $457,600.

Section 3.

The Contractor shall be paid a total fixed fee of $32,700 for providing the Treasurer with the services as set out in Part 2, section 2 of this Amended Agreement. Billing for the services shall begin as of January 1, 1990. Payment to the Contractor shall be due within sixty (60) days of receipt of a properly submitted invoice by the Treasurer. A properly submitted invoice is one which specifically details the activities performed.
Section 4.

If the Treasurer purchases a data/image processing system and the Contractor provides the services outlined in Part 2, section 3 of the Amended Agreement, then the Contractor shall be compensated according to the Phase IB fee and expense schedule, as amended herein. Billing for the services shall begin as of January 1, 1990. The State shall be billed every four weeks. Payment by the State to the Contractor shall be due within sixty (60) days of receipt of a properly submitted invoice. A properly submitted invoice is one which specifically details the activities performed, the dates and hours worked, by whom, and the applicable hourly rate.
Mr. Edward J. Forand Jr.
Deputy Treasurer
Office of the Treasurer
State of Connecticut
55 Elm Street
Hartford, CT 06103

November 15, 1989

Dear Deputy Treasurer Forand:

Thank you for your letter of November 2, 1989 concerning fee adjustments for our work with the Second Injury data and image processing project. We understand and accept your desire to use the Consumer Price Index (CPI) for making adjustments in our hourly rates.

We specifically propose using the CPI-Services index, which measures prices for service firms and thus is the CPI that most closely measures costs for firms such as ours. The CPI-All Items index (which is the generally referenced index) includes items such as fuel, clothing and groceries, that are not directly related to financial service businesses such as ours, whose costs are comprised primarily of salary, fringe benefit and other labor compensation costs.

Data Resources, Inc. (DRI) currently is forecasting CPI-Services to increase by 5.0 percent in 1989 and 5.1 percent in 1990. These rates are substantially lower than the 10 percent annual increase we originally proposed and the 35-95 percent actual increase in our team's standard rates.

We have recalculated the proposed fee adjustments based on the use of the DRI CPI-Services index, and the new calculations are discussed below.

(1) The added costs of increasing hourly rates (by 5.0% for 1989 and 5.1% for 1990) for Second Injury data processing contract negotiations and implementation services would total $17,600 (see Exhibit I). We originally proposed a $34,000 fee increase.
(2) The added costs of (a) developing a combined data processing/image processing RFP and (b) subsequently evaluating the proposals would total $32,700. This amount is based on an estimated 270 hours of combined senior consultant and senior manager time (see Exhibit II). We originally proposed a $35,000 fee increase.

(3) The added costs of overseeing the implementation of an integrated data/image processing system, if purchased, would amount to approximately $58,800. This amount is based on an additional 476 hours (see Exhibit III). A more refined estimate will be possible after review of proposals and selection of a vendor. We originally proposed a $64,000 fee increase.

* * *

I trust that this letter and the recalculated fees meet your requirements. If you have any questions, please contact me or Larry Wilson at 280-3022.

Sincerely,

David L. Connor
Director, Northeast Government Consulting Services

Attachments
**EXHIBIT I**: Additional Cost of Higher Billing Rates

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost under current contract</td>
<td>$170,000</td>
</tr>
<tr>
<td>Inflation adjustment</td>
<td>10.36%</td>
</tr>
<tr>
<td>(2 years @ 5.0% and 5.1%, compounded)</td>
<td></td>
</tr>
<tr>
<td>Cost of inflation adjustment (rounded)</td>
<td>$17,600</td>
</tr>
</tbody>
</table>

LP 04305
EXHIBIT II: Estimated Additional Hours to Prepare RFP and Evaluate Proposals for an Integrated Data/Image Processing System

<table>
<thead>
<tr>
<th>Task</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attend vendor meetings</td>
<td>12</td>
</tr>
<tr>
<td>Review and modify original DAS RFP requirements</td>
<td>48</td>
</tr>
<tr>
<td>Integrate data and image processing requirements</td>
<td>24</td>
</tr>
<tr>
<td>Produce integrated RFP (including coordination with DAS purchasing)</td>
<td>40</td>
</tr>
<tr>
<td>Evaluate longer, more complex proposals</td>
<td>102</td>
</tr>
<tr>
<td>Conduct image processing site visits</td>
<td>16</td>
</tr>
<tr>
<td>Prepare evaluation documentation</td>
<td>28</td>
</tr>
<tr>
<td><strong>Total Hours</strong></td>
<td><strong>270</strong></td>
</tr>
</tbody>
</table>

Note: These hour estimates assume the full-time assignment of a Treasury DP staff member to the Second Injury data/image processing team.
**EXHIBIT III: Estimated Additional Hours to Oversee Implementation of an Integrated Data/Image Processing System**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assist with contract negotiations (including final work statement)</td>
<td>56</td>
</tr>
<tr>
<td>Oversee system integration-design</td>
<td>80</td>
</tr>
<tr>
<td>Monitor programming</td>
<td>40</td>
</tr>
<tr>
<td>Monitor installation</td>
<td>24</td>
</tr>
<tr>
<td>Prepare test plan</td>
<td>16</td>
</tr>
<tr>
<td>Conduct unit testing and retesting</td>
<td>32</td>
</tr>
<tr>
<td>Conduct system testing and retesting</td>
<td>48</td>
</tr>
<tr>
<td>Review documentation</td>
<td>12</td>
</tr>
<tr>
<td>Oversee training</td>
<td>16</td>
</tr>
<tr>
<td>Plan data conversion</td>
<td>24</td>
</tr>
<tr>
<td>Oversee data conversion</td>
<td>80</td>
</tr>
<tr>
<td>Project Management</td>
<td>48</td>
</tr>
<tr>
<td><strong>Total Hours</strong></td>
<td><strong>476</strong></td>
</tr>
</tbody>
</table>

*Note: These hour estimates assume the full-time assignment of a Treasury DP staff member to the Second Injury data/image processing team. The estimates do not include time to design or implement unique features for the Attorney General's Office.*
CONTRACTOR NAME AND ADDRESS
Deloitte & Touche, CityPlace, Hartford, CT 06103

STATE AGENCY NAME AND ADDRESS
Office of the State Treasurer, 55 Elm St., Hartford, CT 06103

CONTRACT PERIOD
FROM (Date) 02/01/93 THROUGH (Date) 12/31/95

CANCELLATION
This agreement shall remain in full force and effect for the entire term of the contract period stated above unless canceled by the State agency by giving the contractor written notice of such intention (required days notice specified at right). Required No. of days written notice: 30

TERMS AND CONDITIONS
Acceptance of this contract implies conformance with conditions stated on the reverse side of this form.

As it relates to the Special Transportation Fund:
1) Perform an Annual Audit for the three years ending June 30, 1990, 1991 and 1992;
2) Provide financial involvement and support for any related STF bond issues including certification of the coverage ratio; and
3) Perform verification and/or confirmation of program projections prepared by the state's financial advisor.

See Attachment A for additional terms and conditions, including the proposal of Deloitte & Touche dated December 30, 1992.

COST AND SCHEDULE OF PAYMENTS
See Attachment A, Part 3

STATUTORY AUTHORITY
P.A. 84-254 (6) (a) and 8GS 3-11a

ACCEPTANCES
RECEIVING AUTHORIZED OFFICIALS
TITLE: Partner
DATE: 02/01/93

AND
TREASURER
TITLE: Treasurer
DATE: 02/05/93

APPROVALS
ATTORNEY GENERAL
TITLE: Assoc. Atty. General
DATE: 02/06/93

DISTRIBUTION: Original - Contractor Part 2 - Comptroller Part 3 - OPM/IDAS Part 4 - Attorney General Part 5 - Agency

LP 04308
PERSONAL SERVICE AGREEMENT

DATE

NUMBER

AMOUNT + OR -

BATCH

NUMBER

AMOUNT + OR -

UNLIQUIDATED BALANCE

INIT.
February 4, 1993

To Whom It May Concern:

John H. Schuyler is a partner in Deloitte & Touche, a general partnership, and as such is authorized to contractually bind the firm of Deloitte & Touche in legal contracts with the State of Connecticut.

George Riggs
Partner
ATTACHMENT A

This agreement for professional accounting and auditing services relating to the State's Special Transportation Fund (hereinafter "Agreement") entered into this 1st day of February, 1993 (the "date of execution"), between the STATE OF CONNECTICUT acting through the Treasurer of the State of Connecticut as Trustee acting pursuant to Conn. Gen. Stat. section 3-11a and Public Act 84-254 (hereinafter referred to as "State") and Deloitte & Touche a corporation having a principal place of business at City Place, Hartford, CT (hereinafter referred to as "Contractor"). The parties hereto agree that the services specified below shall be provided by Contractor in strict compliance with the provisions of this Agreement.

TERM

This Agreement shall commence on the date of the execution, but may be terminated at will by either party upon thirty (30) days written notice as more fully set forth in Section 19, PART I of this Agreement.

PART 1

CONDITIONS

1. Entire Agreement

This Agreement embodies the entire agreement between the State and Contractor on the matters specifically addressed herein. The parties shall not be bound by or be liable for any statement, representation, promise, inducement or understanding of any kind or nature not set forth herein. This Agreement shall supersede all prior written agreements between the parties and their predecessors. No changes, amendments or modifications of any of the terms or conditions of the Agreement shall be valid unless reduced to writing, signed by both parties and approved by the Attorney General or his Deputy. This Agreement shall inure to the benefit of and be binding upon each party's heirs, successors, and assigns.

2. Changes in Services

When changes in the services are required or requested by the Treasurer, Contractor shall promptly estimate their monetary effect and so notify the State. No change shall be implemented by Contractor unless it is approved by the Treasurer in writing; and, unless otherwise agreed to in writing, the provisions of this Agreement shall apply to all changes in the services.
3. Independent Contractor

Contractor represents that it is fully experienced and properly qualified to perform the services provided for herein, and that it is properly licensed, equipped, organized and financed to perform such services. Contractor shall act as an independent contractor in performing this Agreement, maintaining complete control over its employees and all of its subcontractors. Contractor shall perform all services in accordance with its methods, subject to compliance with this Agreement and all applicable laws and regulations. Contractor shall furnish fully qualified personnel to perform the services under this Agreement. It is acknowledged that services rendered by the Contractor to the State hereunder do not in any way conflict with other contractual commitments with, or by, the Contractor.

4. Notices

Unless otherwise expressly provided to the contrary, any notices provided for hereunder shall be in writing and may be delivered personally or by mail. Notices will be effective if delivered personally or, if by mail, upon receipt, to the following addresses:

TREASURER: Office of the Treasurer
55 Elm Street
Hartford, CT 06106

Attn: Benson R. Cohn, Assistant Treasurer for Debt Management

CONTRACTOR: Deloitte & Touche
CityPlace
Hartford, CT 06103

Attn: John H. Schuyler, Partner

The parties may change their respective addresses for notices under this paragraph 4 upon prior written notification to the other.

5. Laws and Regulations

This Agreement shall be interpreted under and governed by the laws of the State of Connecticut.

Contractor, its employees and representatives shall at all times comply with all applicable laws, ordinances, statutes, rules, regulations and orders of governmental authorities, including those having jurisdiction over its registration and licensing to perform services hereunder.
6. Labor and Personnel

At all times, Contractor shall utilize approved, qualified personnel and any State approved subcontractor necessary to perform the services under this Agreement.

Contractor shall advise the State promptly, in writing, of any labor dispute or anticipated labor dispute or other labor related occurrence known to Contractor involving Contractor's employees which may reasonably be expected to affect Contractor's performance of services under this Agreement. The State may then, at its option, ask Contractor to arrange for a temporary employee(s) or subcontractor(s) satisfactory to the State to provide the services otherwise performable by Contractor hereunder. Contractor will be responsible to the State for any economic detriment caused by such subcontract arrangement.

Contractor shall, if requested to do so by the Treasurer, reassign from the State's account any employee or authorized representatives whom the Treasurer in its sole discretion, determines is incompetent, dishonest or uncooperative. In requesting the reassignment of an employee under this paragraph, the State shall give thirty-days notice to Contractor of the State's desire for such reassignment. Contractor will then have fifteen days to investigate the situation and attempt, if it so desires, to satisfy the State that the employee should not be reassigned; however, the State's decision in its sole discretion after such fifteen day period shall be final. Should the Treasurer still desire reassignment, then fifteen days thereafter, or thirty days from the date of the notice of reassignment, the employee shall be reassigned from the State's account.

7. Conflicts, Errors, Omissions and Discrepancies

In the event of any conflict between the provisions of this Agreement and the provisions of Form CO-802A to which this Agreement is attached, the provisions of this Agreement shall control.

In case of conflicts, discrepancies, errors or omissions among the various parts of this Agreement, any such matter shall be submitted immediately by to the State for clarification. The State shall issue such clarification within a reasonable period of time. This remedy shall not be deemed exclusive and does not waive any of its legal or equitable remedies. Any services affected by such conflicts, discrepancies, errors or omissions which are performed by prior to clarification by the State shall be at Contractor's risk.
3. Indemnity

Contractor hereby indemnifies and shall defend and hold harmless the State, its officers, and its employees from and against any and all suits, actions, legal or administrative proceedings, claims, demands, damages, liabilities, monetary loss, interest, attorney's fees, costs and expenses of whatsoever kind or nature (except stemming from labor related or wrongful termination suits brought against the State), including those arising out of injury to or death of Contractor's employees, whether arising before, during or after completion of the services hereunder and in any manner directly or indirectly caused, occasioned or contributed to in whole or in part, by reason of any act, omission, fault or negligence of Contractor or its employees, agents or subcontractors.

9. Nondisclosure

Contractor shall not release any information concerning the services provided pursuant to this Agreement or any part thereof to any member of the public, press, business entity or any official body unless prior written consent is obtained from the State.

10. Quality Surveillance

All services performed by Contractor shall be subject to the inspection and approval of the State at all times, and shall furnish all information concerning the services and grant the State's duly authorized representatives free access at all reasonable times upon 24 hour's notice to Contractor's facilities where the services under the Agreement are performed or whether the books and records relative to such services are maintained, and shall allow such representatives free access to any and all such books and records. At the State's request, the Contractor shall provide the State with hard copies of or magnetic tape containing any data or information in the possession of the Contractor which pertains to the State's business under this contract.

11. Insurance

Contractor shall deliver Certificates of Insurance to the State Treasurer at the time of the execution of this Agreement as evidence that policies providing such coverage and limits or insurance are in full force and effect, which Certificates shall provide that no less than thirty (30) days advance notice will be given in writing to the State prior to cancellation, termination or alteration of said policies of insurance. Contractor shall deliver the original Certificates of Insurance and one copy to the names and addresses shown for the State in Part 1, Section 4 of this Agreement. In addition, notices of cancellation, termination and alteration of such policies shall also be delivered as above.
12. Non-Waiver

None of the conditions of this Agreement shall be considered waived by the State or the Contractor unless given in writing. No such waiver shall be a waiver of any past or future default, breach or modification of any of the conditions of this Agreement unless expressly stipulated in such waiver.

13. Examination of Contractor's Records

The State or its representatives shall have the right at reasonable hours to examine any books, records and other documents of Contractor or its subcontractors pertaining to work performed under this Contract. The State will give Contractor or such subcontractor 24-hours notice of such intended examination. At the State's request, the Contractor shall provide the state with hard copies of or magnetic tape containing any data or information relating to the State's business, which data or information is in the possession or control of the Contractor. The Contractor shall incorporate this paragraph 13 verbatim into any agreement it enters into with any subcontractor providing services under this Agreement.

14. Promotion

Unless specifically authorized in writing by the State Treasurer on a case by case basis, Contractor shall have no right to use, and shall not use, the name of the State of Connecticut, its officials or employees, or the seal of the State:

(a) in any advertising, publicity, promotion; nor

(b) to express or to imply any endorsement of Contractor's products or services; nor

(c) to use the names of the State, its officials or employees or the State Seal in any manner (whether or not similar to uses prohibited by subparagraphs (a) and (b) above), except only to manufacture and deliver in accordance with this Agreement such items as are hereby contracted by the State.

15. Survival

The rights and obligations of the parties which by their nature survive termination or completion of this Agreement, including but not limited to those set forth herein in Part 1, Sections 8, 9, 14 and 16 of this Agreement, shall remain in full force and effect.
16. Confidentiality

All data provided to Contractor by the State or developed internally by Contractor with regard to the State will be treated as proprietary to the State and confidential unless the State agrees in writing to the contrary. Contractor agrees to forever hold in confidence all files, records, documents or other information as designated, whether prepared by the State or others, which may come into Contractor's possession during the term of this Agreement, except where a disclosure of such information by Contractor is required by other governmental authority to ensure compliance with laws, rules or regulations, and such disclosure will be limited to that actually so required. Where such disclosure is required, Contractor will provide advance notice to the State of the need for disclosure and will not disclose absent consent from the State.

17. Non-Discrimination

(a) For the purposes of this section, "minority business enterprise" means any small contractor or supplier of materials fifty-one per cent or more of the capital stock, if any, or assets of which is owned by a person or persons: (1) who are active in the daily affairs of the enterprise, (2) who have the power to direct the management and policies of the enterprise and (3) who are members of a minority, as such term is defined in subsection (a) of Conn. Gen. Stat. 32-9n; and "good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations. "Good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements.

For purposes of this section, "Commission" means the Commission on Human Rights and Opportunities.

For purposes of this section, "Public works contract" means any agreement between any individual, firm or corporation and the state or any political subdivision of the state other than a municipality for construction, rehabilitation, conversion, extension, demolition or repair of a public building, highway or other changes or improvements in real property, or which is financed in whole or in part by the state, including, but not limited to, matching expenditures, grants, loans, insurance or guarantees.

(b) (1) The Contractor agrees and warrants that in the performance of the contract such Contractor will not discriminate or permit discrimination against any person or group of persons
on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut. The Contractor further agrees to take affirmative action to insure that applicants with job related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved; (2) the Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the Commission; (3) the Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such Contractor has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers representative of the Contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (4) the Contractor agrees to comply with each provision of this section and Conn. Gen. Stat. 46a-68e and 46a-68f and with each regulation or relevant order issued by said Commission pursuant to Conn. Gen. Stat. 46a-56, as amended by Section 5 of Public Act 89-253, 46a-68e and 46a-68f; (5) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor as relate to the provisions of this section and section 46a-56. If the contract is a public works contract, the Contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works project.

(c) Determination of the Contractor's good faith efforts shall include but shall not be limited to the following factors: The Contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.

(d) The Contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of
its good faith efforts.

(e) The Contractor shall include the provisions of subsection (b) of this section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Conn. Gen. Stat. 46a-56, as amended by Section 5 of Public Act 89-253; provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

(f) The Contractor agrees to comply with the regulations referred to in this section as they exist on the date of this contract and as they may be adopted or amended from time to time during the term of this contract and any amendments thereto.

(g) The contractor agrees and warrants that in the performance of this agreement such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation; the contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; the contractor agrees to comply with each provision of this section and sections 46a-68e and 46a-68f of the general statutes and with each regulation or relevant order issued by said commission pursuant to sections 46a-56, 46a-68e and 46a-68f of the general statutes; the contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the contractor as relate to the provisions of this section and section 46a-56 of the general statutes.

The contractor shall include the provisions of the foregoing
paragraph in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with section 46a-56 of the general statutes; provided, if such contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

17. Executive Orders

This Agreement is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill promulgated June 16, 1971, and, as such, this Agreement may be cancelled, terminated or suspended by the State Labor Commissioner for violation of or noncompliance with said Executive Order No. Three, or any state or federal law concerning nondiscrimination, notwithstanding that the Labor Commissioner is not a party to this Agreement. The parties to this Agreement, as part of the consideration hereof, agree that said Executive Order No. Three is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the State Labor Commissioner shall have continuing jurisdiction in respect to contract performance in regard to nondiscrimination until the Agreement is completed or terminated prior to completion.

The Contractor agrees, as part consideration hereof, that this Agreement is subject to the Guidelines and Rules issued by the State Labor Commissioner to implement Executive Order No. Three, and that it will not discriminate in its employment practices or policies, will file all reports as required, and will fully cooperate with the State of Connecticut and the State Labor Commissioner.

This Agreement is subject to the provisions of Executive Order No. Seventeen of Governor Thomas J. Meskill promulgated February 15, 1973, and, as such, this Agreement may be cancelled, terminated or suspended by the contracting agency or the State Labor Commissioner for violation of or noncompliance with said Executive Order No. Seventeen, notwithstanding that the Labor Commissioner may not be a party to this Agreement. The parties to this Agreement, as part of the consideration hereof, agree that Executive Order No. Seventeen is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the contracting agency and the State Labor Commissioner shall have joint and several continuing jurisdiction in respect to
contract performance in regard to listing all employment openings with the Connecticut State Employment Service.

18. Sovereign Immunity

Notwithstanding any provisions to the contrary contained in this Agreement, it is agreed and understood that the State of Connecticut shall not be construed to have waived any rights or defenses of sovereign immunity which it may have with respect to all matters arising out of this Agreement.

19. Termination

The parties mutually agree that either may terminate this Agreement upon thirty (30) days written notice delivered to the other by certified or registered mail as provided in section 4 of this Part.

20. Wherever the terms "State Treasurer" are used in this Agreement they shall include the State Treasurer or his authorized agent, employee or designee.

21. Assignment

This Agreement shall not be assigned by either party without the express prior written consent of the other.
PART 2

SPECIFICATION OF SERVICES

1. Scope

The purpose of this agreement is to provide for annual audits and related financial services with respect to the Special Transportation Fund.

The State has established the Special Transportation Fund for the purpose of budgeting and accounting for all related taxes, fees and revenues to secure its Special Tax Obligation (STO) bonds for transportation infrastructure purposes.

The Deloitte & Touche Audit Proposal dated December 30, 1992, is incorporated by reference and attached as Exhibit I. In the event of a conflict between this agreement and the proposal, the language in this agreement will prevail.

2. Contractor Responsibilities

A. The contractor shall provide annual audits of the Fund for the three (3) years ending June 30, 1993, 1994, and 1995.

With regard to this requirement, the Contractor shall:

(a) Participate in discussions with appropriate personnel at the Office of the Treasurer, the Department of Transportation, the Motor Vehicle Department and its branch offices, the Judicial Department, the Office of the comptroller, the State Auditors of Public Accounts in charge of the audit of the Department of Revenue Services, and the State's Financial Advisors, and other state agencies as required.

(b) With concurrence of the State Treasurer's Office, refine overall audit approach based on additional information gathered during the above phase.

(c) Assign engagement staff and roles detailing work to be performed by employees of Deloitte & Touche and employees of Oliver Nichols & Co., the minority subcontractor.

(d) Identify and evaluate internal accounting controls that are currently in place for the Special Transportation Fund.
(e) Determine the nature, timing, and extent of the Fund's current audit procedures, and evaluate any weaknesses in such audit procedures. The evaluation will: identify specific types of potential errors in the transactions or balances and the point where the system is weak, determine the effectiveness of the various controls; concentrate audit testing only to those areas where controls are weak; and assist management in implementing corrective procedures.

(f) Test compliance with those accounting controls upon which reliance will be placed.

(g) Using the procedures outlined in the Procedures Matrix (attached hereto as Exhibit II), begin testing account balances at the interim date referred to in the Engagement Work Plan Schedule (Exhibit III attached hereto).

(h) Determine that controls are operating as evaluated in steps d-g above.

(i) Update year-end account balances and perform additional testing, as determined during steps d-g above.

(j) Prepare draft copies of the financial statements and required footnote disclosure and management letter.

(k) Conduct exit conference with appropriate personnel to finalize draft of financial statements and management letter.

(l) Issue required reports as outlined in Appendix C of the State's Request for Proposal dated December 4, 1992.

(m) Issue pursuant to Section 7.4 of the state's Indenture of Trust with Shawmut Bank Connecticut (formerly Connecticut National Bank) as Trustee (dated September 15, 1984), a letter stating that in connection with the examination of the STF the state was in compliance with the covenant of Section 2.4(b)(1) of the Indenture and reporting on the certificates delivered pursuant to Sections 2.4(b)(1), if any, and 2.4(b)(2), without material qualification.

B: The Contractor shall provide financial assistance/support for any related STO bond issues, including certification of the coverage ratio.
C. The Contractor shall verify and/or confirm program projections. The Contractor shall perform agreed-upon procedures with respect to the requirements pursuant to Sections 2.4 (b)(1) and 2.4(b)(2) of the Indenture of Trust, and verify program projections prepared by the State's Financial Advisor.

3. State Responsibilities

A. Subject to and in accordance with all applicable laws, the State shall provide any information requested and make available any documents required or requested by the vendor.

B. The State shall make available appropriate personnel for consultation with the Contractor.

PART 3

FEES

Fees shall not exceed:

Audit:

The Contractor shall be paid $49,500 for the 1993 audit.

The fee to be paid to the Contractor for the 1994 audit shall be $49,500 plus an amount calculated by multiplying $49,500 by the increase in the Consumer Price Index (CPI) for the period July 1, 1993 through June 30, 1994.

The fee paid for the 1995 audit shall be $49,500 plus an amount calculated by multiplying $49,500 by the increase in the CPI for the period July 1, 1993 through June 30, 1995.

Bond Issues:

The Contractor shall be paid $5,820 for each bond issue for which it provides services, in accordance with the terms of this Agreement, for the period July 1, 1993 through June 30, 1994.

For each bond issue for which the contractor provides services, in accordance with the terms of this Agreement, for the period July 1, 1994 through June 30, 1995, the Contractor shall be paid $5,820 plus an amount calculated by multiplying $5,820 by the increase in the Consumer Price Index (CPI) for the period July 1, 1993 through June 30, 1994.

For each bond issue for which the Contractor provides
services, in accordance with the terms of this Agreement, for the period July 1, 1995 through December 31, 1995, the Contractor shall be paid $5,820 plus an amount calculated by multiplying $5,820 by the increase in the CPI for the period July 1, 1993 through June 30, 1995.

**Program Projections: (if performed separately)**

The Contractor shall be paid $5,820 for each program projection performed, in accordance with the terms of this Agreement, for the period July 1, 1993 through June 30, 1994.

For each program projection performed, in accordance with the terms of this Agreement, for the period July 1, 1994 through June 30, 1995, the Contractor shall be paid $5,820 plus an amount calculated by multiplying $5,820 by the increase in the Consumer Price Index (CPI) for the period July 1, 1993 through June 30, 1994.

For each program projection performed, in accordance with the terms of this Agreement, for the period July 1, 1995 through December 31, 1995, the Contractor shall be paid $5,820 plus an amount calculated by multiplying $5,820 by the increase in the CPI for the period July 1, 1993 through June 30, 1995.

All fees include out-of-pocket expenses and will be progress billed, after completion of each phase as set forth in the Engagement Work Plan Schedule (Exhibit III).
PROPOSAL TO PROVIDE AUDIT AND OTHER ATTEST SERVICES FOR THE SPECIAL TRANSPORTATION FUND FOR THE YEARS ENDED JUNE 30, 1993, 1994 AND 1995
December 30, 1992

Mr. Benson R. Cohn
Assistant Treasurer - Debt Management
Office of the Treasurer - 6th Floor
55 Elm Street
Hartford, Connecticut 06106

Dear Mr. Cohn:

We appreciate the opportunity to present our proposal for audit and other attest services for the Special Transportation Fund. At Deloitte & Touche, our mission is "to provide top quality accounting, auditing, tax and management consulting services that add value to our clients' business performance."

This proposal will demonstrate to you the continuing advantages of engaging Deloitte & Touche as your accounting, auditing and tax firm. These advantages are as follows:

- A highly talented and committed service team with years of experience in serving the public sector and three years of experience in serving the Special Transportation Fund.

- Outstanding qualifications in the public sector industry.

- A strong Connecticut based service team.

- The most effective audit process to ensure that the audit is performed in a timely and efficient manner.

- A proven working relationship with a qualified minority business enterprise that will continue to provide 20% of the service effort for this engagement.

Our credentials in serving clients are why Deloitte & Touche is the logical choice for the Special Transportation Fund. We not only bring you technical and industry expertise, but we also bring a high level of enthusiasm and a commitment to excellence in every area of service.
We have organized our proposal with an Executive Summary to provide you with top level reasons why we believe we should continue to provide Audit and other Attest Services for the Special Transportation Fund. The remaining information in this proposal is responsive to the request for proposal requirements.

We appreciate this opportunity to demonstrate our qualifications, competence and capacity to continue as your auditors, to provide and maintain the professional business relationship you deserve. We assure you that you will consistently receive the best service from the best people in our firm and thus the best service from the accounting profession. Deloitte & Touche will not simply meet all of your expectations, but we will exceed them. We look forward to continuing our relationship and commitment to you.

Sincerely,

[Signature]

John H. Schuyler
Partner
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SECTION ONE:

EXECUTIVE SUMMARY
Throughout this proposal, Deloitte & Touche will present strong evidence that it has the experience, organization, resources, people and pricing to be the appropriate firm to provide professional audit and other attest services for the Office of the Treasurer (OTT) and the State Special Transportation Fund (STF).

Our role of preeminence in the State -- with three practice offices throughout the State, as well as our National Office and worldwide resource center located in Wilton -- gives us a special responsibility to you. As Connecticut residents and taxpayers, we have a commitment to the effectiveness of State government that is personal as well as professional.

As part of fulfilling this commitment, we have developed a strong and efficient business relationship with the OTT -- which means that we will do the job right and do it economically. In short, we understand the OTT and its needs and also bring understanding of the other agencies involved [for example, the Department of Transportation (DOT) and Office of the State Comptroller (OSC)] inter-departmental funds and records flow and relationships required for the STF.

This proposal identifies key elements that distinguish Deloitte & Touche -- elements which, after reading you will agree, add up to an outstanding service plan that not only meets but exceeds the State's and the OTT's needs.

. We are prepared to staff the Treasury service team with the level of professional skill it deserves, i.e., the best.

. We have previously identified a top flight subcontractor -- a minority accounting firm that has been an integral part of the STF team for three years -- to work with our team, thus aiding the OTT in achieving its set-aside goals.

. We combine all these assurances of unsurpassable quality with a realistic fee schedule. We have priced our proposal to reflect our honest desire to continue your business in a time when the OTT is working to meet the State's own fiscal needs.
• We have a firmwide track record of performing audits for the public sector that will give you confidence in our ability to get the job done.

• We have unique experience to perform accounting and auditing services for the Office of the Treasurer. When we were first awarded the contract to be independent accountants for the STF for the year ended June 30, 1990, we immediately addressed various reporting issues, and as a result, the STF financial statements were in accordance with GAAP for the first time in its existence. In addition, as independent accountants for Connecticut Innovations, Inc., we assisted in adapting its financial statements to the appropriate fund structure (among other improvements), for the first time in its history.

• We continue to act as technical consultants to the Comptroller regarding GAAP reporting. We had previously assisted the State in producing its first GAAP report that won a Certificate of Excellence from the Government Finance Officers' Association.

• We also serve as consultants to the OTT on its review of the state pension plans.

The above experience allows us to help you to proactively address accounting issues, particularly those that may affect the State's comprehensive financial statements.

• The team is creative. We plan to continue to integrate our audit procedures with audit functions internal to the State government, for example, the use of State auditors in testing gasoline tax revenues at Department of Revenue Services.

• We are independent. We have provided, and continue to provide, services to the Treasury, Comptroller and other State departments and agencies; this experience improves our understanding of the tasks, but does not impair our independence.

• Our team leadership will combine literally the best professional resources available in our 20,000-person U.S. practice.
First, given Connecticut's current tight fiscal constraints, the OTT is seeking ways to translate difficulty into opportunity and to find more efficient ways to operate. At the same time, we will cut no corners. Our service plan contains complete assurance that the quality of the work we do for you -- the technical audit and the verification services -- will be unsurpassed.

It is in the character of our firm to take this approach -- a pro-active approach, going after opportunities to economize and to improve the quality and effectiveness of our work on your behalf; an approach that focuses as much on the intelligent use of the information and insights gained in the course of our work as on the work itself. We are a professionally conservative firm, but we are not a firm that is slow to recommend change when we see a way to improve a client's operations or financial performance. We are never satisfied with the status quo.

Our approach is characterized not only by technical excellence but also by the importance we attach to communication and timeliness. Our Treasury team members were selected with their abilities in all of these areas in mind.

Communication is one of our most important attributes. We trade information, opinions, views, and advice with you regularly -- formally and informally. We hire and promote our people in strong measure on their abilities as communicators. We will not waste your time -- but will not let problems build up or opportunities slip past. We direct our communication to the right people and we do so throughout the year, not just at year end.

Our firm culture is intolerant of missed deadlines, whatever the reason. We place a premium on keeping deadlines -- or beating them.
SECTION TWO

TECHNICAL CRITERIA
SECTION TWO

TECHNICAL CRITERIA

A. OVERVIEW

Deloitte & Touche is a general domestic partnership providing comprehensive accounting and auditing, tax, and consulting services throughout the United States.

We serve our multinational clients on a worldwide basis through a worldwide organization in 108 countries. Worldwide, we employ approximately 56,000 people, of whom 4,900 are partners.

In the United States, Deloitte & Touche has 130 offices. Cohesive action among these offices is attained through our national organizational structure and programs for information exchange, education, specialized support, and quality control. This structure enables Deloitte & Touche to provide strong local capability supported by the resources of a large national firm.

Over the last decade, Deloitte & Touche and its predecessor firms have been one of the fastest-growing major public accounting firms in the United States. New clients consisted of some of the largest U.S. corporations such as Beatrice Foods, Dillard's, Duracell, Sunshine Biscuit, The Henley Group, Irving Trust, Borg-Warner, Marsh & McLennan, Morrison Knudsen, Rotary International, Dyno Industrier North America, Harcourt Brace Jovanovich, Terra Industries, National Safety Associates, Accor, Midwest Stock Exchange, Neiman-Marcus and RJR Nabisco as well as governments such as Massachusetts and West Virginia and significant numbers of middle market clients (80% of our clients are "middle market" entities).

Outstanding service capabilities are a distinguishing characteristic of Deloitte & Touche. We are known as the auditor's auditor -- and we have a strong portfolio of services to offer clients.

We are recognized leaders in advanced audit techniques. Our specialists pioneered methods to audit computerized records, and with the introduction of micro and minicomputers we made an early commitment to long-range R&D programs. The most recent products of our effort -- our risk-based international audit approach and our microcomputer-based audit support system -- are innovative and essential in today's economy.
Deloitte & Touche’s full complement of accounting and consulting professionals is well equipped to meet your long-term economic and professional needs, as well as the short-term cyclical adjustments of state offices and agencies. We use an integrated approach that combines functional expertise with industry knowledge. This approach incorporates:

- Centralized control of our account service vested in a Client Services Partner who is authorized to bring the firm’s full resources to bear in serving clients, so as to ensure that the work is done well and on time; and

- Broad industry knowledge through our numerous industry specialty groups, whose members are experts in a wide range of markets in addition to the public sector, including mergers and acquisitions, health care, financial services, public utilities, manufacturing, retail and wholesale, real estate and transportation.

Deloitte & Touche partners share a tradition of developing close business relationships with clients’ management, learning about the key operating issues facing clients and providing timely, responsive, and constructive advice. In particular, our extensive public sector experience and the presence of our firm headquarters in Connecticut make us particularly sensitive to the highly visible and complex issues the Special Transportation Fund faces. For example, as GAAP advisors to the OSC, we were able to assist the OSC with improvements over GAAP financial reporting.

Our strong commitment to quality service is one of the reasons for our industry-leading client growth over the past five years. We measure quality by our service record, our clients, our unqualified peer reviews and our people.
WASHINGTON, D.C.
RESOURCES

State government offices and agencies, now more than ever, need the ability to identify, analyze and respond to federal laws and regulations and executive and legislative reports, studies, and policies that impact current or proposed state initiatives.

To meet this need, our services to the STF include access to our Washington, D.C. Service Center (WSC) at no additional cost. This office allows us to provide our clients and our own professionals with the necessary expertise to aid in understanding and anticipating federal government activities.

Resources available to the STF include such individuals as:

- Jack Kiley, a member of the Government Finance Officers' Association (GFOA) Cash Management Committee.

- Pat Hardiman, a member of the GFOA's Committee on Accounting, Auditing and Reporting, was Executive Editor of the 1988 Governmental Accounting, Auditing and Financial Reporting and Audit Management Handbook and represented the GFOA on the American Institute of CPAs Audit Quality Task Force. Pat serves as GAAP advisor for the State's Comprehensive Annual Financial Report for the OSC and advisor to the OTT's pension study. Pat will serve as advisory partner to the STF engagement.

B. UNDERSTANDING OF WORK TO BE PERFORMED

UNDERSTANDING OF THE OPERATIONS OF THE STATE TRANSPORTATION INFRASTRUCTURE PROGRAM

The ten-year cost of the State's Transportation Infrastructure program covering the fiscal years 1985 through 1994 is currently estimated at $7.6 billion. The program encompasses the planning, acquisition, removal, construction, repair and improvement of State highways and bridges. The State's share of this program, estimated at $3.6 billion, is to be funded from pledged revenues deposited in the Special Transportation Fund and from the proceeds of Special Tax Obligation (STO) bonds.
SPECIAL TRANSPORTATION FUND

STO bonds are special obligations of the State and are payable solely from the revenue of the State pledged therefor as provided in Public Act 84-254 (the Act), as amended. All pledged revenues are credited to the Special Transportation fund established pursuant to Public Act 83-30 of the June 1983 Special Session of the Connecticut General Assembly. Pledged revenues consist of taxes, fees, charges and other designated receipts of the State. These include motor fuels taxes; motor vehicle receipts; license, permit and fee revenues; motor vehicle related fines, penalties or other charges, and certain transportation related federal revenues of the State credited to the fund. Other receipts, funds or monies pledged under the Indenture of Trust entered into by the State and The Connecticut National Bank, as Trustee, include investment earnings and monies in the funds and accounts established.

The Act further provides that the Treasurer will apply the resources in the Special Transportation Fund to pay for debt service on the bonds or notes as required by the Indenture. The Debt Service Account, the Note Repayment Account and the Reserve Account, which are accounted for as part of the Special Transportation Fund, are held in trust by the Trustee and are the accounts from which payments of principal and interest will be paid. The remaining resources of the Special Transportation fund are available for (i) payment of principal on Notes, (ii) payment of the principal of and interest on general obligation bonds issued for transportation purposes, or any general obligations refunding the same, and (iii) payment of State budget appropriations for the Department of Transportation.

AUDIT SERVICE PLAN

EXCELLENCE, EXPERIENCE, AND YEAR-ROUND SERVICE

Clients expect technical excellence from their accountants. At Deloitte & Touche, we believe that accounting expertise is the starting point for a service plan that includes financial and administrative advice and year-round service.

The diagram on the following page highlights some of the key aspects of our audit approach, all of which are tailored to the Special Transportation Fund.
DRT International Audit Approach

PERFORM PRE-ENGAGEMENT ACTIVITIES
- Assess Engagement Risk
- Establish Terms of Engagement
- Understand the Client's Business

PERFORM PRELIMINARY PLANNING
- Understand the Accounting Process
- Perform Preliminary Analytical Procedures
- Determine Planning Materiality
- Develop Client-Service Objectives
- Understand the Control Environment

ASSESS RISK
- Assess Risk at the Account and Parental Error Level

DEVELOP AUDIT PLAN
- Specific Identified Risk
  - Rely on Controls?
  - NO
    - Identify Controls That Mitigate Risk
  - YES
    - Control Reliance Strategy?
    - YES
      - Identify Controls and, if Adequate, Establish a Rotation Plan
    - NO
      - Test Controls

- No Specific Identified Risk
  - Perform Focused Substantive Tests
  - Perform Basic Level of Substantive Tests
  - Perform Intermediate Level of Substantive Tests

PERFORM AUDIT PLAN
- Evaluate Results of Tests
- Perform Financial Statements Review
- Perform Subsequent Events Review

CONCLUDE AND REPORT
- Obtain Management Representations
- Report on Financial Statements and Render Management Letter

- 8 -
A business-oriented audit approach forms the foundation for this service plan. Because we have served some of the State's prominent public and private enterprises, including the OTT, OSC, CTTransit, Connecticut Development Authority, Connecticut Innovations, and the Judicial Department we have extensive experience with all types of financial systems and business operations. We use this experience to concentrate our audit procedures on areas of potential risk. Additionally, our meetings with your management team help us to identify new and continued areas of concern. At the time of the audit, we combine both of these elements into efficient, cost effective procedures that concentrate on areas of exposure and areas of concern.

The following sections highlight elements of our audit approach and how we will serve the STF.

AUDIT APPROACH

The Deloitte & Touche audit approach is designed to control costs and still maintain the highest audit standards despite the increasing complexity of financial systems. Our approach integrates the many facets of audit planning, identifies special audit risks, studies and evaluates internal accounting controls, and performs transaction testing and audit sampling. Elements of our approach -- and the benefits to you -- include the following:

- **Audit Planning** focuses our efforts on audit matters more important to management by identifying accounting, auditing, and reporting problems and assigning priorities for timing and areas of audit emphasis. Proper planning is particularly important to the STF engagement because the STF is a reporting entity that presents various transactions from several different entities, requiring unique coordination.

- **Risk Questionnaire** provides greater assurance of audit effectiveness in high risk areas. The questionnaire identifies audit risks and specific weaknesses in controls that may increase the level of ordinary audit risks in particular situations.

- **Study and Evaluation Techniques** reduces the amount of detail testing, documents the various agencies' internal accounting control structure and identifies weaknesses that require management attention.
Our audit approach is principally designed to make our audit more efficient and to ensure the financial statements are reasonable. Other elements of our service plan address different parts of your business operations.

To be effective and responsive, our service plan is based on a thorough understanding of your operations. We do this by conducting an initial review of your financial operations and controls. As we have in the past, we will meet with the appropriate personnel from the Office of the Treasurer, Office of the Comptroller, Department of Transportation (DOT), Motor Vehicle Department (MVD), Judicial Department, and the State auditor of Public Accounts in charge of the Department of Revenue Services (DRS) audit.

This management review helps us determine the best overall approach to serving you and the audit techniques that will be most appropriate for the Authority’s operations. Shortly after our reappointment as your auditors, we will complete our detailed time-phased plan for performing the work which meets your deadlines with minimal inconvenience to your personnel.

Our computerized auditing techniques increase the efficiency and cost effectiveness of our services. Microcomputers, for example, perform routine tasks. Other advanced computer applications are designed to meet the increasing complexity of our clients’ systems and to address key audit issues. Some of these issues include the following:

The evaluation of the internal control structure is designed to determine the extent of reliance to be placed on the internal controls. In essence, our approach enables us to:

Meet with the appropriate agency personnel including the Office of the Treasurer, Office of the Comptroller, Department of Transportation (DOT), Motor Vehicle Department (MVD), Judicial department, and the State auditor of Public Accounts in charge of the Department of Revenue Services (DRS) audit to update the systems of internal accounting controls;
Identify specific types of potential errors in the transactions or balances and the point where the system is weak; for example, as noted during the fiscal 1992 audit, certain recorded deferred revenue, accounts payable and accrued interest income transactions were adjusted.

Determine the effectiveness of the various controls;

Assist management in implementing corrective procedures.

AUDIT SAMPLING

Statistical parameters are essential for exercising rigid control over the quantity and scope of audit tests. Unlike traditional judgment samples where sample reliability tends to vary from application to application, our sampling plan is based on predetermined reliability and precision levels. Therefore the sample size is directly proportionate to the materiality of individual items and the degree of reliance on internal accounting control.

Incorporating a greater business orientation into our EDP reviews facilitates appropriate consideration of broad business issues related to EDP. In addition, it allows for assessing the effects of EDP on audit risks in the planning stage so that an appropriate audit response can be developed.

This approach specifies procedures for the study and evaluation of internal accounting controls within each significant accounting application. Significant accounting applications are those that can materially affect the financial statements -- for example, revenues, cash receipts, purchases, cash disbursements, payroll, accounts receivable, general ledger, etc. We perform this evaluation during the early stages of our fieldwork so that our audit response can be adjusted appropriately.

We will work closely with key accounting and EDP personnel to obtain pertinent accounting system information. We then analyze the information and use our computer skills and audit software to maximize the efficiencies of the computer during our audit.
CONSTRUCTIVE SERVICE APPROACH

We take the view that our service team makes comments and recommendations that are significant and useful. For example, during the fiscal 1992 audit, we presented comments in the areas of deferred revenue, accounts payable and accrued interest income that resulted in improvements to certain accounting aspects of the fund. Sometimes these comments are appropriately reported in a management letter and sometimes it is more appropriate to do so informally in person. In this way, actions can be agreed upon and implemented as soon as practical, thus giving the STF the full benefit of our role as business advisor.

MEETING YOUR DEADLINES

Meeting your deadlines for completion of the financial statement examination means precise, timely execution of each step in the audit process. Our extensive experience serving the STF plus many other governmental and private sector entities means we are thoroughly familiar with the time and personnel needed to serve you effectively. A master timetable, however efficient, does not take into account the individual needs of each client. We therefore tailor our schedule based on your needs.

We anticipate signing off on the financial statement by mid-October and issuing all required reports no later than October 30.
Our work plan is designed to adhere to your requirements as-set forth in the request for proposal. Regular consultation with your personnel will enable us to evaluate our work plan and to implement any changes or revisions quickly.

The skills and experience of the professionals assigned to perform the tasks make the critical difference. Each member of our management team was selected specifically for his or her depth of experience that will enable us to provide all the services required in undertaking this engagement.

Our work plan consists of four distinct yet inter-related phases. This approach will ensure that each major phase is adequately planned and our work proceeds efficiently. The phases and their objectives are:

ENGAGEMENT PLANNING -- results in an enhancement of our understanding of the funds, identification and communication of problems and concerns, and staffing plan for the remaining phases.

INTERIM FIELD WORK -- results in a determination of the extent of audit procedures, an evaluation of compliance with internal controls, and testing of interim balances and amounts.

FINAL FIELD WORK -- results in completion of our testing of balances and amounts through year-end.

REPORT PREPARATION REVIEW AND ISSUANCE -- results in financial statements and management letter for the STF.

The charts on the following pages detail our engagement work plan and each specific procedure. The charts depict the specific phases, sequence and inter-relationship of phases, the products that will be provided, and the planned work steps.
PHASE 1
Engagement Planning

PHASE 2
Interim Fieldwork

PHASE 3
Final Fieldwork

PHASE 4
Report Preparation Review and Issuance

ENGAGEMENT PLANNING

OBJECTIVE

- Update our understanding of the overall operations of the special transportation fund.
- Permit early identification of problems or concerns with effective communication thereof to the State Treasurer.
- Establish detailed work schedules and timetables.

WORK SCHEDULE

- Start Date: April 26, 1993
- End Date: May 7, 1993
- Estimated Hours: 100

PROCEDURES

1.01 Participate in discussions with appropriate personnel at the Office of the Treasurer, the Department of Transportation, the Motor Vehicle Department and its branch offices, the Judicial Department, the Office of the Comptroller, and the State Auditors of Public Accounts in charge of the audit of the Department of Revenue Services, to determine activity of the Fund and additional audit considerations.

1.02 Review applicable Public and Special Acts, Connecticut General Statutes, and financial and other management information relating to the fund and bond issues involved to update our overall understanding of the fund.

1.03 Refine overall audit approach based on additional information gathered at the above listed agencies and during the review process. Coordinate work to be performed with such agencies to minimize schedule interruptions and consult with Lamont Financial Services to address bond issues.

1.04 Assign engagement staff and roles detailing work to be performed by Deloitte & Touche and Oliver Nichols with appropriate experience and technical proficiency.
INTERIM FIELDWORK

OBJECTIVE

- Determine extent of audit procedures.
- Evaluate compliance with internal controls.
- Begin test of interim balances.

WORK SCHEDULE

Start Date: May 10, 1993
End Date: June 28, 1993
Estimated Hours: 250

PROCEDURES

2.01 Update documentation of internal accounting controls.
2.02 Evaluate the internal accounting controls and determine the nature, timing, and extent of audit procedures.
2.03 Test compliance with those controls upon which reliance will be placed.
2.04 Using the procedures outlined at the Procedures Matrix on Page 18, begin testing account balances at the interim date.
2.05 Update bond schedules to include any new issues and refunds during the year.
PHASE 1
Engagement Planning

PHASE 2
Interim Fieldwork

PHASE 3
Final Fieldwork

PHASE 4
Report Preparation Review and Issuance

FINAL FIELDWORK

OBJECTIVE
- Complete testing of balances through year-end.

WORK SCHEDULE
Start Date: August 2, 1993
End Date: October 15, 1993
Estimated Hours: 400

PROCEDURES
3.01 Determine that controls are operating as evaluated at Phase 2.
3.02 Update year-end account balances and perform additional testing, as determined during Phase 2.
3.03 Verify debt covenants are complied with (i.e., debt service and bond service accounts are properly funded).
3.04 Obtain accounts payable detail and test as necessary to determine propriety of amounts and classification as operating or program costs.
3.05 Evaluate deferred revenue accounts to determine the propriety of deferred totals.
REPORT PREPARATION, REVIEW AND ISSUANCE

OBJECTIVE
- Prepare, quality review, and issue financial statements and management letter.

WORK SCHEDULE
Start Date: October 1, 1993
End Date: October 29, 1993
Estimated Hours: 150

PROCEDURES
4.01 Prepare draft copies of the financial statements and required footnote disclosure, management letter and debt compliance letter.

4.02 Conduct exit conference with appropriate personnel to finalize draft of financial statements, management letter and debt compliance letter.

4.03 Issue required reports.
### PROCEDURES MATRIX

**PROCEDURE**

**DETAILED TESTING**

<table>
<thead>
<tr>
<th>ACCOUNT</th>
<th>RECONCILIATION</th>
<th>CONFIRMATION</th>
<th>RECALCULATION</th>
<th>EXAMINE</th>
<th>SUPPORTING DOCUMENT</th>
<th>ANALYTIC REVIEW</th>
<th>LOCATION OF RECORDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and short-term investments</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>OTT, CMB</td>
</tr>
<tr>
<td>Restricted funds held by Treasue</td>
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<td></td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td>SAPA, DRS</td>
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<tr>
<td>Arrears of motor fuel taxes receivable</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>OTT, DIT</td>
</tr>
<tr>
<td>Due from other States of Connecticut funds</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>OTT, DIT</td>
</tr>
<tr>
<td>Restricted federal and other grants receivable</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>OTT, CMB</td>
</tr>
<tr>
<td>Accrued interest income</td>
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<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>OTT, DIT</td>
</tr>
<tr>
<td>Special tax obligation bonds payable</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>OTT, DIT</td>
</tr>
<tr>
<td>Reserve for debt service</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>OTT, DIT</td>
</tr>
<tr>
<td>Commitments and contingencies</td>
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<td>X</td>
<td></td>
<td></td>
<td></td>
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<td>OTT, DIT</td>
</tr>
<tr>
<td>Motor fuel taxes</td>
<td></td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Motor vehicle receipts</td>
<td>X</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>MVD, DIT</td>
</tr>
<tr>
<td>License, permit and fee revenues</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>MVD, DIT</td>
</tr>
<tr>
<td>Investment income</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
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<td></td>
<td>OTP, DIT</td>
</tr>
<tr>
<td>FICA taxes</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>OTP, DIT</td>
</tr>
<tr>
<td>Debt service special tax obligation bonds</td>
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<td></td>
<td></td>
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<td>OTP, DIT</td>
</tr>
<tr>
<td>Debt service transportation-related general obligation bonds</td>
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<td></td>
<td></td>
<td></td>
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<td>OTP, DIT</td>
</tr>
<tr>
<td>Operating expenditures of the Dept. of Transportation</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>OTP, DIT</td>
</tr>
<tr>
<td>Program costs of the Department of Transportation</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>OTP, DIT</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>OTP, DIT</td>
</tr>
</tbody>
</table>

**Key to Location of Records**

- **OTT** - Office of the Treasurer
- **DIT** - Office of the Comptroller
- **SAPA** - State Auditors of Public Accounts
- **DRS** - Department of Revenue Services
- **HID** - Judicial Department
- **DOT** - Department of Transportation
- **MVD** - Motor Vehicle Department
- **LFS** - Lamont Financial Services
- **AT** - Attorney General

LP 04349
ENGAGEMENT WORK PLAN SCHEDULE

PHASE

J F M A M J J A S O N D

Engagement Planning
Interim Fieldwork
Final Fieldwork
Report Preparation, Review and Issuance
We have estimated the number of hours necessary to complete Phases I through IV as follows:

<table>
<thead>
<tr>
<th>STAFF LEVEL</th>
<th>PHASE I</th>
<th>PHASE II</th>
<th>PHASE III</th>
<th>PHASE IV</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ENGAGEMENT</td>
<td>INTERIM FIELDWORK</td>
<td>FINAL FIELDWORK</td>
<td>REPORT REVIEW QUANCE</td>
<td>HOURS</td>
</tr>
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<td>15</td>
<td>20</td>
<td>30</td>
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</tr>
<tr>
<td>Manager</td>
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<td>30</td>
<td>40</td>
<td>40</td>
<td>130</td>
</tr>
<tr>
<td>Senior</td>
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<td>80</td>
<td>120</td>
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<td>310</td>
</tr>
<tr>
<td>Staff</td>
<td>20</td>
<td>125</td>
<td>220</td>
<td>20</td>
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<td></td>
<td>100</td>
<td>250</td>
<td>400</td>
<td>150</td>
<td>900</td>
</tr>
</tbody>
</table>
VERIFICATION OF PROJECTIONS

In addition to performing the annual audit of the Special Transportation Fund, we will:

. Provide support services for any related STO bond issues, as appropriate.

. Perform agreed-upon procedures with respect to the requirements pursuant to Sections 2.4(b)(1) and 2.4(b)(2), to verify program projections prepared by the State's Financial Advisor and certify whether the Debt Service Reserve account is in compliance with the covenant contained in Section 7.1 of the Indenture of Trustee.

In addition to providing the above services, Deloitte & Touche has the ability to provide verification services through our Deloitte & Touche Verification Group. Our Verification Group has participated in over 200 tax-exempt refinancings, including advance refundings; defeasances; and escrow restructurings. The services provided by the Verification Group include the following:

. Verification of the mathematical accuracy of the calculation of the yields on both the refunding bonds and on the securities purchased and placed in escrow.

. Agreed upon procedures relating to the anticipated receipts from the securities placed in escrow and pay the debt service of the refunded bonds.

The Deloitte & Touche Verification Group has a proven performance record, depth of experience, and quality control surpassed by none.

C. TECHNICAL EXPERIENCE OF THE FIRM

INDEPENDENCE

Deloitte & Touche is independent, in accordance with the standards of the U.S. General Accounting Office's Government Auditing Standards (1988), of the Office of the Treasurer, the Department of Transportation, the Motor Vehicles Department, Department of Judiciary and Department of Revenue Services, all of which are subject to test in the audit of the Special Transportation Fund (we expect to continue to rely on the procedures performed on our behalf by the Auditors of Public Accounts for work to be performed at the Department of Revenue Services).
During the past three years, we have provided consulting services to the Office of the Treasurer in relation to the negotiation of master trustee agreements. Currently we consult with the OTT regarding its pension study. We have also provided accounting services as follows: Assistance with bank reconciliations and reconciling the asset transfer from one trustee to another, preparation of policies and procedures for the Investment Group, and compilation of financial statements for the Investment Group and Pension Funds. None of the above is of an incompatible nature with the procedures necessary to audit the Special Transportation Fund.

LICENSE TO PRACTICE

Both Deloitte & Touche and the supervisory and advisory partners are properly licensed to practice in Connecticut.

QUALIFICATIONS AND EXPERIENCE

In Connecticut, Deloitte & Touche is a leading provider of accounting, auditing and financial reporting services to the public sector. State and local government is among a selected limited group of industries to which Deloitte & Touche commits special resources on a national level (for example, over 400 of our partners and managers are firm-designated governmental accountant and auditing specialists), and Deloitte & Touche in Hartford is a leading office within the firm in the depth and range of our public sector auditing resources and our clients. For example:

- In Connecticut, Deloitte & Touche serves numerous Connecticut municipalities, a regional school district and other governmental authorities. Nin municipalities and one school district are served from the Hartford complex, the office that will manage this engagement.

- We serve one of our largest municipal clients, the City of Hartford, through a 50-50 joint venture between Deloitte & Touche and an MBE; the joint venture, in turn, subcontracts with two additional MBE's.

- We serve the Office of the State Comptroller as GAAP advisor, CTTransit and the UConn Health Center as auditors and, for the past three years, have served the STF. We have just been selected by the Connecticut Development Authority for the Hartford Civic Center Review.
Three partners, six managers, and 10 senior accountants in the Hartford practice devote a significant portion of their practice to the public sector.

In total, approximately 50 professionals in our Hartford practice are actively engaged in government accounting and auditing. In addition, our training program meets the requirements of the General Accounting Office and all our staff accountants receive on-going, up-to-date training in governmental accounting and auditing.

Approximately 30% of the continuing accounting and auditing professional service time is devoted to serving the public sector.

A further indication of our reputation in the public sector is the award to Deloitte & Touche of four of the first seven operations review contracts by the Connecticut Commission to Study the Management of State Government.

As a result of this national emphasis, and our Hartford office's preeminent position, our government services are well organized and well supported with continuing education, national level resources, and publications and updates. This provides public sector clients such as the STF with the latest and the best in professional auditing and accounting services.

This depth of experience serving the public and quasi-public sectors is an additional key credential we bring to our proposal to serve you. As you review the following proposal, we encourage you to focus on the other critical elements which distinguish Deloitte & Touche and our service approach.

Prior Engagements

Prior engagements with the Office of the State Treasurer include the following:

Auditing

Special Transportation Fund - In our first audit, we assisted the State to report on a proper GAAP basis with a nonqualified opinion for the first time in the Fund's existence. Previously, the transactions were inappropriately recorded in a single proprietary type fund and certain transactions were recorded on a basis other than GAAP.
Consulting

- Performance of a management and operation study of the Treasury's organization structure, staffing patterns and operating procedures.
- Assistance with the selection and implementation of a Master Custodian relationship.
- Identification of automation requirements, analysis of software and hardware options, assistance with software and hardware procurement and monitoring of software and hardware implementation for all principal areas including:
  .. Cost Accounting
  .. Debt Management
  .. Unclaimed Property
  .. Personnel
  .. Other Automation
- Development of procedures manual for all Treasury functions.
- Assistance with space planning.
- Assistance with procuring and implementing investment voice and data communications systems.

Accounting

Bank Reconciliation Project

- Updating and maintaining the bank reconciliation process for the custodial, depository and other (Vendor, Payroll, College Card and Bond Coupon, and Labor) accounts of the State Office of the Treasurer.
- Development of a procedures manual and training cash management staff in the area of bank reconciliation.

Investment Accounting Assistance

- Development of internal investment accounting procedures.
- Acting as the State's Investment Accounting Unit which included maintaining ledgers for the retirement, trust and investment funds and preparing the annual report. Additionally, reviewing the payment of invoices to external investment managers as well as serving as the liaison with the State auditors, Investment Division and Boston Safe.
Assisting in screening applicants for the position of Senior Investment Officer.

SIMILAR ENGAGEMENTS We have recently served on the following similar engagements:

- **Connecticut Innovations, Inc. ("CII")** - We reviewed the financial statements of CII, a State financing authority. In our first year, we assisted CII in correcting and improving its fund structure and financial reporting. Previously, CII inappropriately used account groups to report investments.

- **Connecticut Development Authority** - Auditors from its inception through June 30, 1990.

- **Office of the Comptroller** - We serve as consultants to the Comptroller for GAAP reporting. In the past, we assisted the Comptroller's office to convert the State's Comprehensive Annual Financial Report to GAAP and obtain a Certificate of Excellence from the GFOA.

- **CTTRANSIT** - We serve as auditors of CTTRANSIT for its operations and pension plans.

SPECIAL QUALIFICATIONS The STF's financial transactions are included in several funds in the State's Comprehensive Annual Financial Report including the special revenue and debt service fund types. As government GAAP continues to develop (for example, new entity criteria due for implementation soon), accounting issues will develop. As consultants to the Comptroller on the preparation and presentation of the State's financial statements, we can bring a unique experience to bear on your reporting issues.

SIGNIFICANT PUBLIC SECTOR AUDIT CLIENTS SERVED FROM OUR HARTFORD OFFICE

- Connecticut
- Farmington
- Groton
- Hartford
- Madison
- Manchester
- New Britain
- Stratford
- Windsor
- Office of the Treasury - Special Transportation Fund
- Office of the Comptroller
- CTTRANSIT
COMMITMENT TO CONNECTICUT

In 1989, Deloitte & Touche relocated 300 jobs and our National Office and administration resource center for worldwide operations to Wilton, Connecticut. As the nation's 36th largest privately-owned company and the second largest such entity in Connecticut, we are proud of our new corporate citizenship position and, through this proposal, are eager to demonstrate our renewed commitment to the State of Connecticut.

CONNECTICUT PRACTICE

While our National Office in Wilton serves as a resource center for all of our offices, direct client services are handled through practice offices located in three of the state's five largest cities.

Our offices in Hartford, New Haven and Stamford offer a full range of auditing, accounting, tax, consulting and actuarial services. We operate the only full service office of any of the national firms in New Haven. With a statewide complement of more than 275 professionals, including 29 partners, we have sufficient personnel to strategically staff our work for the STP.

AUDITS OF OTHER ENTITIES

Clients of our Connecticut offices include some of the state's largest entities, as well as a diverse range of middle-market and not-for-profit entities, giving our professionals at all levels strong experience handling complex engagements which require efficient and economical staffing, communication and coordination. A sample of these clients includes:

All for a Dollar
Ann Taylor
BIC Corporation
Boehringer Ingelheim, Ltd.
Kaiser Permanente
Berkshire Gas Company
Glastonbury Bank & Trust
Duracell
Ensign-Bickford

First National Supermarkets, Inc.
Kaiser Permanente
Merrill Lynch
Orion Capital Insurance Corp.
Richardson-Vicks
Uniroyal Corporation
U.S. Surgical Corp.
REFERENCES

We have listed below individuals with whom we have worked on various public and quasi-public sector engagements. We have conducted these engagements with a commitment toward providing the highest level of service and responsiveness to our clients. We urge you to confirm this assertion by contacting the individuals noted below.

Mr. Edward Forand
Deputy Treasurer
State of Connecticut
(203) 566-5051

Mr. Benson Cohn
Assistant Treasurer
State of Connecticut
(203) 566-5054

Mr. Albert Ilg
Town Manager
Town of Windsor, CT
(203) 688-3675

Mr. Raymond Girard
Chief Accountant
Office of the Comptroller
State of Connecticut
(203) 566-5659

Mr. Stephen Botticello
Finance and Budget Officer
CTTRANSIT
(203) 522-8101

Mr. William Kilmartin
Comptroller
Commonwealth of Massachusetts
(617) 727-5000

Mr. Anthony Williams
Deputy State Comptroller
State of Connecticut
(203) 566-4929

Mr. Alan Desmarais
Finance Director
Town of Manchester, CT
(203) 647,3101

Mr. John Jedrzejczk
Finance Director
City of New Britain
(203) 826-3434

Mr. William Cochrane
Finance Director
City of Hartford
(203) 722-6022

D. QUALIFICATIONS OF THE CLIENT SERVICE TEAM

Our service team approach of selecting partners, managers, and staff who have significant experience in our clients' industries, who are also individually proficient in accounting and auditing, and who are or will become very familiar with the particular client's operations and management is the basis for providing a full range of services to our clients. Knowledge of our client's operations is essential so that our service will be responsive to each client's particular needs.
Consistent with our client service team approach, we have selected top professionals to provide the Authority with the type of high quality, responsible service which we consider to be the hallmark of our firm. Each individual has participated in the Deloitte & Touche government training program which meets the requirements of the General Accounting Office. For specific educational backgrounds and experience, please refer to the client service team resumes. Each professional has been designated for his specific role on the engagement on the basis of both technical and business skills and our understanding of the particular industry skills needed to serve the Connecticut Development Authority with a high degree of excellence.

ADVISORY PARTNER

In view of the nature of the engagement, combined with our commitment to serve the State of Connecticut and its authorities, the Advisory Partner selected for this engagement is one of our firm's senior public sector specialists, Patrick Hardiman, National Accounting and Auditing Director for the government compliance practice. Pat leads our GAAP advisory team for the State's Comprehensive Annual Financial Report, and our team advising the OTT's pension stud

Pat is also an active advisory partner on the Commonwealth of Massachusetts and State of Nebraska audits.

Prior to joining Deloitte & Touche, Pat worked in the Office of the Comptroller for the City of New York. This experience gives him a unique view from the "operating" side.

CLIENT SERVICE PARTNER

John Schuyler will serve as our Hartford-based Client Service Partner with overall responsibility for the timeliness and quality of our services. In addition to serving the STF and CTTRANSIT, John is a member of the GAAP advisory team serving the OSC and serves seven municipal governments and a regional school district. John is the partner-in-charge of our Central Connecticut (Hartford and New Haven) government practice. He has also served multinational and middle market manufacturers, regulated utilities, not-for-profits, and investment firms. Strong client communication skills and a business advisory approach to client service are a natural outgrowth of such diverse assignments.
In this role, John will ensure that our team perform at or above the expected level, that our work is of the highest quality and is delivered on time all the time. In addition, he will ensure that whatever resources needed to execute our work are made available. As a partner in the firm, he can call upon our national resources as necessary and has the authority to enter into contracts with the STF.

FIELD AUDIT MANAGER

Manager Despina A. Costa will oversee our field audit work. Despina has the background and experience to handle this complex task and keep the field work progressing smoothly and efficiently. With more than nine years of public accounting experience, she has demonstrated the ability to plan, supervise, and manage services to clients. She has served numerous public sector audit clients, including the Special Transportation Fund, Office of the Treasurer and CTTRANSIT as well as other state and local governments.

Despina will be responsible for the day-to-day management of our field work services. In addition, she will be available whenever needed to respond to inquiries from STF personnel.

MINORITY AND SMALL BUSINESS SUBCONTRACTOR

Our minority and small business subcontractor will be an integral part of our management team and will coordinate the work of their personnel with our staff. The quality and specific experience of our subcontractors is a distinguishing feature of the Deloitte & Touche management team and cannot be matched by our competition. We have been careful to select a certified minority accounting firm whose experience complements the Deloitte & Touche team. This original decision has resulted in a proven cooperative and productive working arrangement as the Nichols firm has provided critical work on the DOT segment of the audit. In addition, their background and experience will ensure a special cooperative arrangement.

Mr. Oliver Nichols heads one of Connecticut’s leading certified minority accounting firms founded nearly nine years ago. The firm regularly joint ventures with major accounting firms for public sector projects, including the Special Transportation Fund in the past three years and the City of Hartford. Mr. Nichols will work closely with his colleagues at Deloitte & Touche to ensure adequate staffing and a smooth work flow. In the past three years the Nichols firm has expanded to serve a broad
range of clients, from government and not-for-profit to many small business enterprises. It is expected that Mr. Nichol’s firm will participate in 20% of this engagement.

**SENIOR ACCOUNTANT**

Senior Michael D. Conneely will provide direct on-site supervision. He has consistently shown his strong supervisory and technical abilities on such engagements as the Special Transportation Fund and the City of New Britain.

Mike will be responsible for day-to-day on-site work and direct staff supervision.

**ENGAGEMENT STAFFING**

To conduct staff work, we anticipate using two staff accountants supervised by a partner, a manager and a senior field supervisor, all of which are employed on a full-time basis, and are in compliance with the required governmental accounting and auditing training hours to serve governmental clients.

**FIELD SUPERVISORS**

All Deloitte & Touche senior accountants are Certified Public Accountants and have at least two years of previous auditing experience. In addition to this basic technical credential, we select senior accountants for their demonstrated ability to plan and direct field work and to organize work assignments for the staff under their supervision. Business demeanor, personal communications and the ability to interact successfully with client personnel are equally important since senior accountants work closely with client personnel.

**STAFF ACCOUNTANTS**

Trained and dependable staff accountants are essential in performing the detailed work on the STF accounting records. Incidentally, we consider staff training our responsibility, and all staff accountants will be thoroughly trained before they arrive at a client site, ensuring that their time is most efficiently utilized. Additionally, we consider sound judgment and poise essential attributes in our staff accountants.

**DEPTH OF PERSONNEL**

There are no current or planned contractual obligations that will affect our ability to perform this project. Our three Connecticut offices in Hartford, New Haven and Stamford possess sufficient resources to meet your peak service needs and to
supplement the project team members already identified. The entire Deloitte & Touche Connecticut professional complement of more than 300 additional people is available to the STF. (This figure excludes 300 additional partners, managers, and support staff located in our Wilton, Connecticut National Office.)

We understand your concern regarding staff continuity, which is also a concern of ours. We believe that the depth referred to above allows us to ensure that the quality of services to you will not be affected by any turnover that may occur.

RESUMES

Resumes of our engagement team may be found in Appendix A.

AFFIRMATIVE ACTION

In responding to the OTT's Request for Proposal, we accept fully and without qualification, all items referenced in your request for proposal.

Deloitte & Touche is committed to equal employment opportunity and affirmative action within our firm and to increasing minority representation within the accounting profession as a whole.
COMMITMENT TO
EQUAL OPPORTUNITY

Both Deloitte Haskins & Sells and Touche Ross & Co., the predecessor firms which formed Deloitte & Touche, have had strong affirmative action policy statements in force at both the national and local levels for many years. Our newly combined firm reviews our commitment to affirmative action by fostering increased opportunities for all our personnel -- without regard to race, color, religion, sex or national origin. To that end, all employment decisions are based on the principal of equal employment opportunity.

As evidence of our strong commitment in this area, one of our earliest corporate decisions involved a statement concerning affirmative action for our new firm. Even at this early point in our history, we renew our commitment to equal opportunity. Accordingly, a copy of that affirmative action policy statement is included in this proposal. We have also included our Connecticut and National Work Force Analyses.

FIRM STATISTICS

Nationally, 42 percent of our professional and administrative staff is nonminority female, and minorities comprise 5.5 percent of all management levels. In Connecticut, more than 50 percent of our personnel are female and we are actively seeking to expand our minority professional complement. An analysis of the Ethnic Composition of our total workforce can be found at Appendix B.

RECRUITMENT AND HIRING INITIATIVES

Increasing representation of minorities within our firm begins with recruiting qualified minority and female applicants. To that end, local offices actively recruit qualified minority students for area colleges and universities. National support for this local outreach is coordinated from our National Office in Wilton, Connecticut and includes working closely with professors and placement directors at predominately black schools to inform them of career opportunities in accounting in general and Deloitte Touche in particular. In keeping with this national policy, the Hartford office participates in the Connecticut Scholar Program. Through this program, we provide a minority high school student with part-time employment and exposure to the business environment. Our most recent scholar has continued her employment beyond high school as she undertakes her college studies.
MINORITY PARTICIPATION IN THE ACCOUNTING PROFESSION

Just as Deloitte & Touche is committed to affirmative action within our firm, we are equally committed to increasing minority participation in the accounting profession as a whole. Nationally and locally, we support and encourage our personnel to participate in minority business professional associations. To encourage active participation, we provide reimbursement for professional dues and allow time to participate in association activities.

We are constantly alert to opportunities to foster minority participation in the accounting profession. For example, during this past academic year, the Hartford office helped sponsor the University of Connecticut's third annual Minority Business Conference. During our fall recruiting season, our professionals contacted the officers of the school's chapter of the National Association of Black Accountants, and we will be providing volunteer speakers for this group.

MINORITY INTERNSHIP PROGRAM

As part of our commitment to the public sector, we regularly join minority and small business firms either as joint venture partners or as subcontractors. For example, we serve the City of Hartford audit through a 50-50 joint venture (which in turn, further subcontracts out portions of work to two additional MBE's). These business relationships increase our interest in the training qualifications of minority accounting staff, and we have developed a minority internship program as a creative approach to supplementing our minority firm accounting staff.

Deloitte & Touche, in essence, provides the training and experience for our minority firm's professional staff. Under the internship program, minority college students gain practical experience by working on public sector audit engagements under the direct supervision of Deloitte & Touche personnel. In addition, the interns receive formal training in governmental accounting and auditing techniques as part of our professional development program and continuing education series. The goal of the program is to provide minority students with exposure to both public accounting as a profession and to governmental activities.

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NOTIFICATION OF BIDDERS

The project team and the Hartford Office Managing Partner have reviewed and discussed the "Notification of Bidders", Appendix F of the Request for Proposal and it has been signed and included in this proposal as requested. The firm is fully aware of the Treasury's leadership and commitment to affirmative action and believes that its experience to date is complementary to the goals of the Treasury and the State of Connecticut.

In particular, we have provided detailed information in this section and Appendices A and B, in response to items (a) and (d) of the "Notification to Bidders form. Items (b) and (c) are not applicable. We would particularly take note of our response to item (e).

SOCIAL RESPONSIBILITY INITIATIVES

Deloitte & Touche, at both the national and at the local levels, strongly encourages and supports firm and staff involvement in socially responsible and sensitive organizations and activities. The Hartford office partners conducted, soon after the merger of the predecessor firms, an inventory of community and related activities of the staff. Staff currently supports through volunteer time, over 65 organizations and groups. Organizations range from American Red Cross, to hospitals, to soup kitchens, to boys and girls clubs. The partners have restated to all staff, the need and value of participating in a wide range of socially responsible organizations. In addition, the firm will continue its support with financial contributions to many worthwhile charitable groups.
AFFIRMATIVE ACTION FOR EQUAL EMPLOYMENT OPPORTUNITY - A STATEMENT OF POLICY

Our success as a professional service organization requires that we maintain a rich diversity of personnel able to render excellent service to the public and to the financial community. Our policy of affirmative action to advance the principles of equal employment opportunity has the effect of supporting that goal by enlarging our talent pool.

The policy of the firm is to seek and employ men and women of skill, integrity and enthusiasm and to provide them with the means to develop professionally, without regard to race, color, religion, sex, age, national origin, handicap or veteran status.

The Deloitte & Touche program of affirmative action for equal opportunity is achieved through an ongoing commitment to broad areas of development. These areas and our commitment to each are stated below.

DISSEMINATION OF POLICY

- We shall provide a copy of this policy statement to each recruiting source so that they understand our commitment to equal employment opportunity and affirmative action. These sources will include colleges where we recruit and professional firms we may retain to assist us in our search for talent.

- Copies of this statement will be prominently displayed in employee and applicant areas in all offices throughout the firm.

- The firm’s status as an equal opportunity and affirmative action employer will be communicated to all employees and applicants for employment so that they may know and avail themselves of its benefits.

- We shall use internal means of communication to give further expression to our policy and to deal with specific points of application that have timely significance.

MANAGEMENT GUIDANCE

- We shall provide, at the National Office level, overall direction and support to our program by a management representative who has been appointed firmwide affirmative action officer. This individual is responsible for monitoring compliance with federal regulations, guiding and evaluating individual office programs, and recommending firmwide improvements in affirmative action.
Each Office Managing Partner is responsible for direction and review of the program in his or her office and shall monitor the effectiveness of the local office program by designating a management representative to serve as equal employment opportunity coordinator.

LOCAL ACTION PLANS

A formal written plan of affirmative action is prepared at each office. Each plan incorporates the policies set forth herein, and also specifies the actions to be taken by the office to fulfill the firm's policy.

MANAGEMENT COMMUNICATION

Firm management requires, at least annually, that each office prepare a report of its affirmative action efforts. This process of self-evaluation permits the mutual exchange of ideas between National Office and each Office Managing Partner concerning program accomplishments or recommended changes.

PERSONNEL DEVELOPMENT

All personnel policies including compensation, benefits and transfer are administered without regard to race, color, sex, age, national origin, handicap, or veteran status.

The firm encourages and promotes the nondiscriminatory participation of all employees in firm-sponsored activities.

Our commitment to affirmative action is evident throughout the firm by individual office participation in outreach programs which involve personnel in activities supportive of minorities, women, handicapped individuals and veterans. Members of our management team at all locations are especially encouraged to participate in public service activities that contribute to the advancement of individuals from such groups.

This document contains the broad outline of our commitment to provide equal employment opportunities. Our basic objectives having been defined, we will continue to redefine the direction of our action programs in the months and years ahead.

September 1991
COST OF SERVICES
SECTION THREE

COST OF SERVICES

Deloitte & Touche is committed, as a firm, to maintaining fees at no higher than reasonable levels. Service to our clients is our first consideration. We will do all we can to provide the finest quality services so that our fees should never be a problem. The benefits we provide should always exceed our cost.

We undertake professional services with the objective that our demonstrated competence and commitment to timely, responsive services -- rendered at a fair fee -- will result in a continuing professional relationship. Any firm can attempt to "buy" the STF's audit. A "low ball" fee is seldom in the client's best interest; low fees inevitably result in a corresponding low level of service. Fees should be an important factor in the selection process, but no overriding. Relationships, expertise and experience translate to internal efficiencies and savings that, although difficult to quantify, are very real.

Our professional fees will be based on the actual time required to perform our examinations at hourly rates related to the experience levels of the professionals serving the STF. Accordingly, assuming no change in scope we estimate that our fee for the audit will not exceed $49,500, 20% of which could accrue to the Nichols firm, and for the Agreed Upon Procedure in connection with verification of Projections will not exceed $5,820 per issue. A detail of the fees and expenses may be found on the next page. Any increase in fees for the following two years will be based on the increase in the Consumer Price Index.

The above maximum fees include out-of-pocket expense. Any other services would be based on actual time at the hourly rates noted on the next page.
SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR FINANCIAL STATEMENT AUDIT

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SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
AGREED UPON PROCEDURES REPORT RELATED TO
VERIFICATION OF PROJECTIONS

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APPENDIX A

SERVICE TEAM RESUMES
JOHN H. SCHUYLER
Partner

ROLE IN ENGAGEMENT: Supervising Partner

EXPERIENCE: 16 years in public accounting

CLIENTS RECENTLY SERVED:
State of Connecticut Office of the Treasurer
CTTRANSIT
Special Transportation Fund
Office of the State Comptroller
City of Hartford
Town of Manchester
Town of Farmington
City of New Britain
Structured Technologies
Coherent General
Atlas Copco
Wheel Ring, Inc.
Cullinane and Donnelly
Bauer Aerospace, Inc.
Berkshire Gas Company
American National Red Cross

SPECIAL EXPERTISE: Designated by the Firm as a specialist in governmental accounting and auditing

ACTIVITIES:
American Institute of Certified Public Accountants
Connecticut Society of Certified Public Accountants,
Member - Professional Ethics Committee
District Export Council (Associated with the U.S.
Department of Commerce)
Greater Hartford Chamber of Commerce
Director, Business Council
Chairman, International Committee
Connecticut World Trade Association, Chairman, Trade
Finance Committee
Tolland Foundation, Treasurer

EDUCATIONAL BACKGROUND:
United States Naval Academy, B.S.
Rensselaer Polytechnic Institute, M.S.
PATRICK F. HARDIMAN
ADVISORY PARTNER

ROLE IN ENGAGEMENT: Advisory Partner

EXPERIENCE: 4-1/2 years with Deloitte & Touche
              15 years - City of New York

CLIENTS RECENTLY SERVED:
State of Connecticut
Commonwealth of Massachusetts
New Hampshire Retirement System
State of West Virginia
State of Oklahoma
State of Maryland
Idaho Public Employee Retirement System

Mr. Hardiman is responsible for governmental and not-for-profit accounting and auditing technical issues. Previously, he was Chief of the Management Audit Bureau in the Office of New York City Comptroller. The 150 member Bureau staff is responsible for management audits of City agencies and related government organizations. Pat was with the New York City Comptroller's Office during the fiscal crisis of the mid-seventies, involved over that period in the design and implementation of the City's automated accounting system, preparation of the City's financial statements and first ever audit by independent CPAs, and pension fund accounting and financial reporting. A CPA by training, Pat also had an Advanced Professional Certificate from New York University in Computer Applications and Informations Systems.

PROFESSIONAL ACTIVITIES:
New York Society of Certified Public Accountants, Government Accounting Committee
American Institute of Certified Public Accountants Government Accounting and Auditing Committee

Adjunct Assistance Professor, Iona College

EDUCATIONAL BACKGROUND: Iona College, MBA, BBA
DESPINA A. COSTA
Manager

ROLE IN ENGAGEMENT: Field Audit Manager

EXPERIENCE: 9 years in public accounting

CLIENTS SERVED: Special Transportation Fund
CTTRANSIT
State of Connecticut, Office of the Treasurer – Investment Accounting Project
Connecticut Department of Education
Commonwealth of Massachusetts, Uniform Municipal Accounting System Conversion Project
American National Red Cross – Greater Hartford Chapter
City of New Britain, Connecticut
Town of Windsor, Connecticut
Regional School District #7
Triangle Wire & Cable, Inc.
Glastonbury Bank & Trust
Cellu Tissue Corporation
Atlas Copco
Summit Corporation of America

SPECIAL EXPERTISE: Public sector and not-for-profit

ACTIVITIES: Connecticut Society of Certified Public Accountants
American Institute of Certified Public Accountants
Greater Springfield Chamber of Commerce
Business Roundtable Member

EDUCATIONAL BACKGROUND: University of Massachusetts, B.S.
MICHAEL CONNEELY
Senior Accountant

ROLE IN ENGAGEMENT: Field Supervisor

EXPERIENCE: 4 years in public accounting

CLIENTS SERVED: State of Connecticut - Special Transportation Fund
City of New Britain
Connecticut National Life Insurance Company
Connecticut Medical Insurance Company
Managed Health Benefits

SPECIAL EXPERTISE: Public sector/insurance

ACTIVITIES: Greater Hartford Jaycees
Hartford Easter Seals

EDUCATIONAL BACKGROUND: University of Connecticut, B.S. - Accounting
OLIVER R. NICHOLS
MINORITY SUBCONTRACTOR

ROLE IN ENGAGEMENT: Minority Subcontractor

EXPERIENCE:

- More than fifteen years of experience within both public accounting and private industry, including several years with a major international public accounting firm. Founder and managing partner (since 1984) of Oliver R. Nichols Certified Public Accountants, one of Connecticut's leading minority accounting firms.

- Manager of employee benefits for Insilco Corporation for eight years, where his responsibilities included negotiating with health insurance carriers concerning employee benefits.

- Services to clients include annual review of experience with health insurance plans, including claims, developing cost containment suggestions, and renegotiating health insurance costs with providers.

- Strong experience providing auditing, accounting and consulting services to a variety of public sector clients, including neighborhood development corporations, redevelopment agencies, state agencies, and recipients of federal funds.

- Provides consulting services to clients in areas such as budgeting, revenue enhancement, and cost containment.

CLIENTS SERVED:

State of Connecticut - Special Transportation fund
City of Hartford
Dixwell Head Start Program
Dixwell Neighborhood Corporation
North Hartford Federal Credit Union
Project More
South Arsenal Neighborhood Development Corporation

ACTIVITIES:

American Institute of Certified Public Accountants
Connecticut Society of Certified Public Accountants

EDUCATIONAL BACKGROUND:

Roosevelt University, M.S. and B.S.
ETHNIC COMPOSITION OF TOTAL WORKFORCE.
### Ethnic Composition of Total Workforce

**Deloitte & Touche**

**1992**

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<td>32</td>
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<tr>
<td>Professionals</td>
<td>7,668</td>
<td>3,675</td>
<td>3,157</td>
<td>73</td>
<td>124</td>
<td>316</td>
<td>5</td>
<td>3,993</td>
<td>3,532</td>
<td>103</td>
<td>117</td>
<td>238</td>
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<td>Technicians</td>
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<td>Sales Worker</td>
<td>1,881</td>
<td>823</td>
<td>609</td>
<td>123</td>
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<td>37</td>
<td>4</td>
<td>3,058</td>
<td>2,438</td>
<td>336</td>
<td>174</td>
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<tr>
<td>Office and Clerical</td>
<td>16,141</td>
<td>8,209</td>
<td>7,274</td>
<td>223</td>
<td>224</td>
<td>479</td>
<td>9</td>
<td>7,932</td>
<td>6,795</td>
<td>446</td>
<td>308</td>
<td>374</td>
</tr>
</tbody>
</table>

**Totals**
NOTIFICATION TO BIDDERS

The contract to be awarded is subject to contract compliance requirements mandated by Section 4-114a of the Connecticut General Statutes; and when the awarding agency is the state, Section 46a-71(d) of the Connecticut General Statutes. There are Contract Compliance regulations codified at Section 4-114a-1 et. seq. of the Regulations of Connecticut State Agencies which establish a procedure for the awarding of all contracts covered by Sections 4-114a and 46a-71(d) of the Connecticut General Statutes.

According to Section 4-114a-3(9) of the Contract Compliance Regulations, every agency awarding a contract subject to contract compliance requirements has an obligation to "aggressively solicit the participation of legitimate minority business enterprises as bidders, contractors, subcontractors and suppliers of materials." "Minority business enterprise" is defined in Section 4-114a of the Connecticut General Statutes as a business wherein fifty-one percent or more of the capital stock, or assets belong to a person or persons: "(1) Who are active in the daily affairs of the enterprise; (2) who have the power to direct the management and policies of the enterprise; and (3) who are members of a minority, as such term is defined in sub-section (a) of Section 31-9n." "Minority" groups are defined in Section 32-9n of the Connecticut General Statutes as "(1) Black Americans...(2) Hispanic Americans...(3) Women...(4) Asian Pacific Americans and Pacific Islanders; or (5) American Indians..." The above definitions apply to the contract compliance requirements by virtue of Section 4-114a-1(10) of the Contract Compliance Regulations.

The Awarding agency will consider the following factors when reviewing the bidder's qualifications under the contract compliance regulations:

(a) the bidder's success in implementing an affirmative action plan;
(b) the bidder's success in developing an apprenticeship program complying with Sections 46a-68-1 to 46a-68-17 of the Connecticut General Statutes, inclusive;
(c) the bidder's promise to develop and implement a successful affirmative action plan;
(d) the bidder's submission of EEO-1 data indicating that the composition of its workforce is at or near parity when compared to the racial and sexual composition of the workforce in the relevant labor market area; and
(e) the bidder's promise to set aside a portion of the contract for legitimate minority business enterprises. (See Section 4-114a-3(10) of the Contract Compliance Regulations.)

NOTE: Bidder must sign acknowledgement below and return a signed copy to the Awarding Agency along with bid proposal.
BIDDER'S ACKNOWLEDGEMENT

The undersigned acknowledges receiving and reading a copy of the "Notification to Bidders" form accompanying the State Treasurer's RFP for the State's Special Transportation Fund.

Authorized Signature: [Signature]

Title: [Title]

Organization Name: [Organization Name]

Date: [Date]

Address: [Address]

City: [City]

State: [State]

Zip Code: [Zip Code]
### EXHIBIT II
PROCEDURES MATRIX

#### DETAIL TESTING

<table>
<thead>
<tr>
<th>ACCOUNT</th>
<th>RECONCILIATION</th>
<th>CONFIRMATION</th>
<th>RECALCULATION</th>
<th>EXAMINE SUPPORTING DOCUMENT</th>
<th>ANALYTIC REVIEW</th>
<th>LOCATION OF RECORDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and short term investments</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td>OTT, CNB</td>
</tr>
<tr>
<td>Restricted funds held by Trustees</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td>OTT, DRS</td>
</tr>
<tr>
<td>Accrued motor fuels taxes receivable</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td>OTT, DRS</td>
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<tr>
<td>Due from other State of Connecticut funds</td>
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<td>X</td>
<td>OTT, DRS</td>
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<td>Restricted federal and other grants receivable</td>
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<td>OTT, DRS</td>
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<td>Accrued interest income</td>
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<td>X</td>
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<td>OTT, CNB</td>
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<td>Special tax obligation bonds payable</td>
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<td>X</td>
<td>OTT, DRS</td>
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<td>Reserve for debt service</td>
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<td>Commitments and contingencies</td>
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<td>OTT, DRS, JUD, OTC, DOT, SAPA, DRS</td>
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<td>Motor fuels taxes</td>
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<td>License, permit and fee revenues</td>
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<td>MVD, DOT</td>
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<td>Investment income</td>
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<td>OTT, DRS, JUD, OTC, DOT, SAPA, DRS</td>
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<td>FTA grants</td>
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<td>Debt service special tax obligation bonds</td>
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<td>OTT, DRS</td>
</tr>
<tr>
<td>Debt service transportation related general obligation bonds</td>
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<td>OTT, DRS</td>
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<td>Operating expenditures of the Dept of Transportation</td>
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<td>OTT, DRS, JUD, OTC, DOT, SAPA, DRS</td>
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<td>Program costs of the Department of Transportation</td>
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<td>Compensated absences</td>
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<td>OTT, DRS</td>
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</tbody>
</table>

Key to Location of Records:

- **OTT**: Office of the Treasurer
- **OTC**: Office of the Comptroller
- **SAPA**: State Auditors of Public Accounts
- **DRS**: Department of Revenue Services
- **JUD**: Judicial Department

- **DOT**: Department of Transportation
- **MVD**: Motor Vehicle Department
- **LES**: Lottery, Financial Services
- **AT**: Attorney General
EXHIBIT III

ENGAGEMENT WORK PLAN SCHEDULE

PHASE

Engagement Planning
Interim Fieldwork
Final Fieldwork
Report Preparation, Review and Issuance
PERSONAL SERVICE AGREEMENT

STATE OF CONNECTICUT
OFFICE OF THE STATE COMPTROLLER
ACCOUNTS PAYABLE DIVISION

CO-802A REV. 2/2000
(Electronic Version)

PREPARE 5 COPIES.

THE STATE AGENCY AND THE CONTRACTOR AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT
SUBJECT TO THE TERMS AND CONDITIONS STATED HEREBY AND ATTACHED HERETO AND SUBJECT TO
THE PROVISIONS OF SECTION 4-98 OF THE CONNECTICUT GENERAL STATUTES AS APPLICABLE.

ACCEPTANCE OF THIS CONTRACT IMPLIES CONFORMANCE WITH TERMS AND CONDITIONS SET
FORTH AT SHEET 2 OF THIS FILE, AS ATTACHED HERETO AND INCORPORATED BY REFERENCE.

1. ORIGINAL □ AMENDMENT □ IDENTIFICATION NO. 5081201

2. ARE YOU PRESENTLY A STATE EMPLOYEE? YES □ NO □

3. CONTRACTOR NAME
Deloitte & Touche, LLP

4. CONTRACTOR ADDRESS
PO Box 1613, Stamford, CT 06920-1613

5. STATE AGENCY
Office of the State Treasurer, 55 Elm Street, Hartford, CT 06106

6. AGENCY NO. 1201

7. CONTRACT PERIOD
November 29, 1999 - June 30, 2002

8. CANCELLATION CLAUSE
This agreement shall remain in full force and effect for the entire term of the contract.

9. COST AND SCHEDULE OF PAYMENTS
No change.

10. PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.

11. ACT. CD. [ ] COMM. CD. [ ] COMMITTED AMOUNT

12. C A $1,000.00

13. COMM. TYPE [ ] PS

14. ORIG. AGENCY 1201

15. LINE NO. [ ] COMMITTED AMOUNT $0.00

16. DOCUMENT NO. 03-5081201

17. COM. AGENCY 1201

18. COMM. NO. 03-5081201

19. VENDOR FIRM/ID/SSN/SUFFIX 5081201 13 389 1517-01

20. CONTRACT PERIOD (FROM TO) November 29, 1999 - June 30, 2002

21. ACTIVITY [ ] PS

22. OBJECT 023230

23. FUNCTION [ ] PS

24. AGENCY TAIL [ ] PS

25. EXTENSION [ ] PS

DISTRIBUTION: ORIGINAL-CONTRACTOR PHOTOCOPY-COMPTROLLER PHOTOCOPY-STATED AGENCY PHOTOCOPY-ATTORNEY GENERAL PHOTOCOPY-AGENCY

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer-employee relationship of Internal Revenue Code Section 3121 (d) (2). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all state and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCES AND APPROVALS

STATUTORY AUTHORITY C.G.S. 3-11a

ASSOCIATE ATTORNEY GENERAL DATE 11/9/02

DISTRIBUTION: ORIGINAL-CONTRACTOR PHOTOCOPY-COMPTROLLER PHOTOCOPY-STATED AGENCY PHOTOCOPY-ATTORNEY GENERAL PHOTOCOPY-AGENCY

LP 04384
AMENDMENT NO. 3 TO
THE CONTRACT
between
STATE OF CONNECTICUT
OFFICE OF THE TREASURER
and
DELOITTE & TOUCHE, L.L.P

WHEREAS, the Treasurer of the State of Connecticut (the “Treasurer”), as custodian of the Second Injury Fund (the “Fund”), and Deloitte & Touche, L.L.P. (the “Contractor”) entered into a Contract dated November 29, 1999 (the “Agreement”).

WHEREAS, Section 13 of the Agreement permits the Treasurer and the Contractor to amend the Agreement by mutual agreement as set forth in Section 20 hereof, but not later than June 30, 2002; and

WHEREAS, it is now desirable to amend the Agreement.

NOW THEREFORE, the parties mutually agree to amend the Agreement in the following respects:

1. Section 1 of the Agreement, entitled “Term,” is hereby deleted in its entirety and the following language is substituted in its place and stead as a new Section 1, also entitled “Term”:

This Agreement shall commence on the Commencement Date, and shall end upon termination by either party as set forth in Section 20 hereof, but not later than June 30, 2002.

In all other respects, the Agreement shall remain in full force and effect.

DELOITTE & TOUCHE, L.L.P

By: [Signature]
Name: [Name]
Title: [Title]
Date: [Date]

Approved as to form:
OFFICE OF THE ATTORNEY GENERAL
Dated: [Date]

STATE OF CONNECTICUT

By: [Signature]
Name: [Name]
Title: [Title]
Date: [Date]
PERSONAL SERVICE AGREEMENT
CO-802A REV. 7/2000 (Electronic Version)

STATE OF CONNECTICUT
OFFICE OF THE STATE COMPTROLLER
ACCOUNTS PAYABLE DIVISION

1. PREPARE 5 COPIES.

2. THE STATE AGENCY AND THE CONTRACTOR AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND ATTACHED HERETO AND INCORPORATED BY REFERENCE.

3. ACCEPTANCE OF THIS CONTRACT IMPLIES CONFORMANCE WITH TERMS AND CONDITIONS SET FORTH AT SHEET 2 OF THIS FILE, AS ATTACHED HERETO AND INCORPORATED BY REFERENCE.


CANCELLATION CLAUSE

This Agreement shall remain in full force and effect for the entire term of the contract unless cancelled by the State Agency by giving the Contractor written notice of such intention required thirty (30) days prior to termination.

CONTRACTOR NAME
Deloitte & Touche, LLP
PO Box 1613, Stamford, CT 06920-1613

STATE AGENCY NAME AND ADDRESS
Office of the State Treasurer, 55 Elm Street, Hartford, CT 06106

CONTRACT DATE (FROM TO)
November 29, 1999 June 30, 2002


An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer-employee relationship of Internal Revenue Code Section 3121 (d) (2). Individuals performing services as Independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCES AND APPROVALS

STATUTORY AUTHORITY
C.G.S. 3-11a

AGENCY, AUTHORIZED OFFICIAL
Office of the Treasurer

TITLE
Treasurer

DATE
2/21/01

DATE
1/9/02

DATE
1/9/02

DATE
1/9/02

DISTRIBUTION
ORIGINAL-CONTRACTOR PHOTOCOPY-COMPTROLLER PHOTOCOPY-OPM 10 AS PHOTOCOPY-ATTORNEY GENERAL PHOTOCOPY-AGENCY
AMENDMENT NO. 3 TO
THE CONTRACT
between
STATE OF CONNECTICUT
OFFICE OF THE TREASURER
and
DELOITTE & TOUCHE, L.L.P

WHEREAS, the Treasurer of the State of Connecticut (the "Treasurer"), as custodian of the Second Injury Fund (the "Fund"), and Deloitte & Touche, L.L.P. (the "Contractor") entered into a Contract dated November 29, 1999 (the "Agreement").

WHEREAS, Section 13 of the Agreement permits the Treasurer and the Contractor to amend the Agreement by mutual writing.

WHEREAS, it is now desirable to amend the Agreement.

NOW THEREFORE, the parties mutually agree to amend the Agreement in the following respects:

1. Section 1 of the Agreement, entitled "Term," is hereby deleted in its entirety and the following language is substituted in its place and stead as a new Section 1, also entitled "Term":

   This Agreement shall commence on the Commencement Date, and shall end upon termination by either party as set forth in Section 20 hereof, but not later than June 30, 2002.

   In all other respects, the Agreement shall remain in full force and effect.

DELOITTE & TOUCHE LLP

By: [Signature]
Name: [Name]
Title: [Title]
Date: [Date]

DESTATE OF CONNECTICUT

By: [Signature]
Name: [Name]
Title: [Title]
Date: [Date]

Approved as to form:
OFFICE OF THE ATTORNEY GENERAL
Dated: [Date]

SEAL
CERTIFICATE

I, John Curran, certify that I am the Hartford Office Managing Partner of Deloitte & Touche LLP; that Dave Finnerty, who signed the Agreement with the State of Connecticut for this limited liability partnership, was then a Partner of this limited liability partnership; and that the Agreement was duly signed for and on behalf of this limited liability partnership by the authority of its constituent documents and within the scope of its partnership powers.

Witness my hand this 31st day of December 2001.

By: ~John Curran~

State of Connecticut
County of Hartford, SS: Hartford:

I, ~Marie Ayers~ a notary public in and for the aforesaid County and State, do hereby certify that on this day, before me personally came John Curran to me known, who, being duly sworn, did depose and say that he is the Hartford Office Managing Partner of Deloitte & Touche LLP:

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 31st day of December 2001.

~Marie Ayers~

My Commission Exp. Mar. 31, 2005
REQUEST FOR CONTINUANCE BY AMENDMENT

This form is to be completed when requesting a continuance by amendment to a Personal Service Agreement. Return this form to: Office of Policy & Management, Management Division, 450 Capitol Avenue, MS# 54 MGT, P.O. Box 341441, Hartford, CT 06134-1441.

Agency Name / Address: Office of the State Treasurer
55 Elm Street, Hartford, CT 06106
Date: November 19, 2001

Agency Contact: Kim Alfultis
Phone: (860) 702-3139

Name and Address of Contractor: Deloitte & Touche LLP, 185 Asylum Avenue, Hartford, CT 06103

Was the cost of the original agreement more than $50,000? ☐ Yes ☐ No

Does the amendment have a cost of one hundred percent or more of the cost of the original agreement? ☐ Yes ☐ No

Does the amendment increase the cost of the agreement to more than fifty thousand dollars? ☐ Yes ☐ No

Does the amendment extend the terms of the agreement beyond a one-year period? ☐ Yes ☐ No

Is this the second or subsequent amendment to the agreement? ☐ Yes ☐ No

Original Agreement: ☐ Competitive ☐ Non-Competitive


Term of Original Contract: 1 year.

Cost of Original Services: $290,000

Fund: 302 – Second Injury Fund

Number and cost of prior amendments: 2 prior amendments: The first was done to add six months to term (18 months total) and $144,000 to cost (total $434,000). The second was to provide for follow up audits of insurance companies and added 7 months and to the term (25 months total) and $60,000 to the cost (total $494,000).

Description of Services to be covered by the Amendment: (Purpose, Scope, Activities, Outcomes): Extend agreement by 6 months to allow adequate time for follow up audits of insurance companies to be completed.

Need for the Services: To recoup assessment arrearages.

Cost of this Amendment: No additional cost.

Fund: 302 – Second Injury Fund

Reasons why a new RFP and Personal Service Agreement are not needed: Contractor is familiar with the Second Injury Fund, having completed assessment audits of several insurance companies reporting to the Fund. The audit process would be cost effective and expeditious if the current contractor was extended.

Term of this amendment: 6 additional months through June 30, 2002. Total of 31 months.

Total cost of amended services: $494,000

Requester’s Name and Title: Denise L. Nappier, Treasurer

Requester’s Signature: [Signature]

Approved ☐ Disapproved ☐

Secretary, Office of Policy & Management
Date: 12-10-2001

LP 04389
PERSONAL SERVICE AGREEMENT
CO-802A REV. 3198 (Stock No. 170-01)

1. PREPARE IN QUINQUPLICATE.

2. THE STATE AGENCY AND THE CONTRACTOR AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND OR ATTACHED HERETO AND SUBJECT TO THE PROVISIONS OF SECTION 4-86 OF THE CONNECTICUT GENERAL STATUTES AS APPLICABLE.

3. ACCEPTANCE OF THIS CONTRACT IMPLIES CONFORMANCE WITH TERMS AND CONDITIONS STATED ON THE REVERSE SIDE OF PART 1.

STATE OF CONNECTICUT
OFFICE OF THE STATE COMPTROLLER
ACCOUNTS PAYABLE DIVISION

CONTRACTOR
Deloitte & Touche LLP
Rumit: PO Box 1613, Stamford, CT 06920-1613
185 Asylum Street, Hartford, CT 06103

STATE AGENCY
Office of the State Treasurer, 55 Elm Street, Hartford, CT 06103-1201

CONTRACT PERIOD
5/28/01 THROUGH 12/31/01

CANCELLATION CLAUSE
This agreement shall remain in full force and effect for the entire term of the contract period stated above unless cancelled by the state agency by giving the contractor written notice of such intention required days notice specified at right.

110) CONTRACTOR AGREES TO: (include special provisions - Attach additional sheets if necessary)

Second Injury Fund Assessment Audit. See section 2 of attached for detailed description of services.

ACCEPTANCES AND APPROVALS

STATUTORY AUTHORITY C.G.S. 3-11a

DISTRIBUTION: PART 1 - CONTRACTOR, PART 2 - COMPTROLLER, PART 3 - OPDMDAS, PART 4 - ATTORNEY (GENERAL), PART 5 - AGENCY
AMENDMENT NO. 2 TO
THE CONTRACT
between
STATE OF CONNECTICUT
OFFICE OF THE TREASURER
and
DELOITTE & TOUCHE, L.L.P.

WHEREAS, the Treasurer of the State of Connecticut (the "Treasurer"), as custodian of the Second Injury Fund (the "Fund"), and DeLoitte & Touche, L.L.P. (the "Contractor") entered into a Contract dated November 29, 1999 (the "Agreement").

WHEREAS, Section 13 of the Agreement permits the Treasurer and the Contractor to amend the Agreement by mutual writing.

WHEREAS, it is now desirable to amend the Agreement.

NOW THEREFORE, the parties mutually agree to amend the Agreement in the following respects:

1. Section 1 of the Agreement, entitled "Term" is hereby deleted in its entirely and the following language is substituted in its place and stead as a new Section 1, also entitled "Term":

This Agreement shall commence on the Commencement Date, and shall end upon termination by either party set forth in Section 20 hereof, but not later than December 31, 2001.

2. Section 3, paragraph 1 of the Agreement, under "Compensation of Contractor," is hereby amended to read in its entirety as follows:

(a) Contractor shall be paid by the State of Connecticut an amount not to exceed $494,000 for the Scope of Services in Section 2 of the Agreement. Such amount shall include professional fees and out-of-pocket expenses of Contractor. Professional fees are based on the hours and hourly rates of Contractor's staff assigned by Contractor to work under this Agreement. Any addition to the Scope of Services in Paragraph 2 of the Agreement, which would result in costs in excess of $419,000, will require joint approval of the State Treasurer and the Contractor.

In other respects, the Agreement shall remain in full force and effect.
IN WITNESS WHEREOF, each of the parties has caused this instrument to be executed in its name and behalf by its duly authorized representative and this Amendment No. 2 is effective as of the 29th day of May 2001.

STATE OF CONNECTICUT
OFFICE OF THE TREASURER

By: ________________
Denise L. Nappier
Treasurer

DELOITE & TOUCHE LLP.

By: ________________
Name: John E. Cullen
Title: Partner

Approved as to Form

OFFICE OF THE ATTORNEY GENERAL

By: ________________ 6/14/01
Name: __________________
Title: Assoc. Atty. General

LP 04392
SAL SERVICE AGREEMENT

STATE OF CONNECTICUT

EV. 3198 (Stock No. 170-01)

PRINT OR TYPE
OFFICE OF THE STATE COMPTROLLER
IN QUINTUPLOTE ACCOUNTS PAYABLE DIVISION

E AGENCY AND THE CONTRACTOR AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT TO THE TERMS AND CONDITIONS STATED HEREIN AND ATTACHED HERETO AND SUBJECT PROVISIONS OF SECTION 4-58 OF THE CONNECTICUT GENERAL STATUTES AS APPLICABLE.

ONE OF THIS CONTRACT IMPLIES CONFORMANCE WITH TERMS AND CONDITIONS STATED ON REVERSE SIDE OF PART 1.

This Agreement Shall Remain In Full Force and Effect For the Entire Term of the Contract Period Stated Above Unless Cancelled By the State Agency, By Giving the Contractor Written Notice of Such Intention (Required Days Notice Specified At Right). Other than the individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship (Revenue Code Section 3121(d)(2)). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible for their own taxes.

Acceptances and Approvals

Acceptances and Approvals

Statutory Authority

Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible for their own taxes.

Revenue Code Section 3121(d)(2).
ATTACHMENT

AMENDMENT I TO AGREEMENT

Amendment I, dated as of the fourth of August, 2000, to PERSONAL SERVICES AGREEMENT dated November 29, 1999 ("Agreement") by and between the STATE OF CONNECTICUT, acting through its Treasurer, as Trustee ("Treasurer") and DELOITTE & TOUCHE LLP, ("Contractor").

WITNESSETH:

WHEREAS, in June 1999, the Treasurer announced her intent to secure professional assessment audit and management advisory services, and issued a request for proposals in connection therewith; and

WHEREAS, Contractor was declared a successful competitor, and an agreement was executed with an one year term beginning November 29, 1999; and

WHEREAS, the Treasurer has determined that it would be beneficial to extend the Agreement through May 28, 2001 in order to expand the scope of services to include four additional insurance companies;

NOW THEREFORE, the Treasurer and Contractor hereby amend the Agreement as follows:

1. Section 1 of the Agreement, entitled "Term," is hereby deleted in its entirety and the following language is substituted in its place and stead as a new Section 1, also entitled "Term":

   This Agreement shall commence on the Commencement Date, and shall end upon termination by either party as set forth in Section 20 hereof, but not later than May 28, 2001.

2. Section 2(a), paragraph 1 of the Agreement, under "Services to be provided by Contractor," is hereby deleted in its entirety and the following language is substituted in its place and stead as a new Section 2(a), paragraph 1:

   (a) Contractor will perform certain agreed-upon procedures in connection with standard premiums used by the insurance entities set forth below as the basis for assessment by the Second Injury Fund:

      Hartford Insurance Company of Midwest (Follow up time to verify the correct amount of standard premiums reported to the Fund from the remaining companies for purposes of determining the correct assessment arrearage.)
      Travelers Indemnity Company of Illinois
      Liberty Mutual Fire Insurance Company
      American Home Assurance Company

3. Section 3, paragraph 1 of the Agreement, under "Compensation of Contractor," is hereby deleted in its entirety and the following language is substituted in its place and stead as a new Section 3, paragraph 1:

   Contractor shall be paid by the State of Connecticut an amount not to exceed $434,000 for the Scope of Services in Section 2 of the Agreement. Such amount shall include professional fees and out-of-pocket expenses of Contractor. Professional fees are based on the hours and hourly rates of Contractor's staff assigned by Contractor to work under this Agreement. Any addition to the Scope of Services in Paragraph 2 of the Agreement, which would result in costs in excess of $359,000, will require joint approval of the State Treasurer and the Contractor.

   In all other respects, the Agreement shall remain in full force and effect.

LP 04394
DELOITTE & TOUCHE LLP

By: [Signature]
Name: David J. Finnerty
Title: Partner
Date: August 4, 2000

Approved as to form:
OFFICE OF THE ATTORNEY GENERAL
Dated: 8/25/00

SEAL

STATE OF CONNECTICUT

By: [Signature]
DENISE L. NAPPIER
State Treasurer
Date: 14 August 2000

By: [Signature]
Title: Assoc. Atty. General
PERSONAL SERVICE AGREEMENT

STATE OF CONNECTICUT
OFFICE OF THE STATE COMPTROLLER
ACCOUNTS PAYABLE DIVISION

RSANAL SERVICE AGREEMENT

Contractor:
Deloitte & Touche LLP
185 Asylum Street, Hartford, CT 06103

State Agency:
Office of the State Treasurer, 55 Elm Street, Hartford, CT 06106

Contract Period:

CANCELLATION CLAUSE

This agreement shall remain in full force and effect for the entire term of the contract period stated above unless cancelled by the State Agency, by giving the contractor written notice of such intention (required no. of days written notice specified at right).

COMPLETE DESCRIPTION OF SERVICE

Second Injury Fund Assessment Audit. See section 2 of attached for detailed description of services.

COST AND SCHEDULE OF PAYMENTS

<table>
<thead>
<tr>
<th>ACT. NO.</th>
<th>DOC. TYPE</th>
<th>OBJ. TYPE</th>
<th>COMM. AGENCY</th>
<th>COMM. AGCY.</th>
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<th>CONTRACT PERIOD (FROM/THRU)</th>
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Not to exceed $290,000 for professional fees and out-of-pocket expenses.

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer-employee relationship of Internal Revenue Code Section 3121(d) (2). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contributions Act (FICA) taxes.

ACCEPTANCES AND APPROVALS

<table>
<thead>
<tr>
<th>CONTRACTOR (OWNER OR AUTHORIZED SIGNATURE)</th>
<th>TITLE</th>
<th>DATE</th>
<th>STATUTORY AUTHORITY</th>
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<td>C.G.S. §3-11a</td>
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<tr>
<td>See attached for signatures</td>
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<td></td>
<td>C.G.S. §3-11a</td>
</tr>
</tbody>
</table>
1. **Term**

   This Agreement shall commence on the Commencement Date, and shall end upon termination by either party as set forth in paragraph 20 hereof.

2. **Services to be Provided by Contractor**

   (a) Contractor will perform certain agreed-upon procedures in connection with standard premiums used by the insurance entities set forth below as the basis for assessment by the Second Injury Fund:

   **Hartford Insurance Company of Midwest**

   The Treasurer and Contractor may agree to add or substitute other insurance entities for any of the insurance entities listed above.

   The agreed-upon procedures will be established based on discussions between the Treasurer and Contractor, and the sufficiency of the procedures is solely the responsibility of the Treasurer, as discussed below. The agreed-upon procedures will be performed in accordance with *Statements on Standards for Attestation Engagements No. 2*, subject to the terms and conditions set forth herein. Sample sizes of underwriting files used by Contractor in connection with the performance of the agreed-upon procedures will be dependent on the number of underwriting files available to Contractor and the premium for each underwriting file located at the applicable insurance entity. The selection process will be based on statistical sampling methods chosen by Contractor in its sole discretion. It is intended that the agreed-upon procedures will focus on standard premiums and written premiums, which are elements of the basis for Second Injury Fund assessments for the above insurance entities. Particular attention will be given to the following items:

   1.) NCCI worker classification codes
   2.) NCCI experience modification factors
   3.) The extent of payroll audits performed by the applicable insurance entity on the insured
   4.) The treatment of retrospectively rated insurance policies and their effect on written premium

   Additional agreed-upon procedures will be performed with respect to the accumulation of workers compensation premiums written in the State of Connecticut by the applicable insurance entity and the amount of premiums written subject to assessment.
(b) Contractor will perform agreed-upon procedures in connection with losses paid by the self-insured entity set forth below as the basis for the assessment by the Second Injury Fund:

**Electric Boat Division of General Dynamics**

The Treasurer and Contractor may agree to add or substitute other self-insured entities for the entity listed above.

The agreed-upon procedures will be established based on discussions between the Treasurer and Contractor, and the sufficiency of the procedures is solely the responsibility of the Treasurer, as discussed below. The agreed-upon procedures will be performed in accordance with *Statements on Standards of Attestation Engagements No. 2*, subject to the terms and conditions set forth herein. Sample sizes of the claim files used by Contractor in connection with the performance of the agreed-upon procedures will be dependent on the number of claim files available to Contractor and the amount of paid losses and expenses for each self-insured entity. The selection process will be based on statistical sampling methods chosen by Contractor in its sole discretion. The agreed-upon procedures will focus on paid losses as the basis for Second Injury Fund assessments for the above entity. Particular attention will be given to the following items:

1.) Supporting documentation for medical payments
2.) Supporting documentation and calculations for indemnity payments
3.) Verification of paid losses through examining drafts

(c) Contractor will review the Second Injury Fund's current assessment collection procedures and procedures to verify the premium and paid claims information of the insurance entities described in Paragraphs 1 and 2 above (the "Insurance Entities"). Contractor will make recommendations designed to assist the Second Injury Fund in improving such procedures. Contractor will assist Second Injury Fund personnel in the development of written procedures for Second Injury Fund personnel to conduct periodic assessment base verification of insurers and self-insured employers in the future.

Information provided by the Treasurer regarding collection and verification procedures of premium and paid loss information will be reviewed as part of the on-site activities at the Second Injury Fund. Contractor may perform the following activities:

1.) Interviews with key parties identified by the Treasurer
2.) Review of documents, procedure manuals, and other records provided by the Treasurer
3.) Review of a sample (selected by Contractor in its sole discretion) of the Insurance Entities' correspondence files in connection with the actual assessment process
4.) High level review of, and a step-by-step testing of, any IT systems at the Second Injury Fund that support assessment collection and assessment base verification.
In making recommendations, Contractor will work with Second Injury Fund personnel to identify existing aspects of the Second Injury Fund’s verification process that they believe support optimal outcomes, and assist in the identification of improvements that may further improve outcomes. Contractor will work with Second Injury Fund personnel with a goal of assisting them to design the Procedures Manual (as described in sub-paragraph (f) below). Contractor will provide advice and recommendations in the following areas:

1.) The timeliness of process steps
2.) Responsibilities of internal and external parties
3.) Significant gaps, weaknesses, or redundancies in the process
4.) IT as an enabler of improved process management
5.) Significant issues from the Insurance Entities’ viewpoint that may be relevant

(d) Contractor will review the methodology used by the Second Injury Fund for building the assessment budget for the Second Injury Fund, using information provided by the Treasurer from insured and self-insured employers, actuarial reports, and other records provided by the Treasurer.

To complete this task, an actuarial review will be performed in accordance with accepted actuarial standards including principles established by the Casualty Actuarial Society and the American Academy of Actuaries. Contractor’s approach contemplates the following steps:

1.) Interview appropriate Second Injury Fund personnel (identified by the Treasurer) to discuss background information regarding the Second Injury Fund.
2.) Review the Second Injury Fund’s methodology for building the assessment budget for the Second Injury Fund, using information provided by the Treasurer from insured and self-insured employers, actuarial reports and other records provided by the Treasurer.
4.) Discuss Contractor’s preliminary findings with appropriate Second Injury Fund personnel (identified by the Treasurer).
5.) Prepare a report documenting Contractor findings, conclusions, assumptions, and recommendations.

(e) Contractor will review and recommend changes to accounting practices, reporting systems, internal controls and management practices for the operations of the Second Injury Fund. Internal controls and management practices include, but are not limited to, claims administration and claims settlement; accounting for and tracking Second Injury Fund collection of receivables; oversight of administrative expenditures, cash accounts and bonding/commercial paper related activities.

(f) Contractor will assist the Second Injury Fund in developing an outline of the Second Injury Fund Policy Procedures Manual (the “Procedures Manual”). The basis for creating a Procedure Manual will be to understand both the intended operational activities of the
Second Injury Fund, as well as its actual operations and activities. Contractor will perform on-site activities, including document and process review, surveys and interviews, and claims case-file reviews.

Document and Process Review

Contractor will review materials provided by the Treasurer, including, forms, checklists, job descriptions, procedural manuals, correspondence samples, and other communications related to key operations (identified by the Treasurer), such as claims, litigation management, fraud, accounting, collection of assessment information, assessment receivables management, administrative issues and expenses, bonding and certificate-issue, and other operations, all with a view towards a desired state of operations designed to provide tools and support for staff and positive customer service benefits to external parties.

Surveys and Interviews

1.) Contractor will interview key Second Injury Fund managers and supervisors (identified by the Treasurer) regarding their description of, and perspective on, workflow in their respective areas.
2.) Such interviews may be supplemented by questionnaires for staff and management regarding relevant issues such as claims settlement approach, perception of work-flow, access to and use of ancillary services such as legal and medical, and perceptions of individual responsibilities. General issues may also be covered, such as awareness of issues relevant to the Second Injury Fund's intended outcome goals (communicated by the Treasurer) for specific work-areas.
3.) Contractor's findings may reveal other potentially appropriate areas for the Treasurer to pursue via focus groups or individual interview sessions.

Claims Case-File Reviews

Contractor professionals plan to spend six days reviewing case files selected from the Second Injury Fund. Depending upon the ease of identifying items in files, and the need for follow-up by increasing the review, Contractor currently estimates 150-300 files will be reviewed. Contractor understands that the Second Injury Fund will provide to Contractor the results of prior claim reviews commissioned by the Second Injury Fund so that Contractor might be able to consider or utilize the results of such reviews to reduce the number of preliminary file reviews. Contractor plans to begin the file review process by conducting a review of a smaller cross-section of approximately 30-50 cases from the Second Injury Fund and will assist the Treasurer to identify “key issues” that impact critical file-handling activities and impact case results. Contractor will then create a database to record such “key issues”.

Contractor intends to provide findings regarding:

1.) General staff compliance with intended procedures
2.) General staff utilization of quality assurance tools
3.) Adequacy and timeliness of information available to staff in the case files and in related data formats
4.) Acceptance of cases by the Second Injury Fund
5.) Litigation cost management
6.) Significant reserve changes authority/documentation
7.) Case action plans/strategy
8.) Settlement value negotiation/authorization
9.) Fraud management
10.) Recovery Strategy

(g) Contractor will review and make recommendations regarding the Second Injury Fund’s claims information system(s) and current plans for completion and enhancement of such system(s). Contractor’s approach will include the following:

1.) **Conduct an assessment of the current Second Injury Fund claims information system(s).** Contractor will conduct a one-day assessment of the current Second Injury Fund system(s), to develop a baseline understanding of system capabilities, strengths, and weaknesses. Contractor will also endeavor to gain an understanding of any claims information system enhancement processes currently in progress.

2.) **Review claims information system documentation.** Contractor will read documentation and technical details of the current Second Injury Fund claims information system(s) made available by the Treasurer with a view towards understanding efforts to capture information.

3.) **Conduct one-to-one interviews.** To enhance Contractor’s understanding of the Second Injury Fund’s RMIS needs, Contractor will conduct one day of interviews at the Second Injury Fund offices.

4.) **Conduct a technical environmental assessment.** Contractor will conduct an assessment of the Second Injury Fund's technical environment to assist the Treasurer in determining impacts upon the RMIS project. Opportunities for data and claim information system hosting, both in-house and remote, will be considered.

5.) **Provide a RMIS Report.** Once the information-gathering process is complete, Contractor will compare the Second Injury Fund’s current RMIS environment against industry practices. This matrix report will provide a comparison of technical and functional features based on Contractor’s experience with the RMIS marketplace and with similar claims management programs.

(h) General:

It is understood and agreed that Contractor’s services hereunder 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 Treasurer. In connection with its services hereunder, Contractor shall be entitled to rely on all decisions and approvals of the Treasurer, received in writing. Treasurer agrees that all services provided hereunder are for the
Office of the State Treasurer's informational purposes and internal use and are not intended to be and should not be used by any person other than the Office of the Treasurer.

The Treasurer shall cooperate with Contractor in the performance by Contractor of its services hereunder, including, without limitation, providing Contractor with reasonable facilities and timely access to data, information and personnel of the Treasurer and the Second Injury Fund. The Treasurer shall be responsible for the performance of its personnel and agents and for the accuracy and completeness of all data and information provided to Contractor for purposes of the performance by Contractor of its services hereunder.

In connection with agreed-upon procedures under this engagement, the Treasurer specifically acknowledges and agrees to the following:

The performance of the agreed-upon procedures will not constitute an audit made in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion on the elements, accounts, or items of a financial statement. Therefore, Contractor will not be in a position to express, and will not express, an opinion, or any other form of assurance with respect to any matters (including, without limitation, any matters relating to the year 2000), as a result of performing the agreed-upon procedures.

The agreed-upon procedures that Contractor is to perform at the request of the Treasurer, and with the agreement of Contractor, are limited in nature and do not comprehend all matters relating to the Second Injury Fund or the applicable insurance companies or self-insured organizations that might be pertinent or necessary to the Treasurer's evaluation of the accuracy of the Insurance Entities' assessment base.

Contractor's report will not extend to any financial statements of the Second Injury Fund or any insurance company or self-insured organization or any of their internal controls, taken as a whole, for any date or period.

The nature, and scope, and design of the agreed-upon procedures that Contractor is requested to perform are solely the responsibility of the Treasurer. Furthermore, Contractor has no responsibility to advise the Treasurer of other procedures that might be performed and makes no representations as to the sufficiency of such procedures for the purposes of the Treasurer.

Contractor's responsibility is limited to performing the procedures specified and agreed to, and to reporting the resulting findings, subject to the limitations contained herein, and this engagement cannot be relied on to disclose errors or fraud should they exist. Contractor has no responsibility for updating the procedures performed or for performing any additional procedures.

6

LP 04402
3. **Compensation of Contractor**

Contractor shall be paid by the State of Connecticut an amount not to exceed $290,000 for the Scope of Services in Paragraph 2 of the Agreement. Such amount shall include professional fees and out-of-pocket expenses of Contractor. Professional fees are based on the hours and hourly rates of Contractor's staff assigned by Contractor to work under this Agreement. Any additions to the Scope of Services in Paragraph 2 of the Agreement, which would result in costs in excess of $215,000, will require joint approval of the State Treasurer and the Contractor.

Properly submitted invoices upon which payment is not received within thirty (30) days of the invoice date shall accrue a late charge of the lesser of (i) 1½% per month or (ii) the highest rate allowable by law, in each case compounded monthly to the extent allowable by law. Without limiting its rights or remedies, D&T shall have the right to halt or terminate entirely its services until payment is received on past due invoices. Invoices shall be submitted at least as frequently as a monthly basis.

4. **Representations and Warranties of Contractor**

Contractor represents that it is experienced and properly qualified to perform the services provided for herein, and that it is properly licensed, equipped, organized and financed to perform such services. Contractor shall act as an independent contractor in performing this Agreement, maintaining complete control over its employees and any subcontractors hired by it to perform services hereunder. Contractor shall perform all services in accordance with its methods, subject to compliance with this Agreement and all applicable laws and regulations. Contractor represents that services to be rendered hereunder do not in any way cause a Conflict with other contractual commitments with or by Contractor. With respect to this Agreement, a "Conflict" occurs where, in Contractor's professional judgment, a relationship between the Contractor and another person may be viewed by the State, the Treasurer or another client as impairing the Contractor's professional objectivity. In the event that a Conflict occurs and Contractor believes that the professional service can be performed with objectivity, Contractor must disclose the relationship and obtain consent from the State, the Treasurer and other appropriate parties.

Contractor has not been engaged to provide any year 2000 services such as assessment, conversion or testing. Accordingly, Contractor is not providing such services, and Contractor does not, and will not, represent, warrant or provide any assurances that the Treasurer's systems or any other systems (including, without limitation, the systems of the Treasurer's vendors, service providers, customers, unconsolidated subsidiaries or joint ventures in which the Treasurer has an investment or other third parties) are year 2000 compliant, or that the Treasurer's plans or the plans of any third parties to deal with the year 2000 are sufficient to address or correct any year 2000 problems that might arise, or with respect to any other matters relating to the year 2000.
5. **Changes in Services**

When changes in services are requested by the Treasurer, Contractor shall promptly estimate their monetary effect and so notify the Treasurer. No change shall be implemented by Contractor unless it is approved by the Treasurer and the Contractor in writing; and, unless otherwise agreed to in writing, the provisions of this Agreement shall apply to all changes in services.

6. **Labor and Personnel**

At all times, Contractor shall utilize qualified personnel necessary to perform the services under this Agreement. Contractor shall, if requested to do so by the Treasurer, reassign from this Agreement, within a reasonable period of time, any employee or authorized representative whom the Treasurer, in its sole discretion, determines is incompetent, dishonest or uncooperative.

7. **Quality Surveillance**

All services performed by Contractor shall be subject to the inspection and approval of the State at all times, and Contractor shall furnish all information concerning such services, and shall, upon reasonable prior written notice, grant the Treasurer's duly authorized representatives free access at all reasonable times to Contractor's facilities where the services under this Agreement are performed. Such inspection and approval shall be solely for the purpose of determining compliance with the requirements of this Agreement and not for format or style or for the incorporation of additional ideas. Contractor shall, upon reasonable prior written notice, allow such representatives free access to any of Contractor's books and records relating to the services provided hereunder. At the Treasurer's request, Contractor shall provide the State with hard copies or computer transmittal of any data or information in the possession of Contractor, in connection with the performance of service hereunder which pertains to the Treasurer's business under this Agreement. Any books or records available to the Treasurer or its representatives under this paragraph may be redacted by Contractor to the extent necessary to protect its proprietary and confidential information and to avoid any invasion of personal privacy. Contractor shall incorporate this paragraph verbatim into any agreement it enters into with any vendor providing services under this Agreement.

8. **Nondisclosure**

Contractor shall not release any information concerning the services provided pursuant to this Agreement or any part thereof to any member of the public, press, business entity or any official body unless prior written consent is obtained from the Treasurer or as may be required by law, regulation, judicial or administrative process, or in accordance with applicable professional standards, or in connection with litigation pertaining hereto. In the event that Contractor is so required to release such information, Contractor shall promptly notify the Treasurer of such requirement, except as may be prohibited by law.
9. **Promotion**

Unless specifically authorized in writing by the Treasurer on a case by case basis, Contractor shall have no right to use, and shall not use, the name of the State of Connecticut, its officials or employees, or the seal of the State:

(i) in any advertising, publicity, or promotion;

(ii) as an express or implied endorsement of Contractor's products or services;

(iii) in any other manner (whether or not similar to uses prohibited by subparagraphs (i) and (ii) above), except to perform and deliver in accordance with this Agreement such services as are hereby contracted by the State.

10. **Confidentiality**

Subject to Contractor's rights and obligations under Paragraphs 8 and 24 herein, all data provided to Contractor by the Treasurer or developed internally by Contractor with regard to the State will be treated as proprietary to the State and confidential unless the State agrees in writing to the contrary. Subject to Contractor’s rights and obligations under Paragraphs 8 and 24 herein, Contractor agrees to forever hold in confidence all files, records, documents or other information as designated, whether prepared by the Treasurer or others, which may come into Contractor's possession during the term of this Agreement, except where a disclosure of such information by Contractor is required (whether in the ordinary course of business or otherwise) by another governmental authority to ensure compliance with laws, rules or regulations, and such disclosure will be limited to that actually so required. Where such disclosure is required, Contractor will provide advance notice to the Treasurer of the need for disclosure.

11. **Non-Discrimination**

(a) Contractor agrees and warrants that in the performance of this Agreement it will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, (including, but not limited to, blindness), unless it is shown by it that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut.

(b) Contractor agrees to take affirmative action to insure that applicants with job-related qualifications are employed, and that employees are treated when employed, without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, or physical disability, (including, but not limited to, blindness), unless it is shown by it that such disability prevents performance of the work involved.

(c) Contractor agrees, in all solicitations or advertisements for employees placed by it or on its behalf, to state that it is an "affirmative action-equal opportunity employer" in
accordance with regulations adopted by the Commission on Human Rights and Opportunities ("Commission").

(d) Contractor agrees to provide each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding and each vendor with which it has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers representative of the Contractor's commitments under this paragraph 11, and to post copies of the notice in conspicuous places available to employees and applicants for employment.

(e) Contractor agrees to comply with each provision of this paragraph 11 and Conn. Gen. Stat. sections 46a-68e and 46a-68f and with each regulation or relevant order issued by the Commission pursuant to Conn. Gen. Stat. sections 46a-56, 46a-68e and 46a-68f.

(f) Contractor agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning its employment practices and procedures as related to the provisions of this paragraph 11 and Conn. Gen. Stat. section 46a-56.

(g) If this Agreement is a public works contract, as defined in Conn. Gen. Stat. section 46a-68b, Contractor agrees and warrants that it will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works project. For the purposes of this subparagraph, "minority business enterprise" means any small contractor or supplier of materials fifty-one per cent or more of the capital stock, if any, or assets of which it is owned by a person or persons:

(i) who are active in the daily affairs of the enterprise;

(ii) who have the power to direct the management and policies of the enterprises; and

(iii) who are members of a minority, as such term is defined in subsection (a) of Conn. Gen. Stat. section 32-9n;

"good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations; "good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements. Determination of Contractor's good faith efforts shall include but shall not be limited to the following factors: Contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.
(h) Contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.

(i) Contractor shall include the provisions of subparagraphs (a)-(g) in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state of Connecticut and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Conn. Gen. Stat. section 46a-56; provided, if Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, Contractor may request the state of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

(j) Contractor agrees and warrants that in the performance of this Agreement it will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the state of Connecticut, and that employees are treated when employed without regard to their sexual orientation.

(k) Contractor agrees to provide each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding and each vendor with which it has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers' representative of the Contractor's commitments under paragraph 11, and to post copies of the notice in conspicuous places available to employees and applicants for employment.

(l) Contractor agrees to comply with each provision of this paragraph 11 and sections 46a-68e and 46a-68f of the general statutes and with each regulation or relevant order issued by the Commission pursuant to section 46a-56.

(m) Contractor agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning its employment practices and procedures which relate to the provisions of this paragraph 11 and Conn. Gen. Stat. section 46a-56.

(n) Contractor shall include the provisions of sub-paragraphs (j)-(m) in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Conn. Gen. Stat. section 46a-56; provided, if Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, Contractor may
request the state of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

12. Indemnity

Contractor hereby indemnifies and shall defend and hold harmless the Treasurer, its officers and its employees, from and against any and all suits, actions, legal or administrative proceedings, claims, demands, damages, liabilities, monetary loss, interest, attorney's fees, costs and expenses of whatsoever kind or nature, including those arising out of injury to or death of Contractor's employees, whether arising before, during or after completion of the services hereunder, and in any manner directly or indirectly caused, occasioned or contributed to in whole or in part, by reason of any act, omission, fault or negligence of Contractor or its employees, agents or subcontractors.

13. Entire Agreement

This Agreement embodies the entire agreement between the State and Contractor on the matters specifically addressed herein. The parties shall not be bound by or be liable for any statement, representation, promise, inducement or understanding of any kind or nature not set forth herein. This Agreement shall supersede all prior written agreements between the parties and their predecessors with respect to the subject matter hereof. No changes, amendments or modifications of any of the terms or conditions of the Agreement shall be valid unless reduced to writing, signed by both parties and approved by the Attorney General or his Deputy. This Agreement shall inure to the benefit of and be binding upon each party's heirs, successors, and assigns.

14. Notices

Unless otherwise expressly provided to the contrary, any notices provided for hereunder shall be in writing and may be delivered personally, via facsimile or by mail to, and will be effective upon receipt at, the following addresses:

TREASURER: Office of the Treasurer
55 Elm Street
Hartford, CT 06106
Attention: Assistant Treasurer – Second Injury Fund
Fax: (860) 702-3021

With a Copy to:
General Counsel
Office of the Treasurer
55 Elm Street
Hartford, CT 06106
Fax: (860) 702-3043
CONTRACTOR: Deloitte & Touche LLP
185Asylum Street
Hartford, CT 06103
Attention: Jan A Lommele

The parties may change their respective addresses for notices under this paragraph upon prior written notification to the other.

15. Laws and Regulations

This Agreement shall be interpreted under and governed by the laws of the State of Connecticut. Contractor, its employees and representatives shall at all times comply in all material respects with all applicable laws, ordinances, statutes, rules, regulations and orders of governmental authorities, including those having jurisdiction over its registration and licensing to perform services hereunder.

16. Discovery of Conflicts, Errors, Omissions and Discrepancies

(a) In the event of any conflict between the provisions of this Agreement and the provisions of Form CO-802A to which this Agreement is attached, the provisions of this Agreement shall control.

(b) In case of conflicts, discrepancies, errors or omissions among the various parts of this Agreement, any such matter shall be submitted immediately by Contractor to the Treasurer for clarification. The Treasurer shall issue such clarification within a reasonable period of time. This remedy shall not be deemed exclusive and Contractor does not waive any of its legal or equitable remedies. Any services affected by such conflicts, discrepancies, errors or omissions that are performed by Contractor prior to clarification by the State shall be at Contractor's risk.

17. Non-Waiver

None of the conditions of this Agreement shall be considered waived by the Treasurer or Contractor unless given in writing. No such waiver shall be a waiver of any past or future default, breach or modification of any of the conditions of this Agreement unless expressly stipulated in such waiver.

18. Survival

The rights and obligations of the parties which by their nature survive termination or completion of this Agreement, including but not limited to those set forth herein paragraphs 8, 9, 10, 12 and 24 of this Agreement, shall remain in full force and effect.
19. **Sovereign Immunity**

Notwithstanding any provisions to the contrary contained in this Agreement, it is agreed and understood that the State of Connecticut shall not be construed to have waived any rights or defenses of sovereign immunity which it may have with respect to all matters arising out of this Agreement.

20. **Termination**

The parties mutually agree, that either may terminate this Agreement upon thirty (30) days' written notice delivered to the other by certified or registered mail to the addresses provided in paragraph 14. Following the delivery of any notice of termination hereunder, the Contractor shall perform all of its obligations hereunder in good faith as directed by the State and will cooperate fully with the State in taking all necessary or appropriate steps (in accordance with the professional standards of the American Institute of Certified Public Accountants) in order to effectuate the orderly transfer of Contractor's functions to third parties designated by the State. The Treasurer acknowledges and agrees that she and any such third parties shall not be entitled to rely on, and Contractor shall have no liability with respect to, any unfinished, incomplete or draft document, information, work-in-progress or other property delivered pursuant to the preceding sentence.

21. **Assignment**

This Agreement shall not be assigned by either party without the express prior written consent of the other.

22. **Severability**

If any part or parts of this Agreement shall be held to be void or unenforceable, such part or parts shall be treated as severable, leaving valid the remainder of this Agreement notwithstanding the part or parts found to be void or unenforceable.

23. **Counterpart Originals**

This Agreement may be executed in any number of counterparts, each of which shall be an original, but which, taken together, shall constitute one and the same instrument.

24. **Other**

(a) **Deloitte & Touche Property**

(i) Contractor has created, acquired or otherwise has rights in, and may, in connection with the performance of services hereunder, employ, provide, modify, create, acquire or otherwise obtain rights in, various concepts, ideas, methods, methodologies, procedures, processes, know-how, and
techniques (including, without limitation, function, process, system and data models); templates; the generalized features of the structure, sequence and organization of software, user interfaces and screen designs; general purpose consulting and software tools, utilities and routines; and logic, coherence and methods of operation of systems (collectively the "D&T Technology").

(ii) The tangible items specified as deliverables or work product in this Agreement (the "Deliverables") are the property of the Treasurer. To the extent that any D&T Technology is contained in any of the Deliverables, Contractor hereby grants the Treasurer a royalty-free, fully paid-up, worldwide, non-exclusive license to use such D&T Technology in connection with the Deliverables.

(iii) To the extent that Contractor utilizes any of its property (including, without limitation, the D&T Technology or any hardware or software of Contractor) in connection with the performance of services hereunder, such property shall remain the property of Contractor and, except for the license expressly granted in the preceding subparagraph, the Treasurer shall acquire no right or interest in such property. Notwithstanding anything in this Agreement to the contrary, the parties acknowledge and agree that (A) Contractor shall own all right, title, and interest, including, without limitation, all rights under all copyright, patent and other intellectual property laws, in and to the D&T Technology and (B) Contractor may employ, modify, disclose, and otherwise exploit the D&T Technology (including, without limitation, providing services or creating programming or materials for other clients). Contractor does not agree to any terms that may be construed as precluding or limiting in any way its right to (A) provide consulting or other services of any kind or nature whatsoever to any person or entity as Contractor in its sole discretion deems appropriate or (B) develop for itself, or for others, materials that are competitive with those produced as a result of the services provided hereunder, irrespective of their similarity to the Deliverables.
(b) Force Majeure

Contractor shall not be liable for any failures or delays resulting from circumstances beyond its reasonable control, including, without limitation, acts or omissions or the failure to cooperate pursuant to this Agreement by the Treasurer (including, without limitation, entities or individuals under her control, or any of their respective designees, employees other personnel, consultants and agents), acts or omissions or the failure to cooperate by any third party, fire or other casualty, act of God, strike or labour dispute, war or other violence, or any law, order or requirement of any governmental agency or authority.

[Signature]

Deloitte & Touche LLP

[Signature]

STATE OF CONNECTICUT

[Signature]

Denise L. Nappier
State Treasurer

Dated: 29 November 1999

Approved as to form:

OFFICE OF THE ATTORNEY GENERAL

[Signature]

Title: Assoc. Gen.

Dated 2/18/00

[Seal]
Agency Name / Address: Office of the State Treasurer
55 Elm Street, Hartford, CT 06106

Agency Contact: Kim Alfultis
Phone: (860) 702-3139

Name and Address of Contractor: Deloitte & Touche LLP, 185 Asylum Avenue, Hartford, CT 06103

Was the cost of the original agreement more than $50,000? ☑ Yes ☐ No

Does the amendment have a cost of one hundred percent or more of the cost of the original agreement? ☐ Yes ☑ No

Does the amendment increase the cost of the agreement to more than fifty thousand dollars? ☐ Yes ☑ No

Does the amendment extend the terms of the agreement beyond a one-year period? ☐ Yes ☑ No

Is this the second or subsequent amendment to the agreement? ☑ Yes ☐ No

Original Agreement: ☑ Competitive ☐ Non-Competitive


Term of Original Contract: 1 year.

Cost of Original Services: $290,000

Fund: 302 – Second Injury Fund

Number and cost of prior amendments: 2 prior amendments: The first was done to add six months to term (18 months total) and $144,000 to cost (total $434,000). The second was to provide for follow up audits of insurance companies and added 7 months and to the term (25 months total) and $60,000 to the cost (total $494,000).

Description of Services to be covered by the Amendment: (Purpose, Scope, Activities, Outcomes): Extend agreement by 6 months to allow adequate time for follow up audits of insurance companies to be completed.

Need for the Services: To recoup assessment arrearages.

Cost of this Amendment: No additional cost.

Fund: 302 – Second Injury Fund

Reasons why a new RFP and Personal Service Agreement are not needed: Contractor is familiar with the Second Injury Fund, having completed assessment audits of several insurance companies reporting to the Fund. The audit process would be cost effective and expeditious if the current contractor was extended.

Term of this amendment: 6 additional months through June 30, 2002. Total of 31 months.

Total cost of amended services: $494,000

Requester's Name and Title: Denise L. Nappier, Treasurer

Requester's Signature

Approved ☑ Disapproved ☐ Secretary, Office of Policy & Management Date 12-10-2001
PERSONAL SERVICE AGREEMENT

1. PREPARE IN QUANTITATE.
2. THE STATE AGENCY AND THE CONTRACTOR AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREOF AND THEREOF ATTACHED HERETO AND SUBJECT TO THE PROVISION OF SECTION 4-98 OF THE CONNECTICUT GENERAL STATUTES AS APPLICABLE.

3. ACCEPTANCE OF THIS CONTRACT IMPLIES CONFORMANCE WITH TERMS AND CONDITIONS STATED ON THE REVERSE SIDE OF PART 1.

CONTRACTOR

Deloitte & Touche LLP
Remit: PO Box 1613, Stamford, CT 06920-1613
185 Asylum Street, Hartford, CT 06103

STATE AGENCY

Office of the State Treasurer, 55 Elm Street, Hartford, CT 06106 1201

CONTRACT PERIOD

5/28/01 THROUGH 12/31/01

CANCELLATION CLAUSE

THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRING 30 DAYS NOTICE SPECIFIED AT RIGHT).

COMPLETE DESCRIPTION OF SERVICE

Second Injury Fund Assessment Audit. See section 2 of attached for detailed description of services.

PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.

not to exceed $60,000 for this amendment. Total cost not to exceed $494,000.00

ACT. CO. 12001 COMM. 02-5081201 DATE 12/31/01 COMM. 5081201 13 513 3500 08

C 1 60,000 60,000.00 5/28/01 12/31/01

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code Section 3121(d) (2). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCES AND APPROVALS

STATUTORY AUTHORITY C.G.S. 3-11a

DATE 5/24/01

DATE 5/7/01

DATE 6/13/01

LP 04414
AMENDMENT NO. 2 TO
THE CONTRACT
between
STATE OF CONNECTICUT
OFFICE OF THE TREASURER
and
DELOITTE & TOUCHE, L.L.P.

WHEREAS, the Treasurer of the State of Connecticut (the "Treasurer"), as custodian of the Second Injury Fund (the "Fund"), and Deloitte & Touche, L.L.P. (the "Contractor") entered into a Contract dated November 29, 1999 (the "Agreement").

WHEREAS, Section 13 of the Agreement permits the Treasurer and the Contractor to amend the Agreement by mutual writing.

WHEREAS, it is now desirable to amend the Agreement.

NOW THEREFORE, the parties mutually agree to amend the Agreement in the following respects:

1. Section 1 of the Agreement, entitled "Term" is hereby deleted in its entirely and the following language is substituted in its place and stead as a new Section 1, also entitled "Term":

   This Agreement shall commence on the Commencement Date, and shall end upon termination by either party set forth in Section 20 hereof, but not later than December 31, 2001.

2. Section 3, paragraph 1 of the Agreement, under "Compensation of Contractor," is hereby amended to read in its entirety as follows:

   (a) Contractor shall be paid by the State of Connecticut an amount not to exceed $494,000 for the Scope of Services in Section 2 of the Agreement. Such amount shall include professional fees and out-of-pocket expenses of Contractor. Professional fees are based on the hours and hourly rates of Contractor's staff assigned by Contractor to work under this Agreement. Any addition to the Scope of Services in Paragraph 2 of the Agreement, which would result in costs in excess of $419,000, will require joint approval of the State Treasurer and the Contractor.

   In other respects, the Agreement shall remain in full force and effect.
IN WITNESS WHEREOF, each of the parties has caused this instrument to be executed in its name and behalf by its duly authorized representative and this Amendment No. 2 is effective as of the 28th day of May 2001.

STATE OF CONNECTICUT
OFFICE OF THE TREASURER

By: [Signature]
Denise L. Nappier
Treasurer

DELOITTE & TOUCHE L.L.P.

By: [Signature]
Name: John E. Curran
Title: Partner

Approved as to Form

OFFICE OF THE ATTORNEY GENERAL

By: [Signature] 6/14/01
Name: [Signature] 6/14/01
Title: Assoc. Att'y Gen
PERSONAL SERVICE AGREEMENT
STATE OF CONNECTICUT

TO THE STATE AGENCY AND THE CONTRACTOR AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO AND SUBJECT TO THE PROVISIONS OF SECTION 4Aa OF THE CONNECTICUT GENERAL STATUTES AS APPLICABLE.

ACCEPTANCE OF THIS CONTRACT IMPLIES CONFORMANCE WITH TERMS AND CONDITIONS STATED ON THE REVERSE SIDE OF PART 1.

CONTRACTOR

Deloitte & Touche LLP

REMIT

FO Box 1613, Stamford, CT 06920-1613

STATE AGENCY

Office of the State Treasurer, 55 Elm Street, Hartford, CT 06106

DATE (FROM) THROUGH (TO)

11/29/1999 05/28/2001

COMPLETE DESCRIPTION OF SERVICE

Second Injury Fund Assessment Audit. See section 2 of attached for detailed description of services.

PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.

Not to exceed $434,000 for professional fees and out of pocket expenses.

ACCEPTANCES AND APPROVALS

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LP 04417
AMENDMENT I TO AGREEMENT

Amendment I, dated as of the fourth of August, 2000, to PERSONAL SERVICES AGREEMENT dated November 29, 1999 ("Agreement") by and between the STATE OF CONNECTICUT, acting through its Treasurer, as Trustee ("Treasurer") and DELOITE & TOUCHE LLP, ("Contractor").

WITNESSETH:

WHEREAS, in June 1999, the Treasurer announced her intent to secure professional assessment audit and management advisory services, and issued a request for proposals in connection therewith; and

WHEREAS, Contractor was declared a successful competitor, and an agreement was executed with an one year term beginning November 29, 1999; and

WHEREAS, the Treasurer has determined that it would be beneficial to extend the Agreement through May 28, 2001 in order to expand the scope of services to include four additional insurance companies;

NOW THEREFORE, the Treasurer and Contractor hereby amend the Agreement as follows:

1. Section 1 of the Agreement, entitled "Term," is hereby deleted in its entirety and the following language is substituted in its place and stead as a new Section 1, also entitled "Term":

   This Agreement shall commence on the Commencement Date, and shall end upon termination by either party as set forth in Section 20 hereof, but not later than May 28, 2001.

2. Section 2(a), paragraph 1 of the Agreement, under "Services to be provided by Contractor," is hereby deleted in its entirety and the following language is substituted in its place and stead as a new Section 2(a), paragraph 1:

   (a) Contractor will perform certain agreed-upon procedures in connection with standard premiums used by the insurance entities set forth below as the basis for assessment by the Second Injury Fund:

   Hartford Insurance Company of Midwest (Follow up time to verify the correct amount of standard premiums reported to the Fund from the remaining companies for purposes of determining the correct assessment arrearage.)
   Travelers Indemnity Company of Illinois
   Liberty Mutual Fire Insurance Company
   American Home Assurance Company

3. Section 3, paragraph 1 of the Agreement, under "Compensation of Contractor," is hereby deleted in its entirety and the following language is substituted in its place and stead as a new Section 3, paragraph 1:

   Contractor shall be paid by the State of Connecticut an amount not to exceed $434,000 for the Scope of Services in Section 2 of the Agreement. Such amount shall include professional fees and out-of-pocket expenses of Contractor. Professional fees are based on the hours and hourly rates of Contractor's staff assigned by Contractor to work under this Agreement. Any addition to the Scope of Services in Paragraph 2 of the Agreement, which would result in costs in excess of $359,000, will require joint approval of the State Treasurer and the Contractor.

In all other respects, the Agreement shall remain in full force and effect.
DELOITTE & TOUCHE LLP

By: 
Name: David T. Farnham
Title: Partner
Date: August 4, 2000

Approved as to form:
OFFICE OF THE ATTORNEY GENERAL
Dated 8/25/00

SEAL

STATE OF CONNECTICUT

By: 
Name: Denise L. Nappier
Title: State Treasurer
Date: 1st August 2000

By: 
Title: Assoc. Atty. General

LP 04419
CERTIFICATE

I, John Curran certify that I am the Hartford Office Managing Partner of Deloitte & Touche LLP; that Dave Finnerty, who signed the Agreement with the State of Connecticut for this limited liability partnership, was then a Partner of this limited liability partnership; and that the Agreement was duly signed for and on behalf of this limited liability partnership by the authority of its constituent documents and within the scope of its partnership powers.

Witness my hand this 1st day of August, 2000.

By:

State of Connecticut
County of Hartford, SS: Hartford

I, Marie A. Jones, a notary public in and for the aforesaid County and State, do hereby certify that on this day, before me personally came John Curran to me known, who, being duly sworn, did depose and say that he is the Hartford Office Managing Partner of Deloitte & Touche LLP.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 1st day of August, 2000.

My Commission Exp. Mar. 31, 2005
THIS AGREEMENT ("Agreement"), entered into as of the 29th day of November, 1999 ("Commencement Date"), is between the STATE OF CONNECTICUT ("State"), acting through its Treasurer, as Trustee ("Treasurer") and DELOITTE & TOUCHE LLP, a Delaware limited liability partnership, having a place of business at 185 Asylum Street, Hartford, Connecticut 06103 ("Contractor").

1. Term

This Agreement shall commence on the Commencement Date, and shall end upon termination by either party as set forth in paragraph 20 hereof.

2. Services to be Provided by Contractor

(a) Contractor will perform certain agreed-upon procedures in connection with standard premiums used by the insurance entities set forth below as the basis for assessment by the Second Injury Fund:

Hartford Insurance Company of Midwest

The Treasurer and Contractor may agree to add or substitute other insurance entities for any of the insurance entities listed above.

The agreed-upon procedures will be established based on discussions between the Treasurer and Contractor, and the sufficiency of the procedures is solely the responsibility of the Treasurer, as discussed below. The agreed-upon procedures will be performed in accordance with Statements on Standards for Attestation Engagements No. 2, subject to the terms and conditions set forth herein. Sample sizes of underwriting files used by Contractor in connection with the performance of the agreed-upon procedures will be dependent on the number of underwriting files available to Contractor and the premium for each underwriting file located at the applicable insurance entity. The selection process will be based on statistical sampling methods chosen by Contractor in its sole discretion. It is intended that the agreed-upon procedures will focus on standard premiums and written premiums, which are elements of the basis for Second Injury Fund assessments for the above insurance entities. Particular attention will be given to the following items:

1.) NCCI worker classification codes
2.) NCCI experience modification factors
3.) The extent of payroll audits performed by the applicable insurance entity on the insured
4.) The treatment of retrospectively rated insurance policies and their effect on written premium

Additional agreed-upon procedures will be performed with respect to the accumulation of workers compensation premiums written in the State of Connecticut by the applicable insurance entity and the amount of premiums written subject to assessment.
(b) Contractor will perform agreed-upon procedures in connection with losses paid by the self-insured entity set forth below as the basis for the assessment by the Second Injury Fund:

Electric Boat Division of General Dynamics

The Treasurer and Contractor may agree to add or substitute other self-insured entities for the entity listed above.

The agreed-upon procedures will be established based on discussions between the Treasurer and Contractor, and the sufficiency of the procedures is solely the responsibility of the Treasurer, as discussed below. The agreed-upon procedures will be performed in accordance with Statements on Standards of Attestation Engagements No. 2, subject to the terms and conditions set forth herein. Sample sizes of the claim files used by Contractor in connection with the performance of the agreed-upon procedures will be dependent on the number of claim files available to Contractor and the amount of paid losses and expenses for each self-insured entity. The selection process will be based on statistical sampling methods chosen by Contractor in its sole discretion. The agreed-upon procedures will focus on paid losses as the basis for Second Injury Fund assessments for the above entity. Particular attention will be given to the following items:

1.) Supporting documentation for medical payments
2.) Supporting documentation and calculations for indemnity payments
3.) Verification of paid losses through examining drafts

(c) Contractor will review the Second Injury Fund’s current assessment collection procedures and procedures to verify the premium and paid claims information of the insurance entities described in Paragraphs 1 and 2 above (the “Insurance Entities”). Contractor will make recommendations designed to assist the Second Injury Fund in improving such procedures. Contractor will assist Second Injury Fund personnel in the development of written procedures for Second Injury Fund personnel to conduct periodic assessment base verification of insurers and self-insured employers in the future.

Information provided by the Treasurer regarding collection and verification procedures of premium and paid loss information will be reviewed as part of the on-site activities at the Second Injury Fund. Contractor may perform the following activities:

1.) Interviews with key parties identified by the Treasurer
2.) Review of documents, procedure manuals, and other records provided by the Treasurer
3.) Review of a sample (selected by Contractor in its sole discretion) of the Insurance Entities’ correspondence files in connection with the actual assessment process
4.) High level review of, and a step-by-step testing of, any IT systems at the Second Injury Fund that support assessment collection and assessment base verification.
In making recommendations, Contractor will work with Second Injury Fund personnel to identify existing aspects of the Second Injury Fund’s verification process that they believe support optimal outcomes, and assist in the identification of improvements that may further improve outcomes. Contractor will work with Second Injury Fund personnel with a goal of assisting them to design the Procedures Manual (as described in sub-paragraph (f) below). Contractor will provide advice and recommendations in the following areas:

1.) The timeliness of process steps
2.) Responsibilities of internal and external parties
3.) Significant gaps, weaknesses, or redundancies in the process
4.) IT as an enabler of improved process management
5.) Significant issues from the Insurance Entities’ viewpoint that may be relevant

(d) Contractor will review the methodology used by the Second Injury Fund for building the assessment budget for the Second Injury Fund, using information provided by the Treasurer from insured and self-insured employers, actuarial reports, and other records provided by the Treasurer.

To complete this task, an actuarial review will be performed in accordance with accepted actuarial standards including principles established by the Casualty Actuarial Society and the American Academy of Actuaries. Contractor’s approach contemplates the following steps:

1.) Interview appropriate Second Injury Fund personnel (identified by the Treasurer) to discuss background information regarding the Second Injury Fund.
2.) Review the Second Injury Fund’s methodology for building the assessment budget for the Second Injury Fund, using information provided by the Treasurer from insured and self-insured employers, actuarial reports and other records provided by the Treasurer.
4.) Discuss Contractor’s preliminary findings with appropriate Second Injury Fund personnel (identified by the Treasurer).
5.) Prepare a report documenting Contractor findings, conclusions, assumptions, and recommendations.

(e) Contractor will review and recommend changes to accounting practices, reporting systems, internal controls and management practices for the operations of the Second Injury Fund. Internal controls and management practices include, but are not limited to, claims administration and claims settlement; accounting for and tracking Second Injury Fund collection of receivables; oversight of administrative expenditures, cash accounts and bonding/commercial paper related activities.

(f) Contractor will assist the Second Injury Fund in developing an outline of the Second Injury Fund Policy Procedures Manual (the “Procedures Manual”). The basis for creating a Procedure Manual will be to understand both the intended operational activities of the
Second Injury Fund, as well as its actual operations and activities. Contractor will perform on-site activities, including document and process review, surveys and interviews, and claims case-file reviews.

**Document and Process Review**

Contractor will review materials provided by the Treasurer, including, forms, checklists, job descriptions, procedural manuals, correspondence samples, and other communications related to key operations (identified by the Treasurer), such as claims, litigation management, fraud, accounting, collection of assessment information, assessment receivables management, administrative issues and expenses, bonding and certificate-issue, and other operations, all with a view towards a desired state of operations designed to provide tools and support for staff and positive customer service benefits to external parties.

**Surveys and Interviews**

1. Contractor will interview key Second Injury Fund managers and supervisors (identified by the Treasurer) regarding their description of, and perspective on, workflow in their respective areas.
2. Such interviews may be supplemented by questionnaires for staff and management regarding relevant issues such as claims settlement approach, perception of workflow, access to and use of ancillary services such as legal and medical, and perceptions of individual responsibilities. General issues may also be covered, such as awareness of issues relevant to the Second Injury Fund’s intended outcome goals (communicated by the Treasurer) for specific work-areas.
3. Contractor’s findings may reveal other potentially appropriate areas for the Treasurer to pursue via focus groups or individual interview sessions.

**Claims Case-File Reviews**

Contractor professionals plan to spend six days reviewing case files selected from the Second Injury Fund. Depending upon the ease of identifying items in files, and the need for follow-up by increasing the review, Contractor currently estimates 150-300 files will be reviewed. Contractor understands that the Second Injury Fund will provide to Contractor the results of prior claim reviews commissioned by the Second Injury Fund so that Contractor might be able to consider or utilize the results of such reviews to reduce the number of preliminary file reviews. Contractor plans to begin the file review process by conducting a review of a smaller cross-section of approximately 30-50 cases from the Second Injury Fund and will assist the Treasurer to identify “key issues” that impact critical file-handling activities and impact case results. Contractor will then create a database to record such “key issues”.

Contractor intends to provide findings regarding:

1. General staff compliance with intended procedures
2. General staff utilization of quality assurance tools
3.) Adequacy and timeliness of information available to staff in the case files and in related data formats
4.) Acceptance of cases by the Second Injury Fund
5.) Litigation cost management
6.) Significant reserve changes authority/documentation
7.) Case action plans/strategy
8.) Settlement value negotiation/authorization
9.) Fraud management
10.) Recovery Strategy

(g) Contractor will review and make recommendations regarding the Second Injury Fund's claims information system(s) and current plans for completion and enhancement of such system(s). Contractor's approach will include the following:

1.) **Conduct an assessment of the current Second Injury Fund claims information system(s).** Contractor will conduct a one-day assessment of the current Second Injury Fund system(s), to develop a baseline understanding of system capabilities, strengths, and weaknesses. Contractor will also endeavor to gain an understanding of any claims information system enhancement processes currently in progress.

2.) **Review claims information system documentation.** Contractor will read documentation and technical details of the current Second Injury Fund claims information system(s) made available by the Treasurer with a view towards understanding efforts to capture information.

3.) **Conduct one-to-one interviews.** To enhance Contractor's understanding of the Second Injury Fund's RMIS needs, Contractor will conduct one day of interviews at the Second Injury Fund offices.

4.) **Conduct a technical environmental assessment.** Contractor will conduct an assessment of the Second Injury Fund's technical environment to assist the Treasurer in determining impacts upon the RMIS project. Opportunities for data and claim information system hosting, both in-house and remote, will be considered.

5.) **Provide a RMIS Report.** Once the information-gathering process is complete, Contractor will compare the Second Injury Fund's current RMIS environment against industry practices. This matrix report will provide a comparison of technical and functional features based on Contractor's experience with the RMIS marketplace and with similar claims management programs.

(h) General:

It is understood and agreed that Contractor's services hereunder 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 Treasurer. In connection with its services hereunder, Contractor shall be entitled to rely on all decisions and approvals of the Treasurer, received in writing. Treasurer agrees that all services provided hereunder are for the
The Treasurer shall cooperate with Contractor in the performance by Contractor of its services hereunder, including, without limitation, providing Contractor with reasonable facilities and timely access to data, information and personnel of the Treasurer and the Second Injury Fund. The Treasurer shall be responsible for the performance of its personnel and agents and for the accuracy and completeness of all data and information provided to Contractor for purposes of the performance by Contractor of its services hereunder.

In connection with agreed-upon procedures under this engagement, the Treasurer specifically acknowledges and agrees to the following:

The performance of the agreed-upon procedures will not constitute an audit made in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion on the elements, accounts, or items of a financial statement. Therefore, Contractor will not be in a position to express, and will not express, an opinion, or any other form of assurance with respect to any matters (including, without limitation, any matters relating to the year 2000), as a result of performing the agreed-upon procedures.

The agreed-upon procedures that Contractor is to perform at the request of the Treasurer, and with the agreement of Contractor, are limited in nature and do not comprehend all matters relating to the Second Injury Fund or the applicable insurance companies or self-insured organizations that might be pertinent or necessary to the Treasurer's evaluation of the accuracy of the Insurance Entities' assessment base.

Contractor's report will not extend to any financial statements of the Second Injury Fund or any insurance company or self-insured organization or any of their internal controls, taken as a whole, for any date or period.

The nature, and scope, and design of the agreed-upon procedures that Contractor is requested to perform are solely the responsibility of the Treasurer. Furthermore, Contractor has no responsibility to advise the Treasurer of other procedures that might be performed and makes no representations as to the sufficiency of such procedures for the purposes of the Treasurer.

Contractor's responsibility is limited to performing the procedures specified and agreed to, and to reporting the resulting findings, subject to the limitations contained herein, and this engagement cannot be relied on to disclose errors or fraud should they exist. Contractor has no responsibility for updating the procedures performed or for performing any additional procedures.
3. **Compensation of Contractor**

Contractor shall be paid by the State of Connecticut an amount not to exceed $290,000 for the Scope of Services in Paragraph 2 of the Agreement. Such amount shall include professional fees and out-of-pocket expenses of Contractor. Professional fees are based on the hours and hourly rates of Contractor’s staff assigned by Contractor to work under this Agreement. Any additions to the Scope of Services in Paragraph 2 of the Agreement, which would result in costs in excess of $215,000, will require joint approval of the State Treasurer and the Contractor.

Properly submitted invoices upon which payment is not received within thirty (30) days of the invoice date shall accrue a late charge of the lesser of (i) 1½% per month or (ii) the highest rate allowable by law, in each case compounded monthly to the extent allowable by law. Without limiting its rights or remedies, D&T shall have the right to halt or terminate entirely its services until payment is received on past due invoices. Invoices shall be submitted at least as frequently as a monthly basis.

4. **Representations and Warranties of Contractor**

Contractor represents that it is experienced and properly qualified to perform the services provided for herein, and that it is properly licensed, equipped, organized and financed to perform such services. Contractor shall act as an independent contractor in performing this Agreement, maintaining complete control over its employees and any subcontractors hired by it to perform services hereunder. Contractor shall perform all services in accordance with its methods, subject to compliance with this Agreement and all applicable laws and regulations. Contractor represents that services to be rendered hereunder do not in any way cause a Conflict with other contractual commitments with or by Contractor. With respect to this Agreement, a “Conflict” occurs where, in Contractor’s professional judgment, a relationship between the Contractor and another person may be viewed by the State, the Treasurer or another client as impairing the Contractor’s professional objectivity. In the event that a Conflict occurs and Contractor believes that the professional service can be performed with objectivity, Contractor must disclose the relationship and obtain consent from the State, the Treasurer and other appropriate parties.

Contractor has not been engaged to provide any year 2000 services such as assessment, conversion or testing. Accordingly, Contractor is not providing such services, and Contractor does not, and will not, represent, warrant or provide any assurances that the Treasurer’s systems or any other systems (including, without limitation, the systems of the Treasurer’s vendors, service providers, customers, unconsolidated subsidiaries or joint ventures in which the Treasurer has an investment or other third parties) are year 2000 compliant, or that the Treasurer’s plans or the plans of any third parties to deal with the year 2000 are sufficient to address or correct any year 2000 problems that might arise, or with respect to any other matters relating to the year 2000.
5. **Changes in Services**

When changes in services are requested by the Treasurer, Contractor shall promptly estimate their monetary effect and so notify the Treasurer. No change shall be implemented by Contractor unless it is approved by the Treasurer and the Contractor in writing; and, unless otherwise agreed to in writing, the provisions of this Agreement shall apply to all changes in services.

6. **Labor and Personnel**

At all times, Contractor shall utilize qualified personnel necessary to perform the services under this Agreement. Contractor shall, if requested to do so by the Treasurer, reassign from this Agreement, within a reasonable period of time, any employee or authorized representative whom the Treasurer, in its sole discretion, determines is incompetent, dishonest or uncooperative.

7. **Quality Surveillance**

All services performed by Contractor shall be subject to the inspection and approval of the State at all times, and Contractor shall furnish all information concerning such services, and shall, upon reasonable prior written notice, grant the Treasurer's duly authorized representatives free access at all reasonable times to Contractor's facilities where the services under this Agreement are performed. Such inspection and approval shall be solely for the purpose of determining compliance with the requirements of this Agreement and not for format or style or for the incorporation of additional ideas. Contractor shall, upon reasonable prior written notice, allow such representatives free access to any of Contractor's books and records relating to the services provided hereunder. At the Treasurer's request, Contractor shall provide the State with hard copies or computer transmittal of any data or information in the possession of Contractor, in connection with the performance of service hereunder which pertains to the Treasurer's business under this Agreement. Any books or records available to the Treasurer or its representatives under this paragraph may be redacted by Contractor to the extent necessary to protect its proprietary and confidential information and to avoid any invasion of personal privacy. Contractor shall incorporate this paragraph verbatim into any agreement it enters into with any vendor providing services under this Agreement.

8. **Nondisclosure**

Contractor shall not release any information concerning the services provided pursuant to this Agreement or any part thereof to any member of the public, press, business entity or any official body unless prior written consent is obtained from the Treasurer or as may be required by law, regulation, judicial or administrative process, or in accordance with applicable professional standards, or in connection with litigation pertaining hereto. In the event that Contractor is so required to release such information, Contractor shall promptly notify the Treasurer of such requirement, except as may be prohibited by law.
9. **Promotion**

Unless specifically authorized in writing by the Treasurer on a case by case basis, Contractor shall have no right to use, and shall not use, the name of the State of Connecticut, its officials or employees, or the seal of the State:

(i) in any advertising, publicity, or promotion;

(ii) as an express or implied endorsement of Contractor's products or services;

(iii) in any other manner (whether or not similar to uses prohibited by subparagraphs (i) and (ii) above), except to perform and deliver in accordance with this Agreement such services as are hereby contracted by the State.

10. **Confidentiality**

Subject to Contractor's rights and obligations under Paragraphs 8 and 24 herein, all data provided to Contractor by the Treasurer or developed internally by Contractor with regard to the State will be treated as proprietary to the State and confidential unless the State agrees in writing to the contrary. Subject to Contractor's rights and obligations under Paragraphs 8 and 24 herein, Contractor agrees to forever hold in confidence all files, records, documents or other information as designated, whether prepared by the Treasurer or others, which may come into Contractor's possession during the term of this Agreement, except where a disclosure of such information by Contractor is required (whether in the ordinary course of business or otherwise) by another governmental authority to ensure compliance with laws, rules or regulations, and such disclosure will be limited to that actually so required. Where such disclosure is required, Contractor will provide advance notice to the Treasurer of the need for disclosure.

11. **Non-Discrimination**

(a) Contractor agrees and warrants that in the performance of this Agreement it will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, (including, but not limited to, blindness), unless it is shown by it that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut.

(b) Contractor agrees to take affirmative action to insure that applicants with job-related qualifications are employed, and that employees are treated when employed, without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, or physical disability, (including, but not limited to, blindness), unless it is shown by it that such disability prevents performance of the work involved.

(c) Contractor agrees, in all solicitations or advertisements for employees placed by it or on its behalf, to state that it is an "affirmative action-equal opportunity employer" in
accordance with regulations adopted by the Commission on Human Rights and Opportunities ("Commission").

(d) Contractor agrees to provide each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding and each vendor with which it has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers representative of the Contractor's commitments under this paragraph 11, and to post copies of the notice in conspicuous places available to employees and applicants for employment.

(e) Contractor agrees to comply with each provision of this paragraph 11 and Conn. Gen. Stat. sections 46a-68e and 46a-68f and with each regulation or relevant order issued by the Commission pursuant to Conn. Gen. Stat. sections 46a-56, 46a-68e and 46a-68f.

(f) Contractor agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning its employment practices and procedures as related to the provisions of this paragraph 11 and Conn. Gen. Stat. section 46a-56.

(g) If this Agreement is a public works contract, as defined in Conn. Gen. Stat. section 46a-68b, Contractor agrees and warrants that it will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works project. For the purposes of this subparagraph, "minority business enterprise" means any small contractor or supplier of materials fifty-one per cent or more of the capital stock, if any, or assets of which is owned by a person or persons:

(i) who are active in the daily affairs of the enterprise;

(ii) who have the power to direct the management and policies of the enterprises; and

(iii) who are members of a minority, as such term is defined in subsection (a) of Conn. Gen. Stat. section 32-9n;

"good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations; "good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements. Determination of Contractor's good faith efforts shall include but shall not be limited to the following factors: Contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.
(h) Contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.

(i) Contractor shall include the provisions of subparagraphs (a)-(g) in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state of Connecticut and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Conn. Gen. Stat. section 46a-56; provided, if Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, Contractor may request the state of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

(j) Contractor agrees and warrants that in the performance of this Agreement it will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the state of Connecticut, and that employees are treated when employed without regard to their sexual orientation.

(k) Contractor agrees to provide each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding and each vendor with which it has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers' representative of the Contractor's commitments under paragraph 11, and to post copies of the notice in conspicuous places available to employees and applicants for employment.

(l) Contractor agrees to comply with each provision of this paragraph 11 and sections 46a-68e and 46a-68f of the general statutes and with each regulation or relevant order issued by the Commission pursuant to section 46a-56.

(m) Contractor agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning its employment practices and procedures which relate to the provisions of this paragraph 11 and Conn. Gen. Stat. section 46a-56.

(n) Contractor shall include the provisions of sub-paragraphs (j)-(m) in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Conn. Gen. Stat. section 46a-56; provided, if Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, Contractor may
request the state of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

12. **Indemnity**

Contractor hereby indemnifies and shall defend and hold harmless the Treasurer, its officers and its employees, from and against any and all suits, actions, legal or administrative proceedings, claims, demands, damages, liabilities, monetary loss, interest, attorney's fees, costs and expenses of whatsoever kind or nature, including those arising out of injury to or death of Contractor's employees, whether arising before, during or after completion of the services hereunder, and in any manner directly or indirectly caused, occasioned or contributed to in whole or in part, by reason of any act, omission, fault or negligence of Contractor or its employees, agents or subcontractors.

13. **Entire Agreement**

This Agreement embodies the entire agreement between the State and Contractor on the matters specifically addressed herein. The parties shall not be bound by or be liable for any statement, representation, promise, inducement or understanding of any kind or nature not set forth herein. This Agreement shall supersede all prior written agreements between the parties and their predecessors with respect to the subject matter hereof. No changes, amendments or modifications of any of the terms or conditions of the Agreement shall be valid unless reduced to writing, signed by both parties and approved by the Attorney General or his Deputy. This Agreement shall inure to the benefit of and be binding upon each party's heirs, successors, and assigns.

14. **Notices**

Unless otherwise expressly provided to the contrary, any notices provided for hereunder shall be in writing and may be delivered personally, via facsimile or by mail to, and will be effective upon receipt at, the following addresses:

**TREASURER:**
Office of the Treasurer  
55 Elm Street  
Hartford, CT 06106  
Attention: Assistant Treasurer – Second Injury Fund  
Fax: (860) 702-3021

**With a Copy to:**
General Counsel  
Office of the Treasurer  
55 Elm Street  
Hartford, CT 06106  
Fax: (860) 702-3043

12
CONTRACTOR: Deloitte & Touche LLP
185Asylum Street
Hartford, CT 06103
Attention: Jan A Lommele

The parties may change their respective addresses for notices under this paragraph upon
prior written notification to the other.

15. **Laws and Regulations**

This Agreement shall be interpreted under and governed by the laws of the State of
Connecticut. Contractor, its employees and representatives shall at all times comply in all
material respects with all applicable laws, ordinances, statutes, rules, regulations and orders of
governmental authorities, including those having jurisdiction over its registration and licensing to
perform services hereunder.

16. **Discovery of Conflicts, Errors, Omissions and Discrepancies**

   (a) In the event of any conflict between the provisions of this Agreement and the
   provisions of Form CO-802A to which this Agreement is attached, the provisions of this
   Agreement shall control.

   (b) In case of conflicts, discrepancies, errors or omissions among the various parts of
   this Agreement, any such matter shall be submitted immediately by Contractor to .the Treasurer
   for clarification. The Treasurer shall issue such clarification within a reasonable period of time.
   This remedy shall not be deemed exclusive and Contractor does not waive any of its legal or
equitable remedies. Any services affected by such conflicts, discrepancies, errors or omissions
   that are performed by Contractor prior to clarification by the State shall be at Contractor's risk.

17. **Non-Waiver**

None of the conditions of this Agreement shall be considered waived by the Treasurer or
Contractor unless given in writing. No such waiver shall be a waiver of any past or future
default, breach or modification of any of the conditions of this Agreement unless expressly
stipulated in such waiver.

18. **Survival**

The rights and obligations of the parties which by their nature survive termination or
completion of this Agreement, including but not limited to those set forth herein paragraphs 8, 9,
10, 12 and 24 of this Agreement, shall remain in full force and effect.
19. **Sovereign Immunity**

Notwithstanding any provisions to the contrary contained in this Agreement, it is agreed and understood that the State of Connecticut shall not be construed to have waived any rights or defenses of sovereign immunity which it may have with respect to all matters arising out of this Agreement.

20. **Termination**

The parties mutually agree, that either may terminate this Agreement upon thirty (30) days' written notice delivered to the other by certified or registered mail to the addresses provided in paragraph 14. Following the delivery of any notice of termination hereunder, the Contractor shall perform all of its obligations hereunder in good faith as directed by the State and will cooperate fully with the State in taking all necessary or appropriate steps (in accordance with the professional standards of the American Institute of Certified Public Accountants) in order to effectuate the orderly transfer of Contractor's functions to third parties designated by the State. The Treasurer acknowledges and agrees that she and any such third parties shall not be entitled to rely on, and Contractor shall have no liability with respect to, any unfinished, incomplete or draft document, information, work-in-progress or other property delivered pursuant to the preceding sentence.

21. **Assignment**

This Agreement shall not be assigned by either party without the express prior written consent of the other.

22. **Severability**

If any part or parts of this Agreement shall be held to be void or unenforceable, such part or parts shall be treated as severable, leaving valid the remainder of this Agreement notwithstanding the part or parts found to be void or unenforceable.

23. **Counterpart Originals**

This Agreement may be executed in any number of counterparts, each of which shall be an original, but which, taken together, shall constitute one and the same instrument.

24. **Other**

(a) **Deloitte & Touche Property**

(i) Contractor has created, acquired or otherwise has rights in, and may, in connection with the performance of services hereunder, employ, provide, modify, create, acquire or otherwise obtain rights in, various concepts, ideas, methods, methodologies, procedures, processes, know-how, and
techniques (including, without limitation, function, process, system and data models); templates; the generalized features of the structure, sequence and organization of software, user interfaces and screen designs; general purpose consulting and software tools, utilities and routines; and logic, coherence and methods of operation of systems (collectively the “D&T Technology”).

(ii) The tangible items specified as deliverables or work product in this Agreement (the “Deliverables”) are the property of the Treasurer. To the extent that any D&T Technology is contained in any of the Deliverables, Contractor hereby grants the Treasurer a royalty-free, fully paid-up, worldwide, non-exclusive license to use such D&T Technology in connection with the Deliverables.

(iii) To the extent that Contractor utilizes any of its property (including, without limitation, the D&T Technology or any hardware or software of Contractor) in connection with the performance of services hereunder, such property shall remain the property of Contractor and, except for the license expressly granted in the preceding subparagraph, the Treasurer shall acquire no right or interest in such property. Notwithstanding anything in this Agreement to the contrary, the parties acknowledge and agree that (A) Contractor shall own all right, title, and interest, including, without limitation, all rights under all copyright, patent and other intellectual property laws, in and to the D&T Technology and (B) Contractor may employ, modify, disclose, and otherwise exploit the D&T Technology (including, without limitation, providing services or creating programming or materials for other clients). Contractor does not agree to any terms that may be construed as precluding or limiting in any way its right to (A) provide consulting or other services of any kind or nature whatsoever to any person or entity as Contractor in its sole discretion deems appropriate or (B) develop for itself, or for others, materials that are competitive with those produced as a result of the services provided hereunder, irrespective of their similarity to the Deliverables.
(b) Force Majeure

Contractor shall not be liable for any failures or delays resulting from circumstances beyond its reasonable control, including, without limitation, acts or omissions or the failure to cooperate pursuant to this Agreement by the Treasurer (including, without limitation, entities or individuals under her control, or any of their respective designees, employees other personnel, consultants and agents), acts or omissions or the failure to cooperate by any third party, fire or other casualty, act of God, strike or labour dispute, war or other violence, or any law, order or requirement of any governmental agency or authority.

Deloitte & Touche LLP

By

Name: Jan A. Lommele
Title: Principal
Duly Authorized
Dated: 12/1/99

STATE OF CONNECTICUT

By

Denise L. Nappier
State Treasurer
Dated: 29 November 1999

Approved as to form:
OFFICE OF THE ATTORNEY GENERAL

By

Title: Assoc. Attorney General
Dated 2/18/00

[SEAL]
REQUEST FOR CONTINUANCE BY AMENDMENT

This form is to be completed when requesting a continuance by amendment to a Personal Service Agreement. Return this form to: Office of Policy and Management, Management Division, 450 Capitol Avenue, MS# 54MGT, P. O. Box 341441, Hartford, CT 16134-1441.

Agency Name / Address: Office of the State Treasurer
55 Elm Street, Hartford, CT 06106
Agency Contact: Kim Alfultis
Phone: (860) 702-3139

Name and Address of Contractor: Deloitte & Touche, L.L.P.
185 Asylum Street, Hartford, CT 06103

Was the cost of the original agreement more than $50,000? □ Yes □ No

Does the amendment have a cost of one hundred percent or more of the cost of the original contract? □ Yes □ No

Does the amendment increase the cost of the agreement to more than fifty thousand dollars? □ Yes □ No

Does the amendment extend the terms of the agreement beyond a one year period? □ Yes □ No

Is this the second or subsequent amendment to the agreement? □ Yes □ No

Original Agreement: □ Competitive □ Non-Competitive

Description of Original Services (Purpose, Scope, Activities, Outcomes):
Second Injury Fund assessment audit and claims management / MIS review.

Term of Original Contract: 1 year

Cost of Original Services: $290,000.00 Fund: SID 302 - Second Injury Fund

Number and cost of prior amendments: None

Description of Services to be covered by the Amendment (Purpose, Scope, Activities, Outcomes):
Additional audits of insurance companies as detailed in the attached memorandums.

Need for the Services:
To recoup assessment arrearages as detailed in the attached memorandums.

Cost of this Amendment: $144,000.00 Fund: SID 302 - Second Injury Fund

Reasons why a new RFP and Personal Service Agreement are not needed:
Contractor is familiar with the Second Injury Fund, having completed assessment audit of two insurance companies reporting to the Fund. The audit process would be cost effective and expeditious if the current contractor was extended.

Term of this amendment:
6 additional months for a total term of 18 months

Total cost of amended services: $434,000

Requestor's Name and Title: Howard G. Rifkin
Deputy Treasurer

Requestor's Signature:

Approved □ Disapproved □

Secretary, Office of Policy & Management Date

LP 04437
CERTIFICATE

I, John Curran, certify that I am the Hartford Office Managing Partner of Deloitte & Touche LLP; that Dave Finnerty, who signed the Agreement with the State of Connecticut for this limited liability partnership, was then a Partner of this limited liability partnership; and that the Agreement was duly signed for and on behalf of this limited liability partnership by the authority of its constituent documents and within the scope of its partnership powers.

Witness my hand this 24th day of May 2001.

By: [Signature]

State of Connecticut
County of Hartford, SS: Hartford

I, Marie Ayon, a notary public in and for the aforesaid County and State, do hereby certify that on this day, before me personally came John Curran to me known, who, being duly sworn, did depose and say that he is the Hartford Office Managing Partner of Deloitte & Touche LLP.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 24th day of May 2001.

[Signature]

My Commission Exp. Mar. 31, 2005
PERSONAL SERVICE AGREEMENT

PREPARE IN DUPLICATE.

THE STATE AGENCY AND THE CONTRACTOR AS LISTED BELOW ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO AND SUBJECT TO THE PROVISIONS OF SECTION 4-88 OF THE CONNECTICUT GENERAL STATUTES AS APPLICABLE.

ACCEPTANCE OF THIS CONTRACT IMPLIES CONFORMANCE WITH TERMS AND CONDITIONS STATED ON THE REVERSE SIDE OF PART 1.

STATE OF CONNECTICUT
OFFICE OF THE STATE COMPTROLLER
CENTRAL ACCOUNTS PAYABLE DIVISION

[Table]

<table>
<thead>
<tr>
<th>CONTRACTOR</th>
<th>State Agency and Address</th>
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<tbody>
<tr>
<td>Deloitte &amp; Touche LLP</td>
<td>Office of the Treasurer, 55 Elm Street, Hartford, CT 06106</td>
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<tr>
<th>CONTRACT PERIOD</th>
<th>INDICATE</th>
<th>Master Agreement</th>
<th>Contract Award</th>
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<td>June 21, 1995 to December 21, 1995</td>
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<th>CANCELLATION CLAUSE</th>
<th>THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELLED BY THE STATE AGENCY, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT).</th>
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<td>Thirty (30) Days</td>
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| COMPLETE DESCRIPTION OF SERVICE | See attached Reporting Advisory Agreement (2. Services to be Provided by Advisor). |


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<thead>
<tr>
<th>COMMITTED AMOUNT</th>
<th>OBLIGATED AMOUNT</th>
<th>CONTRACT PERIOD FROM / TO</th>
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<th>ACTIVITY</th>
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<th>ACCEPTANCES AND APPROVALS</th>
<th>STATUTORY AUTHORITY</th>
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</thead>
<tbody>
<tr>
<td>[Signatures]</td>
<td>Treasurer 8/10/95</td>
</tr>
</tbody>
</table>

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

DISTRIBUTION: PART 1 - CONTRACTOR  PART 2 - COMPTROLLER  PART 3 - OPM/DFS  PART 4 - ATTORNEY GENERAL  PART 5 - AGENCY
STATE OF CONNECTICUT
OFFICE OF THE STATE COMPTROLLER
CENTRAL ACCOUNTS PAYABLE DIVISION

CONTRACTOR: Deloitte & Touche LLP

CONTRACTOR ADDRESS: 185 Asylum Street, Hartford, Connecticut 06103

STATE AGENCY: Office of the Treasurer, 55 Elm Street, Hartford, CT 06106

DATE (FROM) THROUGH (TO): Aug 21, 1995 to December 21, 1995

MASTER AGREEMENT: No

BID NO.: 13-513-3500

AGENCY NO.: 1201

PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES:

NO. OF DAYS WRITTEN NOTICE: Thirty (30) Days

See attached Reporting Advisory Agreement (2. Services to be Provided by Advisor).


ACCEPTANCES AND APPROVALS:

STATUTORY AUTHORITY

INSTRUCTIONS: PART 1 - CONTRACTOR PART 2 - COMPTROLLER PART 3 - OPM/DAS PART 4 - ATTORNEY GENERAL PART 5 - AGENCY

LP 04441
REPORTING ADVISORY AGREEMENT

This Reporting Advisory Agreement ("Agreement") is entered into as of the 21st day of June, 1995 ("Commencement Date"), between the TREASURER OF THE STATE OF CONNECTICUT ("Treasurer"), pursuant to Conn. Gen. Stat. Section 3-11a, and DELOITTE & TOUCHE LLP, a registered limited liability partnership, having a principal place of business at City Place, 185 Asylum Street, Hartford, Connecticut, 06103 ("Advisor").

1. Term

This Agreement shall commence on the Commencement Date, and shall end on the earliest of (i) six months from the Commencement Date, (ii) termination by either party as set forth in paragraph 20 hereof, or (iii) completion of the services in accordance with the terms of this Agreement.

2. Services to be Provided by Advisor

a. Advisor shall assist the Treasurer or his representatives in developing standards to be used for reports produced by the Office of the Treasurer, and obtaining recognition for such standards by the Government Finance Officers' Association ("GFOA"), by performing the following services:

   (i) Advise and assist in the design of reports, including advice regarding presentation and disclosures;

   (ii) Assist in the transition from current accounting practices to full, appropriate generally accepted accounting principles;

   (iii) Coordinate with the GFOA to establish a national standard for Treasurers' reports generally, and a program by which such reports may be recognized as meeting such standard; and

   (iv) Perform such other services in connection with the foregoing as the Treasurer or his representatives may request from time to time and as Advisor may agree to perform.

b. Advisor shall perform the above services within time frames specified by the Treasurer or his representatives.
3. Compensation of Advisor

a. Advisor shall bill the Treasurer for any services hereunder at the following rates for the following individuals:

<table>
<thead>
<tr>
<th>Individual</th>
<th>Rate</th>
</tr>
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<tbody>
<tr>
<td>Pat Hardiman</td>
<td>$300/hour</td>
</tr>
<tr>
<td>John H. Schuyler</td>
<td>$250/hour</td>
</tr>
<tr>
<td>Other Partners</td>
<td>$250/hour</td>
</tr>
<tr>
<td>Senior Managers</td>
<td>$175/hour</td>
</tr>
</tbody>
</table>

Total compensation hereunder shall not exceed $15,000.

b. Advisor shall be reimbursed for actual, necessary and reasonable out-of-pocket expenses incurred in providing the services hereunder including, without limitation, in-state and out-of-state travel, out-of-state telephone charges, and charges for couriers, overnight delivery, duplicating and computer research. Advisor shall not be reimbursed for expenses in the nature of overhead, such as in-state telephone charges and word and data processing. Advisor shall bill any expenses reimbursable hereunder at cost. Total reimbursement hereunder shall not exceed $3,000.

4. Representations and Warranties of Advisor

Advisor represents that it is qualified to perform the services provided for herein, and that it is properly licensed, equipped, organized and financed to perform such services. Advisor shall act as an independent contractor in performing this Agreement, maintaining complete control over its employees and any subcontractors hired by it to perform services hereunder. Advisor shall perform all services in accordance with its methods, subject to compliance with this Agreement and all applicable laws and regulations. Advisor represents that services to be rendered hereunder do not in any way conflict with other contractual commitments with or by Advisor.

5. Changes in Services

When changes in services are required or requested by the Treasurer, Advisor shall promptly estimate their monetary effect and so notify the Treasurer. No change shall be implemented by Advisor unless it is approved by the Treasurer and Advisor in writing; and, unless otherwise agreed to in writing, the provisions of this Agreement shall apply to all changes in services.
6. **Labor and Personnel**

At all times, Advisor shall utilize qualified personnel necessary to perform the services under this Agreement. Advisor shall, if requested to do so by the Treasurer, reassign, within a reasonable period of time, any employee or authorized representative whom the Treasurer, in his sole discretion, determines is incompetent, dishonest or uncooperative.

7. **Quality Surveillance**

All services performed by Advisor shall be subject to the inspection and approval of the Treasurer or his representatives at all times, and Advisor shall furnish all information concerning such services, and shall grant the Treasurer's duly authorized representatives free access at all reasonable times to Advisor's facilities where the services under this Agreement are performed. Upon reasonable prior notice and during normal business hours, Advisor shall allow such representatives access to any of Advisor's books and records relating to the services provided hereunder. Any books or records made available to the Treasurer or his representatives under this paragraph may be redacted by Advisor to the extent necessary to protect its proprietary and confidential information and to avoid any invasion of personal privacy. At the Treasurer's request, Advisor shall provide hard copies or computer transmittal of any data or information in the possession of Advisor which pertains to the Treasurer's business under this Agreement. Advisor shall incorporate this paragraph verbatim into any agreement it enters into with any vendor providing services under this Agreement.

8. **Nondisclosure**

Advisor shall not release any information concerning the services provided pursuant to this Agreement or any part thereof to any member of the public, press, business entity or any official body, except as necessary to perform and deliver in accordance with this Agreement the services specified herein, unless prior consent is obtained from the Treasurer.

9. **Promotion**

Unless specifically authorized by the Treasurer or his representative, Advisor shall have no right to use, and shall not use, the name of the State of Connecticut, its officials or employees, or the seal of the State of Connecticut:

a. in any advertising, publicity, or promotion;
b. as an express or implied endorsement of Advisor's products or services;

c. in any other manner (whether or not similar to uses prohibited by subparagraphs a. and b. above), except to perform and deliver in accordance with this Agreement the services specified herein.

10. Confidentiality

All data provided to Advisor by the Treasurer or developed internally by Advisor with regard to the Treasurer will be treated as proprietary and confidential unless the Treasurer agrees in writing to the contrary. Advisor agrees to forever hold in confidence all such files, records, documents or other information, whether prepared by the Office of the Treasurer or others, which may come into Advisor's possession during the term of this Agreement, except where a disclosure of such information by Advisor is required (whether in the ordinary course of business or otherwise) by another governmental authority or by court order, or to ensure compliance with laws, rules or regulations, subpoena or other process, or professional standards of the American Institute of Certified Public Accountants or the Connecticut State Board of Accountancy, and such disclosure will be limited to that actually so required. Where such disclosure is required, Advisor will provide advance notice to the Treasurer of the need for disclosure.

11. Non-Discrimination

a. Advisor agrees and warrants that in the performance of this Agreement it will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability (including, but not limited to, blindness), unless it is shown by it that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut ("State").

b. Advisor agrees to take affirmative action to insure that applicants with job-related qualifications are employed, and that employees are treated when employed, without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, or physical disability (including, but not limited to, blindness), unless it is shown by it that such disability prevents performance of the work involved.
c. Advisor agrees, in all solicitations or advertisements for employees placed by it or on its behalf, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the Commission on Human Rights and Opportunities ("Commission").

d. Advisor agrees to provide each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding and each vendor with which it has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers representative of the Advisor's commitments under subparagraphs a through g, and to post copies of the notice in conspicuous places available to employees and applicants for employment.

e. Advisor agrees to comply with each provision of subparagraphs a through g and Conn. Gen. Stat. Sections 46a-68e and 46a-68f and with each regulation or relevant order issued by the Commission pursuant to Conn. Gen. Stat. Section 46a-56, 46a-68e and 46a-68f.

f. Advisor agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning its employment practices and procedures as related to the provisions of subparagraphs a through g and Conn. Gen. Stat. Section 46a-56.

g. If this Agreement is a public works contract, as defined in Conn. Gen. Stat. Section 46a-68b, Advisor agrees and warrants that it will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works project. For the purposes of this subparagraph, "minority business enterprise" means any small Advisor or supplier of materials fifty-one percent or more of the capital stock, if any, or assets of which is owned by a person or persons:

i. who are active in the daily affairs of the enterprise;

ii. who have the power to direct the management and policies of the enterprises; and

iii. who are members of a minority, as such term is defined in subsection (a) of Conn. Gen. Stat. Section 32-9n;

"good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations; "good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that
such initial efforts will not be sufficient to comply with
such requirements. Determination of Advisor's good faith
efforts shall include, but shall not be limited to, the
following factors: Advisor's employment and subcontracting
policies, patterns and practices; affirmative advertising,
recruitment, and training; technical assistance activities and
such other reasonable activities or efforts as the Commission
may prescribe that are designed to ensure the participation of
minority business enterprises in public works projects.

h. Advisor shall develop and maintain adequate
documentation, in a manner prescribed by the Commission, of
its good faith efforts.

i. Advisor shall include the provisions of
subparagraphs a through g in every subcontract or purchase
order entered into in order to fulfill any obligation of a
contract with the State of Connecticut and such provisions
shall be binding on a subcontractor, vendor or manufacturer
unless exempted by regulations or orders of the Commission.
Advisor shall take such action with respect to any such
subcontract or purchase order as the Commission may direct as
a means of enforcing such provisions, including sanctions for
noncompliance in accordance with Conn. Gen. Stat. Section 46a-
56; provided, if Advisor becomes involved in, or is threatened
with, litigation with a subcontractor or vendor as a result
of such direction by the Commission, Advisor may request the
State of Connecticut to enter into any such litigation or
negotiation prior thereto to protect the interests of the
State and the State may so enter.

j. Advisor agrees and warrants that in the performance
of this Agreement it will not discriminate or permit
discrimination against any person or group of persons on the
grounds of sexual orientation, in any manner prohibited by the
laws of the United States or of the State of Connecticut, and
that employees are treated when employed without regard to
their sexual orientation.

k. Advisor agrees to provide each labor union or
representative of workers with which it has a collective
bargaining agreement or other contract or understanding and
each vendor with which it has a contract or understanding, a
notice to be provided by the Commission advising the labor
union or workers' representative of the Advisor's commitments
under subparagraphs j through m, and to post copies of the
notice in conspicuous places available to employees and
applicants for employment.

l. Advisor agrees to comply with each provision of
subparagraphs j through m and Conn. Gen. Stat. Sections 46a-
68e and 46a-68f and with each regulation or relevant order
issued by the Commission pursuant to Conn. Gen. Stat. Section
46a-56.
m. Advisor agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning its employment practices and procedures which relate to the provisions of subparagraphs j through m and Conn. Gen. Stat. Section 46a-56.

n. Advisor shall include the provisions of subparagraphs j through m in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. Advisor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions, including sanctions for noncompliance in accordance with Conn. Gen. Stat. Section 46a-56; provided, if Advisor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, Advisor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

12. Indemnity

a. Advisor hereby indemnifies and shall defend and hold harmless the Treasurer, its officers and its employees, from and against any and all suits, actions, legal or administrative proceedings, claims, demands, damages, liabilities, monetary loss, interest, reasonable attorneys' fees, costs and expenses of whatsoever kind or nature, including those arising out of injury to or death of Advisor's employees, whether arising before, during or after completion of the services hereunder (collectively, "Damages"), to the extent that such Damages resulted directly and proximately from the gross negligence, negligence or willful misconduct of Advisor or its employees, agents or subcontractors in the performance of services and duties hereunder, provided, however, that the foregoing indemnity obligation shall not apply if such Damages arise out of or relate to the advice or recommendations provided by Advisor to the Treasurer hereunder, provided such advice or recommendations are made in good faith, or any data or information provided to Advisor by the Treasurer or any third party for purposes of performance of services hereunder.

b. The Treasurer and his employees shall provide Advisor with prompt notice of any claim for which indemnification may be sought hereunder, shall cooperate fully with Advisor in defending such claim and shall make available to Advisor the documents relating to such claim.
c. Any and all counsel defending such claim shall be subject to approval by the Attorney General, which approval shall not be unreasonably withheld. The Attorney General reserves the right to appear and defend any such claim, and no settlement of any claim shall be valid without the approval of the Attorney General.

d. It is understood and agreed that Advisor shall be providing advice and recommendations hereunder to the Treasurer; however, the Treasurer shall be solely responsible for all decisions in connection with the implementation of such advice and recommendations. The Treasurer shall be responsible for the accuracy and completeness of all data and information provided to Advisor to perform its services hereunder. Advisor shall not be liable for any amounts representing lost profits, any claim based upon any third party claim (except as provided in this paragraph 12), or any consequential, incidental, indirect, special or punitive damages.

e. The provisions of this paragraph 12 are solely for the benefit of the parties hereto and are not intended to create or grant any rights, contractual or otherwise, in or to any other person or entity.

13. Entire Agreement

This Agreement embodies the entire agreement between the Treasurer and Advisor on the matters specifically addressed herein. The parties shall not be bound by or be liable for any statement, representation, promise, inducement or understanding of any kind or nature not set forth herein. This Agreement shall supersede all prior written agreements between the parties and their predecessors on the matters specifically addressed herein. No changes, amendments or modifications of any of the terms or conditions of the Agreement shall be valid unless reduced to writing, signed by both parties and approved by the Attorney General or his Deputy. This Agreement shall inure to the benefit of and be binding upon each party's heirs, successors, and assigns.

14. Notices

Unless otherwise expressly provided to the contrary, any notices provided for hereunder shall be in writing and may be delivered personally, via facsimile or by mail to, and will be effective upon receipt at, the following addresses:
15. Laws and Regulations

This Agreement shall be interpreted under and governed by the laws of the State of Connecticut without regard to principles of conflicts of laws. Advisor, its employees and representatives shall at all times comply with all applicable laws, ordinances, statutes, rules, regulations and orders of governmental authorities applicable to the performance of its services hereunder, including those having jurisdiction over its registration and licensing to perform services hereunder.

16. Discovery of Conflicts, Errors, Omissions and Discrepancies

a. In the event of any conflict between the provisions of this Agreement and the provisions of any schedule, exhibit or other form to which this Agreement is attached, the provisions of this Agreement shall control.

b. In case of conflicts, discrepancies, errors or omissions among the various parts of this Agreement, any such matter shall be submitted immediately by Advisor to the Treasurer for clarification. The Treasurer shall issue such clarification within a reasonable period of time. This remedy shall not be deemed exclusive and Advisor does not waive any of its legal or equitable remedies. Any services affected by such conflicts, discrepancies, errors or omissions which are performed by Advisor after discovery thereof and prior to clarification by the Treasurer shall be at Advisor's risk.
17. Non-Waiver

None of the conditions of this Agreement shall be considered waived by the Treasurer or Advisor unless given in writing. No such waiver shall be a waiver of any past or future default, breach or modification of any of the conditions of this Agreement unless expressly stipulated in such waiver.

18. Survival

The rights and obligations of the parties which by their nature survive termination or completion of this Agreement, including but not limited to those set forth herein paragraphs 8, 9, 10 and 12 of this Agreement, shall remain in full force and effect.

19. Sovereign Immunity

Notwithstanding any provisions to the contrary contained in this Agreement, it is agreed and understood that the State of Connecticut shall not be construed to have waived any rights or defenses of sovereign immunity which it may have with respect to all matters arising out of this Agreement.

20. Termination

The parties mutually agree that either may terminate this Agreement upon thirty (30) days' written notice delivered to the other by certified or registered mail to the addresses provided in paragraph 14. Advisor shall be paid any fees and expenses to which it may be entitled hereunder through the date of its termination.

21. Assignment

This Agreement shall not be assigned by either party without the express prior written consent of the other.

22. Severability

If any part or parts of this Agreement shall be held to be void or unenforceable, such part or parts shall be treated as severable, leaving valid the remainder of this Agreement notwithstanding the part or parts found to be void or unenforceable.
23. **Counterpart Originals**

This Agreement may be executed in any number of counterparts, each of which shall be an original, but which, taken together, shall constitute one and the same instrument.

DELOITTE & TOUCHE LLP

By [Signature]

Title: [Title]

Dated: [Date]

[SEAL]

TREASURER OF THE STATE OF CONNECTICUT, as Trustee

By [Signature]

Title: Treasurer

Dated: 8/10/95

Approved as to form:

OFFICE OF THE ATTORNEY GENERAL

By [Signature]

Title: [Title]

Dated: 8/17/95
PERSONAL SERVICE AGREEMENT
CO-003A REV. 3/98 (Stock No. 170-01)

1. PREPARE IN DUPLICATE.
2. THE STATE AGENCY AND THE CONTRACTOR AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT
   SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO AND SUBJECT
   TO THE PROVISIONS OF SECTION 4-98 OF THE CONNECTICUT GENERAL STATUTES AS APPLICABLE.
3. ACCEPTANCE OF THIS CONTRACT IMPLIES CONFORMANCE WITH TERMS AND CONDITIONS STATED ON
   THE REVERSE SIDE OF PART 1.

CONTRACTOR

[3] CONTRACTOR NAME
Deloitte & Touche, LLP
[4] CONTRACTOR ADDRESS
185 Asylum Street, Hartford, CT 06103

[5] AGENCY NAME AND ADDRESS
Office of the Treasurer, 55 Elm Street, Hartford, CT 06106

[7] DATE (FROM) 1/2/2001
[8] THROUGH (TO) 1/1/2003

[10] CONTRACT PERIOD


Professional fees and out-of-pocket expenses based on hours and hourly rates of contractor staff assigned to project.

Not to exceed $459,600.00

[13] ACT. CD. FS
A

[14] COMMITTED AMOUNT
$1,00

[15] COMM. ASCY. OBJECT ACTIVITY
1201 5621201 02230 8

[16] COMM. NO. FUND EBD
1201 0000 302

[17] COMM. LINE NO. FUNCTION AGENCY TAIL
1 8 880

[18] COMM. AGENCY
1201

[19] STATEMENT OF SERVICE

Consulting services for implementation of operational and risk management information system improvements as recommended by the Treasurer's Blue Ribbon Commission (see paragraph 2 - services to be provided by contractor - for detailed description)

STATE OF CONNECTICUT
OFFICE OF THE STATE COMPTROLLER
ACCOUNTS PAYABLE DIVISION

434 STATE OF CONNECTICUT
CO-802A (REV. 9/98) PART 1

[1] ORIGINAL [ ] AMENDMENT
P.S. 5261201


[12] ACT. CD. COMM. NO. COMM. LINE NO.
A 1 1 0 1 201 0000 302 02230 8

[13] ACT. CD. COMM. NO. COMM. LINE NO.
A 1 1 0 1 201 0000 302 02230 8

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code Section 3121(d)(2). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.
PERSONAL SERVICES AGREEMENT
Second Injury Fund Operations And Risk Management Information
System Improvements Consulting

This Personal Services Agreement ("Agreement") is entered into as of the 2nd day of January, 2001 ("Commencement Date"), between the STATE OF CONNECTICUT ("State"), acting through its Treasurer, as Trustee ("Treasurer") pursuant to Conn. Gen. Stat. Sections 3-11a, and The Second Injury Fund (SIF), and Deloitte & Touche, LLP, a corporation, having a principal place of business at 185 Asylum Street, Hartford, Connecticut 06103 ("Contractor").

1. Term

This Agreement shall commence on the Commencement Date, and shall end upon termination by either party as set forth in paragraph 20 hereof.

2. Services to be Provided by the Contractor

A. Prioritize Recommendations in the Operations and Risk Management Information System (RMIS) Study Reports of the Blue Ribbon Commission, formulate approach to each area and articulate the methodology to be used.

Contractor recognizes that only items providing significant impact and return-on-investment (ROI) should be a priority focus. The Contractor will employ a Nine Step Plan that includes the Contractor and Second Injury Fund (SIF) teams working together. The Nine Step Plan is highlighted below. Contractor will first exercise a "correction process" in order to establish a better view of the case-load (Steps 1-3 of the Nine Step Plan, highlighted summary below). Contractor will then provide an outline and plan for prioritized recommendations, targeting those with potential to yield the greatest ROI.

1) Strategy: Decide on claims that will be subject to the correction process, i.e. 349, and reimbursement; begin discussion on organization and responsibilities of staffing for correction process; decide on depth of review; identify required time frames/goals. Coordinated RMIS Activity: Initiate needs analysis; (Phase One of RMIS segment) internal SIF strategic plan and needs identification.

2) Preparation: Prepare for claim file correction Process – review reports of claims files targeted for the correction process. Finalize decisions regarding project team staffing; agreement on project team's physical space; design tools/tracking methods for correction review based on agreed upon special protocols, define file review/movement process; determine desired outcomes and deadlines. Coordinated RMIS Activity: Early recognition of data integrity and potential conversion issues.
3) **Action:** Physically place team(s); adjust internal resources and consideration of temporary staff as needed; pull claims for review and assign among team. Project team leaders to check each completed case. Re-assign completed/approved cases to claim staff for continued handling; monitor the supervision of correction process; track and compile key data, i.e., number and type of open cases, case reserves, case complexity, etc. Update time and completion of goals in real time; begin discussions regarding potential organizational structure going forward. Manage correction process to conclusion, shift internal resources to back to regular duties accordingly. Provide RMIS team with real time information regarding potential system needs as revealed, initial data corrections or transfer to “staging database”. **Coordinated RMIS Activity:** Continue needs analysis (Phase One); begin Phase Two: RFP draft design and distribution to selected individuals.

4) **Assess Interim Results:** Convene project teams to assess review data on open case load, reserves, case complexity, etc. Identify the most critical areas and largest potential areas of cost savings; isolate other key items that can be concluded as a result of the case review process; prioritize specific recommendations, with a return on investment focus; identify resource needs; provide RMIS team with real time information on operations issues that will require information technology support in order to facilitate design/draft of RMIS –RFP. **Coordinated RMIS Activity:** Finalize last details of needs analysis (Phase One); complete Phase Two: RFP draft design.

5) **Going Forward Strategy:** Outline definitive re-organization plan; fold prioritized recommendations into re-organization plan; reassess/assign caseloads and work assignments of project team. Ensure proper data capture of subsequent information changes on all case files in preparation for eventual data system change; in consultation with SIF team, discussion with the RMIS team on their potential involvement in data conversion and possible use of a staging database.

6) **Implementation Planning:** Convene a meeting of the Contractor’s and the State’s SIF teams to confirm operational change/improvement targets. In consultation with SIF, assign appropriate activities to the SIF team and Contractor teams. At this stage, integrate awareness of RMIS team activities and link RMIS team representatives with the Operations team representatives.

7) **Design of Tools and Information Technology Process Integration:** Create or change/improve the required tools, forms or other documents, data screens and prompts, tracking methods, diary, communication and other operational protocols; coordinate with RMIS team as necessary, monitor individual project team assignments and expected completion dates; develop educational tools to train SIF staff in new procedures; design quality assurance tracking tools.
8) **Train and Implement**: Designate trainers; design project update/overview information pieces for staff; stage additional “kick-off” for training and implementation phase; finalize curriculum in targeted operational areas; include systems training as available; identify trainees for programs, facilitate training sessions; monitor implementation to assure proper operational changes.

9) **Quality Assurance (QA), Monitoring and Tracking**: Finalize tracking and QA tool design; implement tracking methods; apply to RMIS system as appropriate; institute a progressive system to address/correct or adjust operational issues as needs are evidenced via real time tracking.

B. **Provide written timetable**

Contractor’s Nine Step Plan includes an anticipated timetable on an eight-month timeline, which may be updated and enhanced depending upon on real-time progress of the Implementation Project. Once the Implementation Project begins, contractor will maintain a detailed Project Tracking Matrix. This will log detail specific assignments and activities, due-dates, and progress. This matrix will serve to keep SIF and Contractor teams aware of responsibilities and support the billing process.

C. **Provide periodic written progress reports**

The fundamental progress report will be the Project Tracking Matrix. Contractor agrees to provide other tracking reports covering specific issues as may be designed as the project progresses. Examples of possible report subjects include:

- Tracking the data-fields updated as part of the correction Process
- Settlement-tracking based on cases identified for settlement via the correction process
- Tracking RMIS needs as they are revealed during the correction process and throughout the operational improvement phase.
- An executive status report for use by the Assistant Treasurer and Project Manager on the quality of performance by key project team members
- Hours/Fee tracking report to support Contractor billing and issues involving potential requirements to expand hours in a given project step.
- Other ad hoc reports as required.

D. **Regularly meet with and advise Assistant Treasurer, Project Manager and Project Team**

On a regular basis, Contractor agrees to formal meetings between the respective Contractor and SIF project teams. Daily meetings may be required for the first 2-4 days of each new project phase. Weekly progress meetings will occur as a standard item. The Contractor and the State agree this will be an open and regular discussion of progress,
status of SIF team vs. Contractor team support, and updates to the projected time for completion of every phase. It is further understood that this contract as proposed requires significant technical support from SIF staff. The Contractor will provide Tracking Matrix updates and other reports as deemed necessary (see section “C” above) and be available for meetings on any reasonable schedule and format as may be required by the State.

E. Develop internal communication strategy

As stated in Paragraph D. above, regular communication will be required as part of the Implementation Project. The foundation of the communication strategy will be a SIF Convocation and the naming of the SIF project team. Detailed communications will be designed for dissemination to the general staff population as each progressive project step is planned.

In general, while details of the communication strategy will develop as the project progresses and needs are revealed, the Contractor understands that key topics of regular communication will be as follows:

- Progress in tasks as noted in the Project Tracking Matrix
- Continued resource needs for each phase, which will include planning for additional meetings and/or communication venues.
- Interface-issues with RMIS team

H. Specific Services Required for Operational Improvements

1) Correction Process

As noted in Paragraph A., the Contractor will assist and advise the project team on a correction process for approximately 4000-7000 cases based on the findings and recommendations in the Operations Study Report of the Blue Ribbon Commission. Contractor’s Nine Step Plan is the agreed upon approach to performing this function which is specifically addressed in Steps 1-3 of the plan. The Contractor and the State agree that the accomplishment of a successful correction process will be validated by several benchmarks including:

- Through the file-correction process, identify a select target of appropriate “open” and opportune cases for settlement / enhanced management, etc.
- Identification of caseloads in various categories, thereby supporting the validation of staffing issues
- Posting of proper case reserves that support actuarial analysis and prioritize case assignments
- Identification of detailed data integrity issues that will facilitate the eventual data-conversion
- Re-focus of the continued settlement effort
- Validation of the needs of other SIF resources: return-to-work function, case management, investigation, hearing representation, etc.
- Support for the effort to prioritize specific improvement recommendations based on potential value, (Steps 4, 5, and 6.)
2) Develop reserve philosophy/techniques
Contractor agrees that case reserves are critical to support actuarial analysis. They are also a fundamental driver of adjuster performance, and a qualitative measure of case load complexity. The need for case reserves is easily placed as a priority. This fundamental task, once completed, sets the “knowledge foundation” and will allow much of the remainder of the Implementation Project to be focused and tracked. Contractor will include case-reserves as a minimum qualification for completion of any case through the correction process (Steps 1-3 of the Nine Step Plan).

3) Train staff in industry-standard negotiation techniques
Contractor recognizes there is a critical balance between the benefits of quickly disposing of a case versus the cost of said disposal. Contractor understands that settlement will remain a priority issue. Contractor will approach this in three phases upon completion of the correction process: 1) to set the parameters for targeting potential settlement cases via the Special Protocols checklist; 2) to work with SIF teams to redesign the settlement evaluation tools and approach to negotiation; 3) to train key SIF management and staff in the new philosophy and process. These three phases will be initiated concurrently with steps 5-9 of the Nine Step Plan.

4) Develop strategy for collection cases/backlog
The Contractor’s strategy for addressing collections cases will follow a similar pattern as Steps 1-3 of the Nine Step Plan in that contractor will perform an initial high-level assessment of summary data on all open 355 collection files to better identify the number of opportune cases for further detailed review and action. At that point Contractor and SIF can better define the actual breadth of the challenge. The Contractor and the State agree that the SIF project team will be devoted to much of this task, with oversight from Contractor. Collection opportunities of similar types will be grouped and reviewed and recommendations will be made for appropriate resource application; i.e., investigations, prosecution, simple correction of court-documents. The Contractor agrees that a strategy for new collection opportunities will address an immediate functional timeline. Upon completion of the collection strategy, the Contractor will assess the refined open collection portfolio and make recommendations for expansion of resources and/or legislative changes regarding expansion of legal methods for collecting debt. Implementation of follow-through strategy for collection opportunities will be concurrent with steps 5-9 of the Nine Step Plan.

5) Develop strategy for claimant investigations and insurance/asset check activities
Contractor agrees priority for this area will be validated by an estimation of the ROI potential, which will be evaluated after the file correction process is complete, specifically steps 4-5 of the Nine Step Plan. Contractor will also comment on the appropriate mix of outsourcing vs. expansion of internal resources. Upon completion of the correction process the Contractor will make recommendations for expansion of resources and/or legislative changes regarding expansion of legal methods of collecting information. Design and implementation of follow-through strategy for claimant investigations and insurance/asset check activities will be concurrent with steps 5-9 of the Nine Step Plan.
6) Design early-intervention strategies for medical case management and return-to-work activities

Depending upon the ROI opportunity presented upon completion of Step-4, contractor will design an appropriate protocol for SIF medical case management and return-to-work as early intervention strategy. Contractor agrees this will be combined with focused investigative requirements to effectively change the SIF's current method of dealing with 31-355 cases, from "reactive" to "proactive".

For cases other-than 31-355 claims, Contractor will develop approach to adjust the application of return-to-work and medical case management to case-specific assignment and specific goals set. Contractor further agrees to design tools for administration and tracking claim handling according to quality assurance standards. Contractor understands that possible investment in staffing/resources, and training of all parties involved can not be determined until Plan Steps 1-4 are completed. If the ROI is warranted, remaining Steps 5-9 will include these issues as a priority.

7) Assess workload, design reorganization strategy

Contractor recognizes SIF operations will devolve in the next 3-8 years. Reorganization plans/staffing must account for this fact. It is further understood that RMIS changes can provoke changes in job-scope for individual staff, and may reduce current job-requirements while creating extra capacity for certain staff. Contracted labor, classified and unclassified staff must be adjusted/acquired with this in mind. The Contractor will work with SIF to first determine the priority areas of focus, in Plan Step 4, and then work with SIF to decide upon optimal means to cover required resource areas, (Step 5). A priority or heavy focus in staffing certain areas, including investigations, medical management, return-to-work, etc, must be weighed against the case-reduction threshold, which would then require a reduction in said staffing. Contractor is prepared to provide benchmarking data as is available regarding staff levels based on certain parameters.

I. Specific Services Required for RMIS Improvements

1) Contractor and the State agree the methodology for approaching the RMIS Improvements will be done in three phases:

Phase One: Develop Needs Analysis -- Creation of a data flow of claim processes, identification of data integrity issues, refinement of manual data correction requirements, and assessment of the complexity of the data conversion process, development of user profiles, conducting onsite focus group sessions and provide marketplace overview.
- Phase Two: Assist in the development of a Request for Proposal (RFP) for acquisition of new system – development of RMIS specifications, evaluation of vendor responses, vendor research, reference-checks, and initial phone-interviews as necessary.
- Phase Three: RMIS Lab System Evaluations – interview selected vendors, conduct hands-on RMIS lab testing, provide written lab analysis report.

2) Design and implement strategy for establishing data integrity through the Correction process and data scrub based on the findings and recommendations in the Operations and RMIS Study Reports of the Blue Ribbon Commission.

The Contractor’s RMIS team will work with the Operations team in Steps 1-3 of the Nine Step Plan as a part of the strategy and performance of the correction process. The State and the Contractor agree that the eventual conversion process of data to a new system can be a significant challenge and may require extensive resources, particularly for the SIF. Contractor is prepared to approach this task through a case-by-case evaluation of specific data issues, correction activities, and/or the transfer of key data to a “staging” database. This data will be created manually and/or electronically transferred based on the quality of the data. The State understands and agrees this proposal does not include additional man-hours for data entry or the cost of electronically transferring these files. The Contractor’s RMIS team will take an active role in specific information technology issues that are part of the claims correction process.

3) Develop strategy for improved use of and coordination between information management, communication and diary systems

The Contractor’s Operations team will work with the SIF team and the Contractor’s RMIS team to create the appropriate applications in Steps 6-7 of the Nine Step Plan. The Contractor’s RMIS team further understands this aspect is a coordinated activity. The SIF team, Contractor’s operations team, and Contractor’s RMIS team will decide upon and create the protocols for consistent application and philosophy regarding the use of these coordination tools, and implement the operations process to the staff. The Contractor’s operations team will work with the SIF team and the Contractor’s RMIS team to create the appropriate applications in steps 6-7. This enhances the Contractor’s RMIS team’s needs-analysis study. Contractor understands this aspect is part of the entire project, and is not a separate or exclusive RMIS team activity.
4) Develop strategy for capturing basic file information

The Contractor anticipates that the operational protocols, correctly identified, designed and applied, will assist in the design of the RMIS RFP. The Contractor, in addition to the development of protocols, is to include criteria for capturing basic file information in the evaluation of “front-end” software.

5) Assist in the preparation of an RFP for RMIS selection

The Contractor through its RMIS team will coordinate needs-analysis and RFP planning around the identified critical areas of focus as they are revealed by the Operations team in Steps 4-7. With regard to the specific RMIS selection process, the Contractor recognizes that the creation of coordination protocols will also serve to focus the development of a RMIS. The Contractor, in consultation with the SIF team, will develop the RFP to specifically address the needs of the SIF, including but not limited to: identification of the vendor best capable of providing effective services, best able to quantify and address the conversion issues, and best able to plan for the eventual reduction of SIF activities, as appropriate, and design a contractual agreement in accordance with these issues and any other areas deemed critical by the State.

3. Compensation of Contractor

Contractor shall be paid by the State of Connecticut an amount not to exceed $459,600 for the Scope of Services in Paragraph 2 of the Agreement. Such amount shall include professional fees and out-of-pocket expenses of Contractor. Professional fees are based on the hours and hourly rates of Contractor’s staff assigned by Contractor to work under this Agreement and are supported by estimates of time required in respective 9-Step plan and 3-Step RMIS plan. Any unanticipated additional professional time required to fulfill the Scope of Services in Paragraph 2 of the Agreement, which would result in costs in excess of $397,600, will require joint approval of the State Treasurer and the Contractor in advance of incurring those costs.

4. Representations and Warranties of Contractor

Contractor represents that it is fully experienced and properly qualified to perform the services provided for herein, and that it is properly licensed, equipped, organized and financed to perform such services. Contractor shall act as an independent contractor in performing this Agreement, maintaining complete control over its employees and any subcontractors hired by it to perform services hereunder. Contractor shall perform all services in accordance with its methods, subject to compliance with this Agreement and all applicable laws and regulations. Contractor represents that services to be rendered hereunder do not in any way conflict with other contractual commitments with or by Contractor.
5. **Changes in Services**

When changes in services are required or requested by the Treasurer, Contractor shall promptly estimate their monetary effect and so notify the Treasurer. No change shall be implemented by Contractor unless it is approved by the Treasurer in writing; and, unless otherwise agreed to in writing, the provisions of this Agreement shall apply to all changes in services.

6. **Labor and Personnel**

At all times, Contractor shall utilize qualified personnel necessary to perform the services under this Agreement. Contractor shall, if requested to do so by the Treasurer, reassign from the Account, within a reasonable period of time, any employee or authorized representative whom the Treasurer, in its sole discretion, determines is incompetent, dishonest or uncooperative.

7. **Quality Surveillance**

All services performed by Contractor shall be subject to the inspection and approval of the State at all times, and Contractor shall furnish all information concerning such services, and shall grant the Treasurer's duly authorized representatives free access at all reasonable times to Contractor's facilities where the services under this Agreement are performed. Contractor shall allow such representatives free access to any of Contractor's books and records relating to the services provided hereunder. At the Treasurer's request, Contractor shall provide the State with hard copies or computer transmittal of any data or information in the possession of Contractor which pertains to the Treasurer's business under this Agreement. Contractor shall incorporate this paragraph verbatim into any agreement it enters into with any vendor providing services under this Agreement.

8. **Nondisclosure**

Contractor shall not release any information concerning the services provided pursuant to this Agreement or any part thereof to any member of the public, press, business entity or any official body unless prior written consent is obtained from the Treasurer.

9. **Promotion**

Unless specifically authorized in writing by the Treasurer on a case by case basis, Contractor shall have no right to use, and shall not use, the name of the State of Connecticut, its officials or employees, or the seal of the State:

a) in any advertising, publicity, or promotion;

b) as an express or implied endorsement of Contractor's products or services;

c) in any other manner (whether or not similar to uses prohibited by subparagraphs (i) and (ii) above), except to perform and deliver in accordance with this Agreement such services as are hereby contracted by the State.
10. **Confidentiality**

All data provided to Contractor by the Treasurer or developed internally by Contractor with regard to the Treasurer will be treated as proprietary to the State and confidential unless the State agrees in writing to the contrary. Contractor agrees to forever hold in confidence all files, records, documents or other information as designated, whether prepared by the State or others, which may come into Contractor’s possession during the term of this Agreement, except where a disclosure of such information by Contractor is required (whether in the ordinary course of business or otherwise) by another governmental authority to ensure compliance with laws, rules or regulations, and such disclosure will be limited to that actually so required. Where such disclosure is required, Contractor will provide advance notice to the Treasurer of the need for disclosure.

11. **Non-Discrimination**

a. Contractor agrees and warrants that in the performance of this Agreement it will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability (including, but not limited to, blindness), unless it is shown by it that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut ("State").

b. Contractor agrees to take affirmative action to insure that applicants with job-related qualifications are employed, and that employees are treated when employed, without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, or physical disability (including, but not limited to, blindness), unless it is shown by it that such disability prevents performance of the work involved.

c. Contractor agrees, in all solicitations or advertisements for employees placed by it or on its behalf, state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the Commission on Human Rights and Opportunities ("Commission").

d. Contractor agrees to provide each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding and each vendor with which it has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers representative of the Contractor’s commitments under this paragraph 11, and to post copies of the notice in conspicuous places available to employees and applicants for employment.

e. Contractor agrees to comply with each provision of this paragraph 11 and Conn. Gen. Stat. Sections 46a-68e and 46a-68f and with each regulation or relevant order issued by the Commission pursuant to Conn. Gen. Stat. Section 46a-56, 46a-68e and 46a-68f.
f. Contractor agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning its employment practices and procedures as related to the provisions of this paragraph and Conn. Gen. Stat. Section 46a-56.

g. If this Agreement is a public works contract, as defined in Conn. Gen. Stat. Section 46a-68b, Contractor agrees and warrants that it will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works project. For the purposes of this subparagraph, "minority business enterprise" means any small Contractor or supplier of materials fifty-one percent or more of the capital stock, if any, or assets of which is owned by a person or persons:

i. who are active in the daily affairs of the enterprise;

ii. who have the power to direct the management and policies of the enterprises; and

iii. who are members of a minority, as such term is defined in subsection (a) of Conn. Gen. Stat. Section 32-9n;

"good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations; "good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements. Determination of Contractor's good faith efforts shall include, but shall not be limited to, the following factors: Contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment, and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.

h. Contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.

i. Contractor shall include the provisions of subparagraphs a-g in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State of Connecticut and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions, including sanctions for noncompliance in accordance with Conn. Gen. Stat. Section 46a-56; provided, if Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.
j. Contractor agrees and warrants that in the performance of this Agreement it will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation.

k. Contractor agrees to provide each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding and each vendor with which it has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers' representative of the Contractor's commitments under paragraph 11, and to post copies of the notice in conspicuous places available to employees and applicants for employment.

l. Contractor agrees to comply with each provision of this paragraph 11 and Conn. Gen. Stat. Sections 46a-68e and 46a-68f and with each regulation or relevant order issued by the Commission pursuant to Conn. Gen. Stat. Section 46a-56.

m. Contractor agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning its employment practices and procedures which relate to the provisions of this paragraph 11 and Conn. Gen. Stat. Section 46a-56.

n. Contractor shall include the provisions of subparagraphs j-m in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions, including sanctions for noncompliance in accordance with Conn. Gen. Stat. Section 46a-56; provided, if Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

12. **Indemnity**

Contractor hereby indemnifies and shall defend and hold harmless the Treasurer, its officers and its employees, from and against any and all suits, actions, legal or administrative proceedings, claims, demands, damages, liabilities, monetary loss, interest, attorney's fees, costs and expenses of whatsoever kind or nature, including those arising out of injury to or death of Contractor's employees, whether arising before, during or after completion of the services hereunder, and in any manner directly or indirectly caused, occasioned or contributed to in whole or in part, by reason of any act, omission, fault or negligence of Contractor or its employees, agents or subcontractors.
13. **Entire Agreement**

This Agreement embodies the entire agreement between the State and Contractor on the matters specifically addressed herein. The parties shall not be bound by or be liable for any statement, representation, promise, inducement or understanding of any kind or nature not set forth herein. This Agreement shall supersede all prior written agreements between the parties and their predecessors. No changes, amendments or modifications of any of the terms or conditions of the Agreement shall be valid unless reduced to writing, signed by both parties and approved by the Attorney General or his Deputy. This Agreement shall inure to the benefit of and be binding upon each party's heirs, successors, and assigns.

14. **Notices**

Unless otherwise expressly provided to the contrary, any notices provided for hereunder shall be in writing and may be delivered personally, via facsimile or by mail to, and will be effective upon receipt at, the following addresses:

**OFFICE OF THE TREASURER:**
Joseph H. Harper, Jr.
Assistant Treasurer, Second Injury Fund
Office of the Treasurer
55 Elm Street
Hartford, CT 06106
Telephone: (860) 702-3242
Fax: (860) 702-3022

**COPY TO:**
Catherine LaMarr
General Counsel
Office of the Treasurer
55 Elm Street
Hartford, CT 06106
Telephone: (860) 702-3000
Fax: (860) 728-1290

**CONTRACTOR:**
Deloitte & Touche, LLP
Attention: Barry Thompson
185 Asylum Street, 33rd Fl.
Hartford, CT 06103
Telephone: (860) 543-7364
Fax: (860) 543-7371

The parties may change their respective addresses for notices under this paragraph upon prior written notification to the other.
15. **Laws and Regulations**

This Agreement shall be interpreted under and governed by the laws of the State of Connecticut. Contractor, its employees and representatives shall at all times comply with all applicable laws, ordinances, statutes, rules, regulations and orders of governmental authorities, including those having jurisdiction over its registration and licensing to perform services hereunder.

16. **Discovery of Conflicts, Errors, Omissions and Discrepancies**

(a) In the event of any conflict between the provisions of this Agreement and the provisions of Form CO-802A to which this Agreement is attached, the provisions of this Agreement shall control.

(b) In the case of conflicts, discrepancies, errors or omissions among the various parts of this Agreement, any such matter shall be submitted immediately by Contractor to the Treasurer for clarification. The Treasurer shall issue such clarification within a reasonable period of time. This remedy shall not be deemed exclusive and Contractor does not waive any of its legal or equitable remedies. Any services affected by such conflicts, discrepancies, errors or omissions which are performed by Contractor prior to clarification by the State shall be at Contractor’s risk.

17. **Non-Waiver**

None of the conditions of this Agreement shall be considered waived by the Treasurer or Contractor unless given in writing. No such waiver shall be a waiver of any past or future default, breach or modification of any of the conditions of this Agreement unless expressly stipulated in such waiver.

18. **Survival**

The rights and obligations of the parties which by their nature survive termination or completion of this Agreement, including but not limited to those set forth herein paragraphs 8, 9, 10, and 12 of this Agreement, shall remain in full force and effect.

19. **Sovereign Immunity**

Notwithstanding any provisions to the contrary contained in this Agreement, it is agreed and understood that the State of Connecticut shall not be construed to have waived any rights or defenses of sovereign immunity which it may have with respect to all matters arising out of this Agreement.

20. **Termination**

The parties mutually agree, that either may terminate this Agreement upon thirty (30) days' written notice delivered to the other by certified or registered mail to the addresses provided in paragraph 15. Following the delivery of any notice of termination hereunder, the Contractor shall perform all of its obligations hereunder in good faith as directed by the State and will cooperate fully with the State in taking all necessary or appropriate steps in order to effectuate the orderly transfer of management functions to third parties designated by the State.
21. **Assignment**

This Agreement shall not be assigned by either party without the express prior written consent of the other.

22. **Severability**

If any part or parts of this Agreement shall be held to be void or unenforceable, such part or parts shall be treated as severable, leaving valid the remainder of this Agreement notwithstanding the part or parts found to be void or unenforceable.

23. **Disclosure**

Contractor acknowledges and agrees that:

1. Pursuant to Public Act 00-43, any person or entity who would be party to a contract for consulting services for implementation of operations and risk management information system improvements for the Second Injury Fund with the Office of the Treasurer shall disclose to the Treasurer, in writing all third party fees attributable to such contract before any such contract may take effect.

2. It is the policy of the Treasurer to disclose all third party compensation paid by all vendors of the Office of the Treasurer.

3. Contractor represents that the information disclosed on the attached sworn affidavit is accurate and complete as of its date.

4. Contractor covenants to, no less than annually, report any changes to the disclosure provided on said sworn affidavit.

24. **Counterpart Originals**

This Agreement may be executed in any number of counterparts, each of which shall be an original, but which, taken together, shall constitute one and the same instrument.

---

**DELOITTE & TOUCHE, LLP**

By: Mark. Chan
Title: Principal

**TREASURER**

STATE OF CONNECTICUT

By: 
Title: Treasurer

Approved as to form:
OFFICE OF THE ATTORNEY GENERAL

By: 
Title: Assoc. Atty. General

Dated: 1/16/01
### PERSONAL SERVICE AGREEMENT

**STATE OF CONNECTICUT**
**OFFICE OF THE STATE COMPTROLLER**
**CENTRAL ACCOUNTS PAYABLE DIVISION**

**PERSONAL SERVICE AGREEMENT**

**STATE OF CONNECTICUT**
**OFFICE OF THE STATE COMPTROLLER**
**CENTRAL ACCOUNTS PAYABLE DIVISION**

**CONTRACTOR**

**Deloitte & Touche LLP**

185 Asylum Street, Hartford, Connecticut 06103

**STATE AGENCY**

**Office of the Treasurer, 5 Elm Street, Hartford, CT 06106**

**CONTRACT PERIOD**

June 21, 1995 through Dec 21, 1996

**CANCELATION CLAUSE**

This Agreement shall remain in full force and effect for the entire term of the contract period stated above unless cancelled by the state agency, by giving the contractor written notice of such intention (required days notice specified at right)

Thirty (30) Days

See attached Reporting Advisory Agreement (2. Services to be Provided by Advisor).

**COMPLETE DESCRIPTION OF SERVICE**


**COST AND SCHEDULE OF PAYMENTS**

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**ACCEPTANCES AND APPROVALS**

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**STATUTORY AUTHORITY**

| ATTORNEY GENERAL APPROVALS TO FORM | | |
|------------------------------------| | |
| Distribution: | | |
| Part 1: CONTRACTOR | | |
| Part 2: COMPTROLLER | | |
| Part 3: OPM/CGS | | |
| Part 4: ATTORNEY GENERAL | | |
| Part 5: AGENCY | | |
STATE OF CONNECTICUT
OFFICE OF THE STATE COMPTROLLER
CENTRAL ACCOUNTS PAYABLE DIVISION

**CONTRACTOR NAME:**
Deloitte & Touche LLP

**CONTRACTOR ADDRESS:**
183 Asylum Street, Hartford, Connecticut 06103

**STATE AGENCY:**
Office of the Treasurer, 55 Elm Street, Hartford, CT 06106

**AGENCY NO.:** 1201

**DATE (FROM):** June 21, 1995
**DATE (THROUGH TO):** December 21, 1995

**PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES:**

- See attached Reporting Advisory Agreement (2. Services to be Provided by Advisor).

**ACCEPTANCES AND APPROVALS:**

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**REQUISITION (ORDER NO.):**

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<th>DEDICATED AMOUNT</th>
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**PART 3 - ATTORNEY GENERAL**

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**REMARKS:**

- Printed or typed on Connelicut state paper.
- Original and amendment copies included.
- Contractor agrees to include special provisions and attach additional blank sheets if necessary.

Total Pages: 1
REPORTING ADVISORY AGREEMENT

This Reporting Advisory Agreement ("Agreement") is entered into as of the 21st day of June, 1995 ("Commencement Date"), between the TREASURER OF THE STATE OF CONNECTICUT ("Treasurer"), pursuant to Conn. Gen. Stat. Section 3-11a, and DELOITTE & TOUCHE LLP, a registered limited liability partnership, having a principal place of business at City Place, 185 Asylum Street, Hartford, Connecticut, 06103 ("Advisor").

1. Term

This Agreement shall commence on the Commencement Date, and shall end on the earliest of (i) six months from the Commencement Date, (ii) termination by either party as set forth in paragraph 20 hereof, or (iii) completion of the services in accordance with the terms of this Agreement.

2. Services to be Provided by Advisor

a. Advisor shall assist the Treasurer or his representatives in developing standards to be used for reports produced by the Office of the Treasurer, and obtaining recognition for such standards by the Government Finance Officers' Association ("GFOA"), by performing the following services:

   (i) Advise and assist in the design of reports, including advice regarding presentation and disclosures;

   (ii) Assist in the transition from current accounting practices to full, appropriate generally accepted accounting principles;

   (iii) Coordinate with the GFOA to establish a national standard for Treasurers' reports generally, and a program by which such reports may be recognized as meeting such standard; and

   (iv) Perform such other services in connection with the foregoing as the Treasurer or his representatives may request from time to time and as Advisor may agree to perform.

b. Advisor shall perform the above services within time frames specified by the Treasurer or his representatives.
3. **Compensation of Advisor**

   a. Advisor shall bill the Treasurer for any services hereunder at the following rates for the following individuals:

<table>
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<th>Individual</th>
<th>Rate</th>
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<tr>
<td>Pat Hardiman</td>
<td>$300/hour</td>
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<tr>
<td>John H. Schuyler</td>
<td>$250/hour</td>
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<tr>
<td>Other Partners</td>
<td>$250/hour</td>
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<tr>
<td>Senior Managers</td>
<td>$175/hour</td>
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   Total compensation hereunder shall not exceed $15,000.

   b. Advisor shall be reimbursed for actual, necessary and reasonable out-of-pocket expenses incurred in providing the services hereunder including, without limitation, in-state and out-of-state travel, out-of-state telephone charges, and charges for couriers, overnight delivery, duplicating and computer research. Advisor shall not be reimbursed for expenses in the nature of overhead, such as in-state telephone charges and word and data processing. Advisor shall bill any expenses reimbursable hereunder at cost. Total reimbursement hereunder shall not exceed $3,000.

4. **Representations and Warranties of Advisor**

   Advisor represents that it is qualified to perform the services provided for herein, and that it is properly licensed, equipped, organized and financed to perform such services. Advisor shall act as an independent contractor in performing this Agreement, maintaining complete control over its employees and any subcontractors hired by it to perform services hereunder. Advisor shall perform all services in accordance with its methods, subject to compliance with this Agreement and all applicable laws and regulations. Advisor represents that services to be rendered hereunder do not in any way conflict with other contractual commitments with or by Advisor.

5. **Changes in Services**

   When changes in services are required or requested by the Treasurer, Advisor shall promptly estimate their monetary effect and so notify the Treasurer. No change shall be implemented by Advisor unless it is approved by the Treasurer and Advisor in writing; and, unless otherwise agreed to in writing, the provisions of this Agreement shall apply to all changes in services.
6. **Labor and Personnel**

At all times, Advisor shall utilize qualified personnel necessary to perform the services under this Agreement. Advisor shall, if requested to do so by the Treasurer, reassign, within a reasonable period of time, any employee or authorized representative whom the Treasurer, in his sole discretion, determines is incompetent, dishonest or uncooperative.

7. **Quality Surveillance**

All services performed by Advisor shall be subject to the inspection and approval of the Treasurer or his representatives at all times, and Advisor shall furnish all information concerning such services, and shall grant the Treasurer's duly authorized representatives free access at all reasonable times to Advisor's facilities where the services under this Agreement are performed. Upon reasonable prior notice and during normal business hours, Advisor shall allow such representatives access to any of Advisor's books and records relating to the services provided hereunder. Any books or records made available to the Treasurer or his representatives under this paragraph may be redacted by Advisor to the extent necessary to protect its proprietary and confidential information and to avoid any invasion of personal privacy. At the Treasurer's request, Advisor shall provide hard copies or computer transmittal of any data or information in the possession of Advisor which pertains to the Treasurer's business under this Agreement. Advisor shall incorporate this paragraph verbatim into any agreement it enters into with any vendor providing services under this Agreement.

8. **NonDisclosure**

Advisor shall not release any information concerning the services provided pursuant to this Agreement or any part thereof to any member of the public, press, business entity or any official body, except as necessary to perform and deliver in accordance with this Agreement the services specified herein, unless prior consent is obtained from the Treasurer.

9. **Promotion**

Unless specifically authorized by the Treasurer or his representative, Advisor shall have no right to use, and shall not use, the name of the State of Connecticut, its officials or employees, or the seal of the State of Connecticut:

a. in any advertising, publicity, or promotion;
b. as an express or implied endorsement of Advisor's products or services;

c. in any other manner (whether or not similar to uses prohibited by subparagraphs a. and b. above), except to perform and deliver in accordance with this Agreement the services specified herein.

10. Confidentiality

All data provided to Advisor by the Treasurer or developed internally by Advisor with regard to the Treasurer will be treated as proprietary and confidential unless the Treasurer agrees in writing to the contrary. Advisor agrees to forever hold in confidence all such files, records, documents or other information, whether prepared by the Office of the Treasurer or others, which may come into Advisor's possession during the term of this Agreement, except where a disclosure of such information by Advisor is required (whether in the ordinary course of business or otherwise) by another governmental authority or by court order, or to ensure compliance with laws, rules or regulations, subpoena or other process, or professional standards of the American Institute of Certified Public Accountants or the Connecticut State Board of Accountancy, and such disclosure will be limited to that actually so required. Where such disclosure is required, Advisor will provide advance notice to the Treasurer of the need for disclosure.

11. Non-Discrimination

a. Advisor agrees and warrants that in the performance of this Agreement it will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability (including, but not limited to, blindness), unless it is shown by it that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut ("State").

b. Advisor agrees to take affirmative action to insure that applicants with job-related qualifications are employed, and that employees are treated when employed, without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, or physical disability (including, but not limited to, blindness), unless it is shown by it that such disability prevents performance of the work involved.
c. Advisor agrees, in all solicitations or advertisements for employees placed by it or on its behalf, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the Commission on Human Rights and Opportunities ("Commission").

d. Advisor agrees to provide each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding and each vendor with which it has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers representative of the Advisor's commitments under subparagraphs a through g, and to post copies of the notice in conspicuous places available to employees and applicants for employment.

e. Advisor agrees to comply with each provision of subparagraphs a through g and Conn. Gen. Stat. Sections 46a-68e and 46a-68f and with each regulation or relevant order issued by the Commission pursuant to Conn. Gen. Stat. Section 46a-56, 46a-68e and 46a-68f.

f. Advisor agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning its employment practices and procedures as related to the provisions of subparagraphs a through g and Conn. Gen. Stat. Section 46a-56.

g. If this Agreement is a public works contract, as defined in Conn. Gen. Stat. Section 46a-68b, Advisor agrees and warrants that it will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works project. For the purposes of this subparagraph, "minority business enterprise" means any small Advisor or supplier of materials fifty-one percent or more of the capital stock, if any, or assets of which is owned by a person or persons:

i. who are active in the daily affairs of the enterprise;

ii. who have the power to direct the management and policies of the enterprises; and

iii. who are members of a minority, as such term is defined in subsection (a) of Conn. Gen. Stat. Section 32-9n;

"good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations; "good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that
such initial efforts will not be sufficient to comply with such requirements. Determination of Advisor's good faith efforts shall include, but shall not be limited to, the following factors: Advisor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment, and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.

h. Advisor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.

i. Advisor shall include the provisions of subparagraphs a through g in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State of Connecticut and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. Advisor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions, including sanctions for noncompliance in accordance with Conn. Gen. Stat. Section 46a-56; provided, if Advisor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, Advisor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

j. Advisor agrees and warrants that in the performance of this Agreement it will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation.

k. Advisor agrees to provide each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding and each vendor with which it has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers' representative of the Advisor's commitments under subparagraphs j through m, and to post copies of the notice in conspicuous places available to employees and applicants for employment.

l. Advisor agrees to comply with each provision of subparagraphs j through m and Conn. Gen. Stat. Sections 46a-68e and 46a-68f and with each regulation or relevant order issued by the Commission pursuant to Conn. Gen. Stat. Section 46a-56.
m. Advisor agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning its employment practices and procedures which relate to the provisions of subparagraphs j through m and Conn. Gen. Stat. Section 46a-56.

n. Advisor shall include the provisions of subparagraphs j through m in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. Advisor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions, including sanctions for noncompliance in accordance with Conn. Gen. Stat. Section 46a-56; provided, if Advisor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, Advisor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

12. Indemnity

a. Advisor hereby indemnifies and shall defend and hold harmless the Treasurer, its officers and its employees, from and against any and all suits, actions, legal or administrative proceedings, claims, demands, damages, liabilities, monetary loss, interest, reasonable attorneys' fees, costs and expenses of whatsoever kind or nature, including those arising out of injury to or death of Advisor's employees, whether arising before, during or after completion of the services hereunder (collectively, "Damages"), to the extent that such Damages resulted directly and proximately from the gross negligence, negligence or willful misconduct of Advisor or its employees, agents or subcontractors in the performance of services and duties hereunder, provided, however, that the foregoing indemnity obligation shall not apply if such Damages arise out of or relate to the advice or recommendations provided by Advisor to the Treasurer hereunder, provided such advice or recommendations are made in good faith, or any data or information provided to Advisor by the Treasurer or any third party for purposes of performance of services hereunder.

b. The Treasurer and his employees shall provide Advisor with prompt notice of any claim for which indemnification may be sought hereunder, shall cooperate fully with Advisor in defending such claim and shall make available to Advisor the documents relating to such claim.
c. Any and all counsel defending such claim shall be subject to approval by the Attorney General, which approval shall not be unreasonably withheld. The Attorney General reserves the right to appear and defend any such claim, and no settlement of any claim shall be valid without the approval of the Attorney General.

d. It is understood and agreed that Advisor shall be providing advice and recommendations hereunder to the Treasurer; however, the Treasurer shall be solely responsible for all decisions in connection with the implementation of such advice and recommendations. The Treasurer shall be responsible for the accuracy and completeness of all data and information provided to Advisor to perform its services hereunder. Advisor shall not be liable for any amounts representing lost profits, any claim based upon any third party claim (except as provided in this paragraph 12), or any consequential, incidental, indirect, special or punitive damages.

e. The provisions of this paragraph 12 are solely for the benefit of the parties hereto and are not intended to create or grant any rights, contractual or otherwise, in or to any other person or entity.

13. Entire Agreement

This Agreement embodies the entire agreement between the Treasurer and Advisor on the matters specifically addressed herein. The parties shall not be bound by or be liable for any statement, representation, promise, inducement or understanding of any kind or nature not set forth herein. This Agreement shall supersede all prior written agreements between the parties and their predecessors on the matters specifically addressed herein. No changes, amendments or modifications of any of the terms or conditions of the Agreement shall be valid unless reduced to writing, signed by both parties and approved by the Attorney General or his Deputy. This Agreement shall inure to the benefit of and be binding upon each party's heirs, successors, and assigns.

14. Notices

Unless otherwise expressly provided to the contrary, any notices provided hereunder shall be in writing and may be delivered personally, via facsimile or by mail to, and will be effective upon receipt at, the following addresses:
The parties may change their respective addresses for notices under this paragraph upon prior written notification to the other.

15. **Laws and Regulations**

   This Agreement shall be interpreted under and governed by the laws of the State of Connecticut without regard to principles of conflicts of laws. Advisor, its employees and representatives shall at all times comply with all applicable laws, ordinances, statutes, rules, regulations and orders of governmental authorities applicable to the performance of its services hereunder, including those having jurisdiction over its registration and licensing to perform services hereunder.

16. **Discovery of Conflicts, Errors, Omissions and Discrepancies**

   a. In the event of any conflict between the provisions of this Agreement and the provisions of any schedule, exhibit or other form to which this Agreement is attached, the provisions of this Agreement shall control.

   b. In case of conflicts, discrepancies, errors or omissions among the various parts of this Agreement, any such matter shall be submitted immediately by Advisor to the Treasurer for clarification. The Treasurer shall issue such clarification within a reasonable period of time. This remedy shall not be deemed exclusive and Advisor does not waive any of its legal or equitable remedies. Any services affected by such conflicts, discrepancies, errors or omissions which are performed by Advisor after discovery thereof and prior to clarification by the Treasurer shall be at Advisor's risk.
17. Non-Waiver

None of the conditions of this Agreement shall be considered waived by the Treasurer or Advisor unless given in writing. No such waiver shall be a waiver of any past or future default, breach or modification of any of the conditions of this Agreement unless expressly stipulated in such waiver.

18. Survival

The rights and obligations of the parties which by their nature survive termination or completion of this Agreement, including but not limited to those set forth herein paragraphs 8, 9, 10 and 12 of this Agreement, shall remain in full force and effect.

19. Sovereign Immunity

Notwithstanding any provisions to the contrary contained in this Agreement, it is agreed and understood that the State of Connecticut shall not be construed to have waived any rights or defenses of sovereign immunity which it may have with respect to all matters arising out of this Agreement.

20. Termination

The parties mutually agree that either may terminate this Agreement upon thirty (30) days' written notice delivered to the other by certified or registered mail to the addresses provided in paragraph 14. Advisor shall be paid any fees and expenses to which it may be entitled hereunder through the date of its termination.

21. Assignment

This Agreement shall not be assigned by either party without the express prior written consent of the other.

22. Severability

If any part or parts of this Agreement shall be held to be void or unenforceable, such part or parts shall be treated as severable, leaving valid the remainder of this Agreement notwithstanding the part or parts found to be void or unenforceable.
23. **Counterpart Originals**

This Agreement may be executed in any number of counterparts, each of which shall be an original, but which, taken together, shall constitute one and the same instrument.

**DELOITTE & TOUCHE LLP**

By [Signature]

Title: [Title]

Dated: [Date]

[SEAL]

**TREASURER OF THE STATE OF CONNECTICUT, as Trustee**

By [Signature]

Title: Treasurer

Dated: 8/10/95

**OFFICE OF THE ATTORNEY GENERAL**

Approved as to form:

By [Signature]

Title: [Title]

Dated: 8/17/95
PERSONAL SERVICE AGREEMENT

CO-002A REV. 2/2000 (EleamHeVersion)

1. PREPARE 5 COPIES.

2. THE STATE AGENCY AND THE CONTRACTOR AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO AND SUBJECT TO THE PROVISIONS OF SECTION 4-98 OF THE CONNECTICUT GENERAL STATUTES AS APPLICABLE.

STATE OF CONNECTICUT
OFFICE OF THE STATE COMPTROLLER
ACCOUNTS PAYABLE DIVISION

3. ACCEPTANCE OF THIS CONTRACT IMPLIES CONFORMANCE WITH TERMS AND CONDITIONS SET FORTH AT SHEET 2 OF THIS FILE, AS ATTACHED HERETO AND INCORPORATED BY REFERENCE.

[Image]

CONTRACTOR

[Image]

STATE AGENCY

[Image]

COST AND SCHEDULE OF PAYMENTS

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PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.

Not to exceed $604,610.00

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An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code Section 3121 (d) (2). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCES AND APPROVALS

[Signature]

TITLE: Principal

DATE: 3/15/02

[Signature]

TITLE: Treasurer

DATE: 3/19/02

[Signature]

TITLE: Assoc. Atty General

DATE: 4/23/02

DISTRIBUTION

ORIGIN CONTRACTOR | PHOTOCOPY COMPTROLLER | PHOTOCOPY COMPTROLLER | PHOTOCOPY COMPTROLLER | PHOTOCOPY COMPTROLLER | PHOTOCOPY COMPTROLLER

LP 04484
ATTACHMENT

AMENDMENT I TO AGREEMENT

Amendment I, dated as of the fifteenth day of March, 2002, to PERSONAL SERVICES AGREEMENT dated January 1, 2001 ("Agreement") by and between the STATE OF CONNECTICUT, acting through its Treasurer, as Trustee ("Treasurer") and DELOITTE & TOUCHE LLP, ("Contractor").

WITNESSETH:

WHEREAS, the Treasurer desires (i) to conduct a review of issues associated with processing uninsured and bankrupt employer claims and (ii) to provide an analysis of the internal development of a claims management system;

and

WHEREAS, Contractor is currently under contract to provide services to the Treasurer in connection with the implementation of operational and risk management information systems and is qualified to perform the desired services;

and

WHEREAS, the Treasurer has determined that it would be beneficial to amend the Agreement in order to expand the scope of services as contemplated during the original competitive search for a vendor to furnish the requisite services;

NOW THEREFORE, in accordance with section 5 of the Agreement, the Treasurer and Contractor hereby amend the Agreement as follows:

1. Section 2(H) of the Agreement, under "Services to be provided by Contractor," is hereby amended and the following language is added as a new Section 2(H), paragraph 8 and paragraph 9:

8) Review problems associated with the handling of uninsured and bankrupt employer claims.

Contractor will assist the Fund in working with its partners in the Office of the Attorney General and the Workers Compensation Commission to review and adjust the protocols for handling uninsured and bankrupt employer claims. The Fund wishes to adopt a more proactive approach to dealing with these claims that is consistent with both the General Statutes of Connecticut and the mission of the Fund and the Office of the Treasurer.

9) Conduct an analysis of the internal development of a claims management system.

The Improvement Project has identified a series of recommendations for an organizational restructuring of the Fund that will result in a more efficient claims management system. In this final phase of the project, the Contractor will assist the Fund in designing and implementing the reorganization in accordance with the findings of the project, the mission of the Fund and the best practices of the industry.

2. Section 3 of the Agreement, under "Compensation of Contractor," is hereby deleted in its entirety and the following language is substituted in its place and stead as a new Section 3, also entitled "Compensation of Contractor."

Contractor shall be paid by the State of Connecticut an amount not to exceed $604,610 for the Scope of Services in Paragraph 2 of the Agreement. Such amount shall include professional fees and out-of-pocket expense of Contractor. Professional fees are based on the hours and hourly rates of Contractor's staff assigned by Contractor to work under this Agreement and are supported by estimates of time required in respective 9-Step plan and 3-Step RMIS plan. Any unanticipated additional professional time required to fulfill the Scope of Services in Paragraph 2 of the Agreement, which would result in costs in excess of $546,610, will require joint approval of the State Treasurer and the Contractor in advance of incurring those costs.
In all other respects, the Agreement shall remain in full force and effect.

**DELOITTE & TOUCHE LLP**

By: [Signature]

Name: David A. Foley

Title: Principal

Date: March 15, 2002

Approved as to form:

**OFFICE OF THE ATTORNEY GENERAL**

Dated: 4/22/02

**STATE OF CONNECTICUT**

By: [Signature]

Name: Denise L. Nappier

Title: State Treasurer

Date: 3/6/02

By: [Signature]

Title:
## Personal Service Agreement

The State Agency and the Contractor as listed below hereby enter into an Agreement subject to the terms and conditions stated herein and/or attached hereto and subject to the provisions of Section 4-96 of the Connecticut General Statutes as applicable. Acceptance of this Contract implies conformance with terms and conditions stated on the reverse side of Part I.

### Contractor

**Deloitte & Touche, LLP**

**CONTRACTOR ADDRESS:**

185 Asylum Street, Hartford, CT 06103

### State Agency

**Office of the Treasurer, 55 Elm Street, Hartford, CT 06106**

**AGENCY NO.:** 1201

### Contract Period

**DATE (FROM):** 1/2/2001

**THROUGH (TO):** 1/1/2003

**TERMINATION CLAUSE:**

This Agreement shall remain in full force and effect for the entire term of the contract period stated above unless cancelled by the State Agency, by giving the Contractor written notice of such intention (required no. of days notice specified at right).

### Description of Service

Consulting services for implementation of operational and risk management information system improvements as recommended by the Treasurer’s Blue Ribbon Commission (see paragraph 2 - services to be provided by contractor - for detailed description)

### Payment to Be Made

Professional fees and out-of-pocket expenses based on hours and hourly rates of contractor staff assigned to project.

### Cost and Schedule of Payments

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### Acceptances and Approvals

1. **CONTRACTOR (AUTHORIZED SIGNATURE):**
   - **TITLE:** Principal
   - **DATE:** 12-11-00

2. **AGENCY AUTHORIZED OFFICIAL:**
   - **TITLE:**
   - **DATE:** 12-11-00

3. **OFFICE OF POLICY & MGMT. DEPT. OF ADM. SERV.:**
   - **TITLE:**
   - **DATE:**

4. **ATTORNEY GENERAL APPROVED AS FORMA:**
   - **TITLE:**
   - **DATE:** 1/6/61

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**LP 04487**
PERSONAL SERVICES AGREEMENT
Second Injury Fund Operations And Risk Management Information
System Improvements Consulting

This Personal Services Agreement ("Agreement") is entered into as of the 2nd day of January, 2001 ("Commencement Date"), between the STATE OF CONNECTICUT ("State"), acting through its Treasurer, as Trustee ("Treasurer") pursuant to Conn. Gen. Stat. Sections 3-11a, and The Second Injury Fund (SIF), and Deloitte & Touche, LLP, a corporation, having a principal place of business at 185 Asylum Street, Hartford, Connecticut 06103 ("Contractor").

1. **Term**

This Agreement shall commence on the Commencement Date, and shall end upon termination by either party as set forth in paragraph 20 hereof.

2. **Services to be Provided by the Contractor**

A. **Prioritize Recommendations in the Operations and Risk Management Information System (RMIS) Study Reports of the Blue Ribbon Commission, formulate approach to each area and articulate the methodology to be used.**

Contractor recognizes that only items providing significant impact and return-on-investment (ROI) should be a priority focus. The Contractor will employ a Nine Step Plan that includes the Contractor and Second Injury Fund (SIF) teams working together. The Nine Step Plan is highlighted below. Contractor will first exercise a "correction process" in order to establish a better view of the case-load (Steps 1-3 of the Nine Step Plan, highlighted summary below). Contractor will then provide an outline and plan for prioritized recommendations, targeting those with potential to yield the greatest ROI.

1) **Strategy:** Decide on claims that will be subject to the correction process, i.e. 349, and reimbursement; begin discussion on organization and responsibilities of staffing for correction process; decide on depth of review; identify required time frames/goals. **Coordinated RMIS Activity:** Initiate needs analysis; (Phase One of RMIS segment) internal SIF strategic plan and needs identification.

2) **Preparation:** Prepare for claim file correction Process – review reports of claims files targeted for the correction process. Finalize decisions regarding project team staffing; agreement on project team’s physical space; design tools/tracking methods for correction review based on agreed upon special protocols, define file review/movement process; determine desired outcomes and deadlines. **Coordinated RMIS Activity:** Early recognition of data integrity and potential conversion issues.
3) Action: Physically place team(s); adjust internal resources and consideration of temporary staff as needed; pull claims for review and assign among team. Project team leaders to check each completed case. Re-assign completed/approved cases to claim staff for continued handling; monitor the supervision of correction process; track and compile key data, i.e., number and type of open cases, case reserves, case complexity, etc. Update time and completion of goals in real time; begin discussions regarding potential organizational structure going forward. Manage correction process to conclusion, shift internal resources to back to regular duties accordingly. Provide RMIS team with real time information regarding potential system needs as revealed, initial data corrections or transfer to “staging database”. Coordinated RMIS Activity: Continue needs analysis (Phase One); begin Phase Two: RFP draft design and distribution to selected individuals.

4) Assess Interim Results: Convene project teams to assess review data on open case load, reserves, case complexity, etc. Identify the most critical areas and largest potential areas of cost savings; isolate other key items that can be concluded as a result of the case review process; prioritize specific recommendations, with a return on investment focus; identify resource needs; provide RMIS team with real time information on operations issues that will require information technology support in order to facilitate design/draft of RMIS RFP. Coordinated RMIS Activity: Finalize last details of needs analysis (Phase One); complete Phase Two: RFP draft design.

5) Going Forward Strategy: Outline definitive re-organization plan; fold prioritized recommendations into re-organization plan; reassess/assign caseloads and work assignments of project team. Ensure proper data capture of subsequent information changes on all case files in preparation for eventual data system change; in consultation with SIF team, discussion with the RMIS team on their potential involvement in data conversion and possible use of a staging database.

6) Implementation Planning: Convene a meeting of the Contractor's and the State's SIF teams to confirm operational change/improvement targets. In consultation with SIF, assign appropriate activities to the SIF team and Contractor teams. At this stage, integrate awareness of RMIS team activities and link RMIS team representatives with the Operations team representatives.

7) Design of Tools and Information Technology Process Integration: Create or change/improve the required tools, forms or other documents, data screens and prompts, tracking methods, diary, communication and other operational protocols; coordinate with RMIS team as necessary, monitor individual project team assignments and expected completion dates; develop educational tools to train SIF staff in new procedures; design quality assurance tracking tools.
8) **Train and Implement:** Designate trainers; design project update/overview information pieces for staff; stage additional “kick-off” for training and implementation phase; finalize curriculum in targeted operational areas; include systems training as available; identify trainees for programs, facilitate training sessions; monitor implementation to assure proper operational changes.

9) **Quality Assurance (QA), Monitoring and Tracking:** Finalize tracking and QA tool design; implement tracking methods; apply to RMIS system as appropriate; institute a progressive system to address/correct or adjust operational issues as needs are evidenced via real time tracking.

**B. Provide written timetable**

Contractor’s Nine Step Plan includes an anticipated timetable on an eight-month timeline, which may be updated and enhanced depending upon real-time progress of the Implementation Project. Once the Implementation Project begins, contractor will maintain a detailed Project Tracking Matrix. This will log detail specific assignments and activities, due-dates, and progress. This matrix will serve to keep SIF and Contractor teams aware of responsibilities and support the billing process.

**C. Provide periodic written progress reports**

The fundamental progress report will be the Project Tracking Matrix. Contractor agrees to provide other tracking reports covering specific issues as may be designed as the project progresses. Examples of possible report subjects include:

- Tracking the data-fields updated as part of the correction Process
- Settlement-tracking based on cases identified for settlement via the correction process
- Tracking RMIS needs as they are revealed during the correction process and throughout the operational improvement phase.
- An executive status report for use by the Assistant Treasurer and Project Manager on the quality of performance by key project team members
- Hours/Fee tracking report to support Contractor billing and issues involving potential requirements to expand hours in a given project step.
- Other ad hoc reports as required.

**D. Regularly meet with and advise Assistant Treasurer, Project Manager and Project Team**

On a regular basis, Contractor agrees to formal meetings between the respective Contractor and SIF project teams. Daily meetings may be required for the first 2-4 days of each new project phase. Weekly progress meetings will occur as a standard item. The Contractor and the State agree this will be an open and regular discussion of progress,
status of SIF team vs. Contractor team support, and updates to the projected time for completion of every phase. It is further understood that this contract as proposed requires significant technical support from SIF staff. The Contractor will provide Tracking Matrix updates and other reports as deemed necessary (see section “C” above) and be available for meetings on any reasonable schedule and format as may be required by the State.

E. Develop internal communication strategy

As stated in Paragraph D, above, regular communication will be required as part of the Implementation Project. The foundation of the communication strategy will be a SIF Convocation and the naming of the SIF project team. Detailed communications will be designed for dissemination to the general staff population as each progressive project step is planned.

In general, while details of the communication strategy will develop as the project progresses and needs are revealed, the Contractor understands that key topics of regular communication will be as follows:

- Progress in tasks as noted in the Project Tracking Matrix
- Continued resource needs for each phase, which will include planning for additional meetings and/or communication venues.
- Interface-issues with RMIS team

H. Specific Services Required for Operational Improvements

1) Correction Process

As noted in Paragraph A, the Contractor will assist and advise the project team on a correction process for approximately 4000-7000 cases based on the findings and recommendations in the Operations Study Report of the Blue Ribbon Commission. Contractor's Nine Step Plan is the agreed upon approach to performing this function which is specifically addressed in Steps 1-3 of the plan. The Contractor and the State agree that the accomplishment of a successful correction process will be validated by several benchmarks including:

- Through the file-correction process, identify a select target of appropriate "open" and opportune cases for settlement / enhanced management, etc.
- Identification of caseloads in various categories, thereby supporting the validation of staffing issues
- Posting of proper case reserves that support actuarial analysis and prioritize case assignments
- Identification of detailed data integrity issues that will facilitate the eventual data-conversion
- Re-focus of the continued settlement effort
- Validation of the needs of other SIF resources: return-to-work function, case management, investigation, hearing representation, etc.
- Support for the effort to prioritize specific improvement recommendations based on potential value, (Steps 4, 5, and 6.)
2) Develop reserve philosophy/techniques
Contractor agrees that case reserves are critical to support actuarial analysis. They are also a fundamental driver of adjuster performance, and a qualitative measure of case load complexity. The need for case reserves is easily placed as a priority. This fundamental task, once completed, sets the “knowledge foundation” and will allow much of the remainder of the Implementation Project to be focused and tracked. Contractor will include case-reserves as a minimum qualification for completion of any case through the correction process (Steps 1-3 of the Nine Step Plan).

3) Train staff in industry-standard negotiation techniques
Contractor recognizes there is a critical balance between the benefits of quickly disposing of a case versus the cost of said disposal. Contractor understands that settlement will remain a priority issue. Contractor will approach this in three phases upon completion of the correction process: 1) to set the parameters for targeting potential settlement cases via the Special Protocols checklist; 2) to work with SIF teams to redesign the settlement evaluation tools and approach to negotiation; 3) to train key SIF management and staff in the new philosophy and process. These three phases will be initiated concurrently with steps 5-9 of the Nine Step Plan.

4) Develop strategy for collection cases/backlog
The Contractor’s strategy for addressing collections cases will follow a similar pattern as Steps 1-3 of the Nine Step Plan in that contractor will perform an initial high-level assessment of summary data on all open 355 collection files to better identify the number of opportune cases for further detailed review and action. At that point Contractor and SIF can better define the actual breadth of the challenge. The Contractor and the State agree that the SIF project team will be devoted to much of this task, with oversight from Contractor. Collection opportunities of similar types will be grouped and reviewed and recommendations will be made for appropriate resource application, i.e., investigations, prosecution, simple correction of court-documents. The Contractor agrees that a strategy for new collection opportunities will address an immediate functional timeframe. Upon completion of the collection strategy, the Contractor will assess the refined open collection portfolio and make recommendations for expansion of resources and/or legislative changes regarding expansion of legal methods for collecting debt. Implementation of follow-through strategy for collection opportunities will be concurrent with steps 5-9 of the Nine Step Plan.

5) Develop strategy for claimant investigations and insurance/asset check activities
Contractor agrees priority for this area will be validated by an estimation of the ROI potential, which will be evaluated after the file correction process is complete, specifically steps 4-5 of the Nine Step Plan. Contractor will also comment on the appropriate mix of outsourcing vs. expansion of internal resources. Upon completion of the correction process the Contractor will make recommendations for expansion of resources and/or legislative changes regarding expansion of legal methods of collecting information. Design and implementation of follow-through strategy for claimant investigations and insurance/asset check activities will be concurrent with steps 5-9 of the Nine Step Plan.
6) Design early-intervention strategies for medical case management and return-to-work activities

Depending upon the ROI opportunity presented upon completion of Step-4, contractor will design an appropriate protocol for SIF medical case management and return-to-work as early intervention strategy. Contractor agrees this will be combined with focused investigative requirements to effectively change the SIF's current method of dealing with 31-355 cases, from "reactive" to "proactive".

For cases other-than 31-355 claims, Contractor will develop approach to adjust the application of return-to-work and medical case management to case-specific assignment and specific goals set. Contractor further agrees to design tools for administration and tracking claim handling according to quality assurance standards. Contractor understands that possible investment in staffing/resources, and training of all parties involved can not be determined until Plan Steps 1-4 are completed. If the ROI is warranted, remaining Steps 5-9 will include these issues as a priority.

7) Assess workload, design reorganization strategy

Contractor recognizes SIF operations will devolve in the next 3-8 years. Reorganization plans/staffing must account for this fact. It is further understood that RMIS changes can provoke changes in job-scope for individual staff, and may reduce current job-requirements while creating extra capacity for certain staff. Contracted labor, classified and unclassified staff must be adjusted/acquired with this in mind. The Contractor will work with SIF to first determine the priority areas of focus, in Plan Step 4, and then work with SIF to decide upon optimal means to cover required resource areas, (Step 5). A priority or heavy focus in staffing certain areas, including investigations, medical management, return-to-work, etc, must be weighed against the case-reduction threshold, which would then require a reduction in said staffing. Contractor is prepared to provide benchmarking data as is available regarding staff levels based on certain parameters.

I. Specific Services Required for RMIS Improvements

1) Contractor and the State agree the methodology for approaching the RMIS Improvements will be done in three phases:

Phase One: Develop Needs Analysis – Creation of a data flow of claim processes, identification of data integrity issues, refinement of manual data correction requirements, and assessment of the complexity of the data conversion process, development of user profiles, conducting onsite focus group sessions and provide marketplace overview.
Phase Two: Assist in the development of a Request for Proposal (RFP) for acquisition of new system – development of RMIS specifications, evaluation of vendor responses, vendor research, reference-checks, and initial phone-interviews as necessary.

Phase Three: RMIS Lab System Evaluations -- interview selected vendors, conduct hands-on RMIS lab testing, provide written lab analysis report.

2) Design and implement strategy for establishing data integrity through the Correction process and data scrub based on the findings and recommendations in the Operations and RMIS Study Reports of the Blue Ribbon Commission.

The Contractor's RMIS team will work with the Operations team in Steps 1-3 of the Nine Step Plan as a part of the strategy and performance of the correction process. The State and the Contractor agree that the eventual conversion process of data to a new system can be a significant challenge and may require extensive resources, particularly for the SIF. Contractor is prepared to approach this task through a case-by-case evaluation of specific data issues, correction activities, and/or the transfer of key data to a "staging" database. This data will be created manually and/or electronically transferred based on the quality of the data. The State understands and agrees this proposal does not include additional man-hours for data entry or for the cost of electronically transferring these files. The Contractor's RMIS team will take an active role in specific information technology issues that are part of the claims correction process.

3) Develop strategy for improved use of and coordination between information management, communication and diary systems

The Contractor's Operations team will work with the SIF team and the Contractor's RMIS team to create the appropriate applications in Steps 6-7 of the Nine Step Plan. The Contractor's RMIS team further understands this aspect is a coordinated activity. The SIF team, Contractor's operations team, and Contractor's RMIS team will decide upon and create the protocols for consistent application and philosophy regarding the use of these coordination tools, and implement the operations process to the staff. The Contractor's operations team will work with the SIF team and the Contractor's RMIS team to create the appropriate applications in steps 6-7. This enhances the Contractor's RMIS team's needs-analysis study. Contractor understands this aspect is part of the entire project, and is not a separate or exclusive RMIS team activity.
4) **Develop strategy for capturing basic file information**

The Contractor anticipates that the operational protocols, correctly identified, designed and applied, will assist in the design of the RMIS RFP. The Contractor, in addition to the development of protocols, is to include criteria for capturing basic file information in the evaluation of "front-end" software.

5) **Assist in the preparation of an RFP for RMIS selection**

The Contractor through its RMIS team will coordinate needs-analysis and RFP planning around the identified critical areas of focus as they are revealed by the Operations team in Steps 4-7. With regard to the specific RMIS selection process, the Contractor recognizes that the creation of coordination- protocols will also serve to focus the development of a RMIS. The Contractor, in consultation with the SIF team, will develop the RFP to specifically address the needs of the SIF, including but not limited to: identification of the vendor best capable of providing effective services, best able to quantify and address the conversion issues, and best able to plan for the eventual reduction of SIF activities, as appropriate, and design a contractual agreement in accordance with these issues and any other areas deemed critical by the State.

3. **Compensation of Contractor**

Contractor shall be paid by the State of Connecticut an amount not to exceed $459,600 for the Scope of Services in Paragraph 2 of the Agreement. Such amount shall include professional fees and out-of-pocket expenses of Contractor. Professional fees are based on the hours and hourly rates of Contractor’s staff assigned by Contractor to work under this Agreement and are supported by estimates of time required in respective 9-Step plan and 3-Step RMIS plan. Any unanticipated additional professional time required to fulfill the Scope of Services in Paragraph 2 of the Agreement, which would result in costs in excess of $397,600, will require joint approval of the State Treasurer and the Contractor in advance of incurring those costs.

4. **Representations and Warranties of Contractor**

Contractor represents that it is fully experienced and properly qualified to perform the services provided for herein, and that it is properly licensed, equipped, organized and financed to perform such services. Contractor shall act as an independent contractor in performing this Agreement, maintaining complete control over its employees and any subcontractors hired by it to perform services hereunder. Contractor shall perform all services in accordance with its methods, subject to compliance with this Agreement and all applicable laws and regulations. Contractor represents that services to be rendered hereunder do not in any way conflict with other contractual commitments with or by Contractor.
5. Changes in Services

When changes in services are required or requested by the Treasurer, Contractor shall promptly estimate their monetary effect and so notify the Treasurer. No change shall be implemented by Contractor unless it is approved by the Treasurer in writing; and, unless otherwise agreed to in writing, the provisions of this Agreement shall apply to all changes in services.

6. Labor and Personnel

At all times, Contractor shall utilize qualified personnel necessary to perform the services under this Agreement. Contractor shall, if requested to do so by the Treasurer, reassign from the Account, within a reasonable period of time, any employee or authorized representative whom the Treasurer, in its sole discretion, determines is incompetent, dishonest or uncooperative.

7. Quality Surveillance

All services performed by Contractor shall be subject to the inspection and approval of the State at all times, and Contractor shall furnish all information concerning such services, and shall grant the Treasurer's duly authorized representatives free access at all reasonable times to Contractor's facilities where the services under this Agreement are performed. Contractor shall allow such representatives free access to any of Contractor's books and records relating to the services provided hereunder. At the Treasurer's request, Contractor shall provide the State with hard copies or computer transmittal of any data or information in the possession of Contractor which pertains to the Treasurer's business under this Agreement. Contractor shall incorporate this paragraph verbatim into any agreement it enters into with any vendor providing services under this Agreement.

8. Nondisclosure

Contractor shall not release any information concerning the services provided pursuant to this Agreement or any part thereof to any member of the public, press, business entity or any official body unless prior written consent is obtained from the Treasurer.

9. Promotion

Unless specifically authorized in writing by the Treasurer on a case by case basis, Contractor shall have no right to use, and shall not use, the name of the State of Connecticut, its officials or employees, or the seal of the State:

a) in any advertising, publicity, or promotion;
b) as an express or implied endorsement of Contractor's products or services;
c) in any other manner (whether or not similar to uses prohibited by subparagraphs (i) and (ii) above), except to perform and deliver in accordance with this Agreement such services as are hereby contracted by the State.
10. Confidentiality

All data provided to Contractor by the Treasurer or developed internally by Contractor with regard to the Treasurer will be treated as proprietary to the State and confidential unless the State agrees in writing to the contrary. Contractor agrees to forever hold in confidence all files, records, documents or other information as designated, whether prepared by the State or others, which may come into Contractor's possession during the term of this Agreement, except where a disclosure of such information by Contractor is required (whether in the ordinary course of business or otherwise) by another governmental authority to ensure compliance with laws, rules or regulations, and such disclosure will be limited to that actually so required. Where such disclosure is required, Contractor will provide advance notice to the Treasurer of the need for disclosure.

11. Non-Discrimination

a. Contractor agrees and warrants that in the performance of this Agreement it will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability (including, but not limited to, blindness), unless it is shown by it that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut ("State").

b. Contractor agrees to take affirmative action to insure that applicants with job-related qualifications are employed, and that employees are treated when employed, without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, or physical disability (including, but not limited to, blindness), unless it is shown by it that such disability prevents performance of the work involved.

c. Contractor agrees, in all solicitations or advertisements for employees placed by it or on its behalf, state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the Commission on Human Rights and Opportunities ("Commission").

d. Contractor agrees to provide each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding and each vendor with which it has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers representative of the Contractor's commitments under this paragraph 11, and to post copies of the notice in conspicuous places available to employees and applicants for employment.

e. Contractor agrees to comply with each provision of this paragraph 11 and Conn. Gen. Stat. Sections 46a-68e and 46a-68f and with each regulation or relevant order issued by the Commission pursuant to Conn. Gen. Stat. Section 46a-56, 46a-68e and 46a-68f.
f. Contractor agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning its employment practices and procedures as related to the provisions of this paragraph 11 and Conn. Gen. Stat. Section 46a-56.

g. If this Agreement is a public works contract, as defined in Conn. Gen. Stat. Section 46a-68b, Contractor agrees and warrants that it will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works project. For the purposes of this subparagraph, "minority business enterprise" means any small Contractor or supplier of materials fifty-one percent or more of the capital stock, if any, or assets of which is owned by a person or persons:

i. who are active in the daily affairs of the enterprise;

i. who have the power to direct the management and policies of the enterprises; and

ii. who are members of a minority, as such term is defined in subsection (a) of Conn. Gen. Stat. Section 32-9n,

"good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations; "good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements. Determination of Contractor's good faith efforts shall include, but shall not be limited to, the following factors: Contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment, and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.

h. Contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.

i. Contractor shall include the provisions of subparagraphs a-g in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State of Connecticut and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions, including sanctions for noncompliance in accordance with Conn. Gen. Stat. Section 46a-56; provided, if Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.
j. Contractor agrees and warrants that in the performance of this Agreement it will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation.

k. Contractor agrees to provide each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding and each vendor with which it has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers' representative of the Contractor's commitments under paragraph 11, and to post copies of the notice in conspicuous places available to employees and applicants for employment.

l. Contractor agrees to comply with each provision of this paragraph 11 and Conn. Gen. Stat. Sections 46a-68e and 46a-68f and with each regulation or relevant order issued by the Commission pursuant to Conn. Gen. Stat. Section 46a-56.

m. Contractor agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning its employment practices and procedures which relate to the provisions of this paragraph 11 and Conn. Gen. Stat. Section 46a-56.

n. Contractor shall include the provisions of subparagraphs j-m in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions, including sanctions for noncompliance in accordance with Conn. Gen. Stat. Section 46a-56, provided, if Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

12. Indemnity

Contractor hereby indemnifies and shall defend and hold harmless the Treasurer, its officers and its employees, from and against any and all suits, actions, legal or administrative proceedings, claims, demands, damages, liabilities, monetary loss, interest, attorney's fees, costs and expenses of whatsoever kind or nature, including those arising out of injury to or death of Contractor's employees, whether arising before, during or after completion of the services hereunder, and in any manner directly or indirectly caused, occasioned or contributed to in whole or in part, by reason of any act, omission, fault or negligence of Contractor or its employees, agents or subcontractors.
13. **Entire Agreement**

This Agreement embodies the entire agreement between the State and Contractor on the matters specifically addressed herein. The parties shall not be bound by or be liable for any statement, representation, promise, inducement or understanding of any kind or nature not set forth herein. This Agreement shall supersede all prior written agreements between the parties and their predecessors. No changes, amendments or modifications of any of the terms or conditions of the Agreement shall be valid unless reduced to writing, signed by both parties and approved by the Attorney General or his Deputy. This Agreement shall inure to the benefit of and be binding upon each party's heirs, successors, and assigns.

14. **Notices**

Unless otherwise expressly provided to the contrary, any notices provided for hereunder shall be in writing and may be delivered personally, via facsimile or by mail to, and will be effective upon receipt at, the following addresses:

**OFFICE OF THE TREASURER:**
Joseph H. Harper, Jr.
Assistant Treasurer, Second Injury Fund
Office of the Treasurer
55 Elm Street
Hartford, CT 06106
Telephone: (860) 702-3242
Fax: (860) 702-3022

**COPY TO:**
Catherine LaMarr
General Counsel
Office of the Treasurer
55 Elm Street
Hartford, CT 06106
Telephone: (860) 702-3000
Fax: (860) 728-1290

**CONTRACTOR:** Deloitte & Touche, LLP
Attention: Barry Thompson
185 Asylum Street, 33rd Fl.
Hartford, CT 06103
Telephone: (860) 543-7364
Fax: (860) 543-7371

The parties may change their respective addresses for notices under this paragraph upon prior written notification to the other.
15. **Laws and Regulations**

This Agreement shall be interpreted under and governed by the laws of the State of Connecticut. Contractor, its employees and representatives shall at all times comply with all applicable laws, ordinances, statutes, rules, regulations and orders of governmental authorities, including those having jurisdiction over its registration and licensing to perform services hereunder.

16. **Discovery of Conflicts, Errors, Omissions and Discrepancies**

(a) In the event of any conflict between the provisions of this Agreement and the provisions of Form CO-802A to which this Agreement is attached, the provisions of this Agreement shall control.

(b) In case of conflicts, discrepancies, errors or omissions among the various parts of this Agreement, any such matter shall be submitted immediately by Contractor to the Treasurer for clarification. The Treasurer shall issue such clarification within a reasonable period of time. This remedy shall not be deemed exclusive and Contractor does not waive any of its legal or equitable remedies. Any services affected by such conflicts, discrepancies, errors or omissions which are performed by Contractor prior to clarification by the State shall be at Contractor’s risk.

17. **Non-Waiver**

None of the conditions of this Agreement shall be considered waived by the Treasurer or Contractor unless given in writing. No such waiver shall be a waiver of any past or future default, breach or modification of any of the conditions of this Agreement unless expressly stipulated in such waiver.

18. **Survival**

The rights and obligations of the parties which by their nature survive termination or completion of this Agreement, including but not limited to those set forth herein paragraphs 8, 9, 10, and 12 of this Agreement, shall remain in full force and effect.

19. **Sovereign Immunity**

Notwithstanding any provisions to the contrary contained in this Agreement, it is agreed and understood that the State of Connecticut shall not be construed to have waived any rights or defenses of sovereign immunity which it may have with respect to all matters arising out of this Agreement.

20. **Termination**

The parties mutually agree, that either may terminate this Agreement upon thirty (30) days' written notice delivered to the other by certified or registered mail to the addresses provided in paragraph 15. Following the delivery of any notice of termination hereunder, the Contractor shall perform all of its obligations hereunder in good faith as directed by the State and will cooperate fully with the State in taking all necessary or appropriate steps in order to effectuate the orderly transfer of management functions to third parties designated by the State.
21. **Assignment**

This Agreement shall not be assigned by either party without the express prior written consent of the other.

22. **Severability**

If any part or parts of this Agreement shall be held to be void or unenforceable, such part or parts shall be treated as severable, leaving valid the remainder of this Agreement notwithstanding the part or parts found to be void or unenforceable.

23. **Disclosure**

Contractor acknowledges and agrees that:

1. Pursuant to Public Act 00-43, any person or entity who would be party to a contract for consulting services for implementation of operations and risk management information system improvements for the Second Injury Fund with the Office of the Treasurer shall disclose to the Treasurer, in writing all third party fees attributable to such contract before any such contract may take effect.

2. It is the policy of the Treasurer to disclose all third party compensation paid by all vendors of the Office of the Treasurer.

3. Contractor represents that the information disclosed on the attached sworn affidavit is accurate and complete as of its date.

4. Contractor covenants to, no less than annually, report any changes to the disclosure provided on said sworn affidavit.

24. **Counterpart Originals**

This Agreement may be executed in any number of counterparts, each of which shall be an original, but which, taken together, shall constitute one and the same instrument.

---

DELOITE & TouCHE, LLP

By: [Signature]

Title: [Title]

TREASURER STATE OF CONNECTICUT

By: [Signature]

Title: Treasurer

Approved as to form:
OFFICE OF THE ATTORNEY GENERAL

By: [Signature]

Title: Assoc. Atty. General

Dated: 1/16/01
CERTIFICATE

I, Mark P. Charron, certify that I am a Partner of Deloitte & Touche LLP; that David A. Foley, who signed the Agreement with the State of Connecticut for this limited liability partnership, is a Principal of this limited liability partnership; and that the Agreement was duly signed for and on behalf of this limited liability partnership by authority of its constituent documents and within the scope of its partnership powers.

Witness my hand this 18th day of March, 2002.

By: [Signature]

State of Connecticut,

County of Hartford, SS: Hartford

I, [Notary Name], a notary public in and for the aforesaid County and State, do hereby certify that on this day, before me personally came Mark P. Charron to me known, who, being duly sworn, did depose and say that he is a Partner of Deloitte & Touche LLP.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 18th day of March, 2002.

[Signature]
Notary Public

My Commission Expires 7/31/06
REQUEST FOR CONTINUANCE BY AMENDMENT

This form is to be completed when requesting a continuance by amendment to a Personal Service Agreement. Return this form to: Office of Policy & Management, Management Division, 450 Capitol Avenue, MS# 54 MGT, P.O. Box 341441, Hartford, CT 06134-1441.

Agency Name / Address: Office of the State Treasurer
55 Elm Street, Hartford, CT 06106

Agency Contact: Kim Alfultis
Phone: (860) 702-3139

Name and Address of Contractor: Deloitte & Touche LLP, 185 Asylum Avenue, Hartford, CT 06103.

Was the cost of the original agreement more than $50,000? ☑ Yes ☐ No
Yes ☐ No
Does the amendment have a cost of one hundred percent or more of the cost of the original agreement? ☑ Yes ☐ No
Does the amendment increase the cost of the agreement to more than fifty thousand dollars? ☑ Yes ☐ No
Does the amendment extend the terms of the agreement beyond a one-year period? ☐ Yes ☑ No
Is this the second or subsequent amendment to the agreement? ☑ Yes ☐ No

Original Agreement: ☑ Competitive ☐ Non-Competitive

Description of Original Services: (Purpose, Scope, Activities, Outcomes): Second Injury Fund implementation of operational and risk management information system improvements.

Term of Original Contract: 2 years.

Cost of Original Services: $459,600
Fund: 302 - Second Injury Fund

Number and cost of prior amendments: None.

Description of Services to be covered by the Amendment: (Purpose, Scope, Activities, Outcomes): Additional services are required to review problems associated with the handling of uninsured and bankrupt employer claims, as well as analyze the internal development of a claims management systems.

Need for the Services: To bring the Operational Improvement Project to completion.

Cost of this Amendment: $145,010
Fund: 302 - Second Injury Fund

Reasons why a new RFP and Personal Service Agreement are not needed: Contractor is currently working with the Second Injury Fund, having completed approximately 80% of this project. An increase in funding is needed to cover the length of time to complete engagement and cover additional services as referenced above.

Term of this amendment: No change.

Total cost of amended services: $604,610

Requester's Name and Title: Denise L. Nappier, Treasurer

Requester's Signature: [Signature]

Approved ☑ Disapproved ☐

Secretary, Office of Policy & Management: [Signature]

Date: 3-4-2002

LP 04504
To: Richard Greenburg

From: Kim Alfultis

Date: 4/11/02

Number of pages including cover sheet: 2

Phone: (860) 702-3139
Fax phone: (860) 702-3039

REMARKS: □ Urgent □ For your review □ Reply ASAP □ Please comment

Richard-

Here is the OPM approval to amend the Deloitte & Touche implementation of operational and risk management information systems improvements. Please let me know if you need anything else.

Kim
PERSONAL SERVICE AGREEMENT

STATE OF CONNECTICUT

PRINT OR TYPE: OFFICE OF THE STATE COMPTROLLER

ACCOUNTS PAYABLE DIVISION

1. PERSONAL SERVICE AGREEMENT

2. THE STATE AGENCY AND THE CONTRACTOR AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREBIN AND ATTACHED HERETO AND SUBJECT TO THE PROVISIONS OF SECTION 4-98 OF THE CONNECTICUT GENERAL STATUTES AS APPLICABLE.

3. ACCEPTANCE OF THIS CONTRACT IMPLIES CONFORMANCE WITH TERMS AND CONDITIONS STATED ON THE REVERSE SIDE OF PART 1.

<table>
<thead>
<tr>
<th>CONTRACTOR NAME</th>
<th>(1) CONTRACTOR NAME</th>
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<tbody>
<tr>
<td>Deloitte &amp; Touche, LLP</td>
<td>(2) IDENTIFICATION NO.</td>
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<tr>
<td>CityPlace, Hartford, CT 06103</td>
<td>P. S. 5001201</td>
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<th>STATE AGENCY</th>
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<td>Office of the State Treasurer</td>
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<th>CONTRACT PERIOD</th>
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<td>08/05/1999 THRU 12/31/2001</td>
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<tr>
<th>CANCELLATION CLAUSE</th>
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<tr>
<td>This Agreement shall remain in full force and effect for the entire term of the contract period stated above unless cancelled by the State Agency by giving the Contractor written notice of such intention (required number of days notice specified at right).</td>
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<tr>
<th>COMPLETE DESCRIPTION OF SERVICE</th>
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<tr>
<td>Financial Services Agreement - Level II Attestation regarding AIMR standards for the Short Term Investment Fund.</td>
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<tr>
<th>COST AND SCHEDULE OF PAYMENTS</th>
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<tr>
<td>(11) Payment to be made under the following schedule upon receipt of properly executed and approved invoices.</td>
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<td>$8,500 each fiscal year. Not to exceed $25,500.</td>
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4. An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer-employee relationship. Internal Revenue Code Section 3121(d) (2). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

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<tr>
<th>ACCEPTANCES AND APPROVALS</th>
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5. STATUTORY AUTHORITY

C.G.S. §3-11a, 3w92x

and PA 84-254

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<tr>
<th>DISTRIBUTION</th>
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<tr>
<td>PART 1 - CONTRACTOR</td>
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<td>PART 2 - COMPTROLLER</td>
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<td>PART 3 - OPM/ODAS</td>
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<td>PART 4 - ATTORNEY GENERAL</td>
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<td>PART 5 - AGENCY</td>
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LP 04506
Attachment

This FINANCIAL SERVICES AGREEMENT ("Agreement") is entered into as of the 5th day of August, 1999 ("Commencement Date"), between the STATE OF CONNECTICUT ("State"), acting through its Treasurer, as Trustee ("Treasurer") pursuant to Conn. Gen. Stat. Sections 3-11a, and Public Act 84-254 (6) (g), and DELOITTE & TOUCHE LLP ("Deloitte & Touche") a partnership, having a principal place of business at CityPlace, Hartford, Connecticut 06103 ("Contractor").

1. Term

This Agreement shall commence on the Commencement Date, and shall end on December 31, 2001 or upon termination by either party as set forth in paragraph 19 hereof.

2. Services to be Provided by Contractor

Contractor shall provide a report of independent accountants attesting to the preparation of investment performance statistics in conformity with the Performance Presentation Standards of the Association for Investment Management and Research ("AIMR"). The services will cover attestation reports for each of the fiscal years ending June 30, 1999 through 2001.

3. Compensation of Contractor

Contractor shall be paid $8,500, each fiscal year, for a Level II attestation regarding AIMR standards for the Short-Term Investment Fund.

4. Representations and Warranties of Contractor

Contractor represents that it is fully experienced and properly qualified to perform the services provided for herein, and that it is properly licensed, equipped, organized and financed to perform such services. Contractor shall act as an independent contractor in performing this Agreement, maintaining complete control over its employees and any subcontractors hired by it to perform services hereunder. Contractor shall perform all services in accordance with its methods, subject to compliance with this Agreement and all applicable laws and regulations. Contractor represents that services to be rendered hereunder do not in any way conflict with other contractual commitments with or by Contractor.

5. Changes in Services

When changes in services are required or requested by the Treasurer, Contractor shall promptly estimate their monetary effect and so notify the Treasurer. No change shall be implemented by Contractor unless it is approved by the Treasurer and Contractor in writing; and, unless otherwise agreed to in writing, the provisions of this Agreement shall apply to all changes in services.
6. **Labor and Personnel**

At all times, Contractor shall utilize qualified personnel necessary to perform the services under this Agreement. Contractor shall, if requested to do so by the Treasurer, reassign from the Account, within a reasonable period of time, any employee or authorized representative whom the Treasurer, in its sole discretion, determines is incompetent, dishonest or uncooperative.

7. **Quality Surveillance**

All services performed by Contractor shall be subject to the inspection and approval of the State at all times, and Contractor shall furnish all information concerning such services, and shall grant the Treasurer's duly authorized representatives free access at all reasonable times to Contractor's facilities where the services under this Agreement are performed. Contractor shall allow such representatives free access to any of Contractor's books and records relating to the services provided hereunder. At the Treasurer's request, Contractor shall provide the State with hard copies or computer transmittal of any data or information in the possession of Contractor which pertains to the Treasurer's business under this Agreement. Contractor shall incorporate this paragraph verbatim into any agreement it enters into with any vendor providing services under this Agreement.

8. **Nondisclosure**

Subject to the provisions in paragraph 10, Contractor shall not release any information concerning the services provided pursuant to this Agreement or any part thereof to any member of the public, press, business entity or any official body unless prior written consent is obtained from the Treasurer.

9. **Promotion**

Unless specifically authorized in writing by the Treasurer on a case by case basis, Contractor shall have no right to use, and shall not use, the name of the State of Connecticut, its officials or employees, or the seal of the State:

(i) in any advertising, publicity, or promotion;

(ii) as an express or implied endorsement of Contractor's products or services;

(iii) in any other manner (whether or not similar to uses prohibited by subparagraphs (i) and (ii) above), except to perform and deliver in accordance with this Agreement such services as are hereby contracted by the State.
10. **Confidentiality**

   All data provided to Contractor by the Treasurer or developed internally by Contractor with regard to the Treasurer will be treated as proprietary to the State and confidential unless the State agrees in writing to the contrary. Contractor agrees to forever hold in confidence all files, records, documents or other information as designated, whether prepared by the State or others, which may come into Contractor's possession during the term of this Agreement, except where a disclosure of such information by Contractor is required (whether in the ordinary course of business or otherwise) by another governmental authority to ensure compliance with laws, rules or regulations, and such disclosure will be limited to that actually so required. Where such disclosure is required, Contractor will provide, to the extent practicable, advance notice to the Treasurer of the need for disclosure.

11. **Non-Discrimination**

   (a) Contractor agrees and warrants that in the performance of this Agreement it will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, (including, but not limited to, blindness), unless it is shown by it that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut.

   (b) Contractor agrees to take affirmative action to insure that applicants with job-related qualifications are employed, and that employees are treated when employed, without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, (including, but not limited to, blindness), unless it is shown by it that such disability prevents performance of the work involved.

   (c) Contractor agrees, in all solicitations or advertisements for employees placed by it or on its behalf, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the Commission on Human Rights and Opportunities ("Commission").

   (d) Contractor agrees to provide each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding and each vendor with which it has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers representative of the Contractor's commitments under this paragraph 11, and to post copies of the notice in conspicuous places available to employees and applicants for employment.

   (e) Contractor agrees to comply with each provision of this paragraph 11 and Conn. Gen. Stat. sections 46a-68e and 46a-68f and with each regulation or relevant order issued by the Commission pursuant to Conn. Gen. Stat. sections 46a-56, 46a-68e and 46a-68f.
(f) Contractor agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning its employment practices and procedures as related to the provisions of this paragraph 11 and Conn. Gen. Stat. section 46a-56.

(g) If this Agreement is a public works contract, as defined in Conn. Gen. Stat. section 46a-68b, Contractor agrees and warrants that it will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works project. For the purposes of this subparagraph, "minority business enterprise" means any small contractor or supplier of materials fifty-one per cent or more of the capital stock, if any, or assets of which is owned by a person or persons:

(i) who are active in the daily affairs of the enterprise;

(ii) who have the power to direct the management and policies of the enterprises; and

(iii) who are members of a minority, as such term is defined in subsection (a) of Conn. Gen. Stat. section 32-9n;

"good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations; "good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements.

Determination of Contractor's good faith efforts shall include but shall not be limited to the following factors: Contractor's employment and subcontracting policies, patterns and practices, affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.

(h) Contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.

(i) Contractor shall include the provisions of subparagraphs (a)-(g) in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state of Connecticut and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Conn. Gen. Stat. section 46a-56; provided, if Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, Contractor may request the state of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

(j) Contractor agrees and warrants that in the performance of this Agreement it will not discriminate or permit discrimination against any person or group of persons on the grounds
of sexual orientation, in any manner prohibited by the laws of the United States or of the state of Connecticut, and that employees are treated when employed without regard to their sexual orientation.

(k) Contractor agrees to provide each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding and each vendor with which it has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers' representative of the Contractor's commitments under paragraph 11, and to post copies of the notice in conspicuous places available to employees and applicants for employment.

(l) Contractor agrees to comply with each provision of this paragraph 11 and sections 46a-68e and 46a-68f of the general statutes and with each regulation or relevant order issued by the Commission pursuant to section 46a-56.

(m) Contractor agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning its employment practices and procedures which relate to the provisions of this paragraph 11 and Conn. Gen. Stat. section 46a-56.

(n) Contractor shall include the provisions of sub-paragraphs (j)-(m) in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Conn. Gen. Stat. section 46a-56; provided, if Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, Contractor may request the state of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

12. Entire Agreement

This Agreement embodies the entire agreement between the State and Contractor on the matters specifically addressed herein. The parties shall not be bound by or be liable for any statement, representation, promise, inducement or understanding of any kind or nature not set forth herein. This Agreement shall supersede all prior written agreements between the parties and their predecessors. For the matters specifically addressed herein, no changes, amendments or modifications of any of the terms or conditions of the Agreement shall be valid unless reduced to writing, signed by both parties and approved by the Attorney General or his Deputy. This Agreement shall inure to the benefit of and be binding upon each party's heirs, successors, and assigns.
13. Notices

Unless otherwise expressly provided to the contrary, any notices provided for hereunder shall be in writing and may be delivered personally, via facsimile or by mail to, and will be effective upon receipt at, the following addresses:

TREASURER: Assistant Treasurer - Financial Reporting & Disclosure
Office of the Treasurer
55 Elm Street
Hartford, CT 06106

CONTRACTOR: Deloitte & Touche LLP
CityPlace
Hartford, CT 06103
Attention: Wayne Hauge, Partner

The parties may change their respective addresses for notices under this paragraph upon prior written notification to the other.

14. Laws and Regulations

This Agreement shall be interpreted under and governed by the laws of the State of Connecticut. Contractor, its employees and representatives shall at all times comply with all applicable laws, ordinances, statutes, rules, regulations and orders of governmental authorities, including those having jurisdiction over its registration and licensing to perform services hereunder. The parties agree that this Agreement has a Connecticut situs and Contractor specifically and irrevocably consents to the jurisdiction of the courts of the State of Connecticut with respect to all matters arising out of this Agreement.

15. Discovery of Conflicts, Errors, Omissions and Discrepancies

(a) In the event of any conflict between the provisions of this Agreement and the provisions of Form CO-802A to which this Agreement is attached, the provisions of this Agreement shall control.

(b) In case of conflicts, discrepancies, errors or omissions among the various parts of this Agreement, any such matter shall be submitted immediately by Contractor to the Treasurer for clarification. The Treasurer shall issue such clarification within a reasonable period of time. This remedy shall not be deemed exclusive and Contractor does not waive any of its legal or equitable remedies. Any services affected by such conflicts, discrepancies, errors or omissions which are performed by Contractor prior to clarification by the State shall be at Contractor's risk.
16. **Non-Waiver**

None of the conditions of this Agreement shall be considered waived by the Treasurer or Contractor unless given in writing. No such waiver shall be a waiver of any past or future default, breach or modification of any of the conditions of this Agreement unless expressly stipulated in such waiver.

17. **Survival**

The rights and obligations of the parties which by their nature survive termination or completion of this Agreement, including but not limited to those set forth herein paragraphs 8, 9, 10, and 12 of this Agreement, shall remain in full force and effect.

18. **Sovereign Immunity**

Notwithstanding any provisions to the contrary contained in this Agreement, it is agreed and understood that the State of Connecticut shall not be construed to have waived any rights or defenses of sovereign immunity which it may have with respect to all matters arising out of this Agreement.

19. **Termination**

The parties mutually agree, that either may terminate this Agreement upon thirty (30) days' written notice delivered to the other by certified or registered mail to the addresses provided in paragraph 13. Following the delivery of any notice of termination hereunder, the Contractor shall perform all of its obligations hereunder in good faith as directed by the State and will cooperate fully with the State in taking all necessary or appropriate steps in order to effectuate the orderly transfer of functions to third parties designated by the State.

20. **Assignment**

This Agreement shall not be assigned by either party without the express prior written consent of the other.

21. **Severability**

If any part or parts of this Agreement shall be held to be void or unenforceable, such part or parts shall be treated as severable, leaving valid the remainder of this Agreement notwithstanding the part or parts found to be void or unenforceable.
22. **Counterpart Originals**

This Agreement may be executed in any number of counterparts, each of which shall be an original, but which, taken together, shall constitute one and the same instrument.

DELOITTE & TOUCHE LLP

By

Title: Partner

Dated 8/5/99

STATE OF CONNECTICUT

By

DENISE L. NAPPIER
Treasurer

Dated 8/6/99

Approved as to form:

OFFICE OF THE ATTORNEY GENERAL

By

Title: Asst. Attty. Gen.

Dated 8/25/99

[SEAL]
CONTRACT AGREES TO

See attachment A, Section 1 and Section 2 for a complete description of Phase IIC.

PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.

$100.00 per hour but no more than $42,200.00.

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STATUTORY AUTHORITY

C.G.S. 3-76h (a)

CONTRACTOR (Authorized to sign)

DATE

AGENCY Authorized Official

DATE

See attachment A for signatures

DATE

ATTORNEY GENERAL (Approved as to form)

DATE

TITLES: Contractor Part 2 - Comptroller Part 3 - OPM/DAS Part 4 - Attorney General Part 5 - Agency

LP 04516
EPSONAL SERVICE AGREEMENT - STATE OF CONNECTICUT

STATE OF CONNECTICUT
OFFICE OF THE STATE COMPTROLLER

CONTRACTOR: Pelletier, Haskins and Sells, City Place, Htd., CT

STATE AGENCY: Treasury Dept. 20 Trinity Street, Htd., Ct 06106

CONTRACT PERIOD: 1-15-87 TO 9-1-88

TERMS AND CONDITIONS: Acceptance of this contract implies conformance with conditions stated on the reverse side of this form.

COMPLETE DESCRIPTION OF SERVICE: SEE ATTACHMENT A FOR FURTHER TERMS OF THIS AGREEMENT.

COST AND SCHEDULE: THE CONTRACTOR SHALL BE COMPENSATED $60.00 PER HOUR FOR SERVICES PERFORMED UNDER THIS AGREEMENT.

PAYMENT: TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.

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STATUTORY AUTHORITY: 3-76(a) C.G.S.

ACCEPTANCES AND APPROVALS DATED 2-26-88

RETURNED TO: Original — Contractor  Part 2 — Comptroller  Part 3 — OPM/OGAS  Part 4 — Attorney General  Part 5 — Agency

LP 04517
STATE OF CONNECTICUT
OFFICE OF THE STATE COMPTROLLER

SON-L SERVICE AGREEMENT
OA RE 7-2986 (Stock No. 6506-170-01)

The state agency and the contractor as listed below hereby enter into an agreement subject to the terms and conditions stated herein and/or attached hereto and subject to the provisions of Section 4-98 of the Connecticut General Statutes as applicable.

CONTRACTOR
[NAME AND ADDRESS OF CONTRACTOR (include FIRM)]
Deloitte, Haskins & Sells, City Place, Hartford, Conn.

STATE AGENCY
[AGENCY NAME AND ADDRESS]
Treasury Department, 20 Trinity Street, Hartford, Conn.

CONTACT PERIOD
[FROM (Date)] 1/15/87 [THROUGH (Date)] 9/1/88

CANCELLATION CLAUSE
This agreement shall remain in full force and effect for the entire term of the contract period stated above unless cancelled by the State agency by giving the contractor written notice of such intention (required days notice specified at right.)

TERMS AND CONDITIONS
Acceptance of this contract implies conformance with conditions stated on the reverse side of this form.

COMPLETE DESCRIPTION OF SERVICE
Include special provisions:

Accepted:

See Attachment A for further terms of this Agreement.

The contractor shall be compensated as follows:

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<th>Project Component</th>
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STATUTORY AUTHORITY
Section 3-76(h)(a) of the Connecticut General Statutes
CONTRACTOR (Owner or authorized)
Edward W. Graycar
General Partner
Francisco L. Borges
State Treasurer

ACCEPTANCES AND APPROVALS

DISTRIBUTION:
Original—Contractor  Part 3—OMP/DAS  Part 4—Attorney General  Part 5—Agency
The Honorable Francisco L. Borges
Treasurer
State of Connecticut
Office of the Treasurer
20 Trinity Street
Hartford, Connecticut 06106

March 31, 1989

Dear Treasurer Borges:

This is to certify that Edward W. Graycar is a partner/director of the firm of Deloitte Haskins & Sells and is hereby authorized to propose and commit Deloitte Haskins & Sells to perform professional consulting services for the State of Connecticut, Office of the Treasurer.

Sincerely,

Edward F. Paquette
Partner-in-Charge
Hartford Office

[Signature]

[Sworn to and Subscribed before me this 31st day of March, 1989]

[Commission Expires Mar. 31, 1993]
AMENDMENT TO AGREEMENT

Amendment to Agreement dated January 15, 1987, ("the Agreement") by and between Deloitte Haskins & Sells ("the Contractor") and the Treasurer of the State of Connecticut ("the Treasurer"). This Amendment is executed as of the 1st day of May, 1988.

WITNESSETH:

WHEREAS, in January, 1986, the Treasurer announced its intent to implement an information and automation plan (hereinafter referred to as the "project") and issued a request for qualifications in connection therewith,

WHEREAS, the Contractor was declared the successful competitor,

WHEREAS, the Treasurer desires to achieve the timely completion of the project without the addition of staff,

WHEREAS, the Treasurer desires to expedite the development of an enhanced automated system to replace the current system for recording State receipts and disbursements.

WHEREAS, the Contractor has the necessary staff to assist in expediting the development of a new system.

NOW, THEREFORE, the Treasurer and Contractor deem it appropriate to amend the Agreement with respect to the scope of services to be provided by the Contractor and the fee schedule. In consideration of the premises, it is agreed as follows:

Section 1.

The following language is added to the end of Section 2 of the Agreement:

"The Contractor further agrees to provide the Treasurer with the services that are outlined in the contractor's August 29, 1988 letter to the Treasurer (Exhibit III)."
These services can be described as Phase IIC of the project. The services include:

1. Identification of package software for use in tracking State receipts and disbursements prior to implementation of a fully-integrated financial reporting system.

2. Development of data input screens.

3. Package implementation.

4. Unit Testing.

5. Modification of user documentation.

6. Staff training.

7. System testing.

8. Monitoring of parallel testing and reconciliation.

9. Project management."

Section 2.

The following language is added to the end of Section 3 of the Agreement:

"Furthermore the Contractor shall be compensated as follows for Phase IIC of the project:

$100 per hour for services performed. In no event shall the Contractor be compensated for more than $42,200 for services performed in Phase IIC.

Billing for the services provided for Phase IIC of this Agreement shall begin as of January 1, 1989. The State shall be billed every four weeks for Phase IIC of this Agreement. Payment by the State to the Contractor for Phase IIC shall be due within sixty (60) days of receipt of a properly submitted invoice. A properly submitted invoice is one which specifically details the dates and hours worked, by whom, and the hourly rate thereon."

Section 3:

All of the other terms and conditions stated in the Agreement dated January 15, 1987, and not amended herein, shall remain in full force and effect.
IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective duly authorized undersigned officers.

DELOITTE HASKINS & SELLS

By: Edward W. Graycat
   Director

3/31/89

DATE

STATE OF CONNECTICUT

By: Francisco L. Borges
   Its Treasurer

4/6/87

DATE

APPROVED AS TO FORM:
OFFICE OF THE ATTORNEY GENERAL

BY: John Haas
   AAG

DATE: 4/20/89

LP 04522
Mr. Edward J. Forand Jr.  
Deputy State Treasurer  
State of Connecticut  
20 Trinity Street  
Hartford, CT 06106

Dear Deputy Treasurer Forand:

As requested, this letter contains our proposal for assisting the Treasury in developing and implementing an interim replacement system for the Treasury's Nixdorf system. The interim system, which would be replaced in about one year by the more comprehensive cash accounting system now under design, would allow the Treasury to:

- Improve upon the Nixdorf system's functionality
- Reduce Nixdorf lease, maintenance and associated service bureau costs
- Move to its new quarters without having to move the Nixdorf equipment and without having to construct unnecessary computer room space (a Local Area Network, which will replace the Nixdorf, requires less space).

As we indicated to you on April 11, 1988, we estimate that our net additional fees for managing the procurement, installation, testing and training for this project will total $42,200. If the project requires fewer than the 422 hours that we anticipate, we will reduce our billings accordingly. On the other hand, if the project requires more than the currently anticipated hours, which is quite possible given the numerous meetings with the Department of Administrative Services, we will increase our billings accordingly.

If you have any questions concerning this proposal, please contact me or Lawrence Wilson at 280-3000.

Sincerely,

Edward W. Graycar  
Director
## PERSONAL SERVICE AGREEMENT

**STATE OF CONNECTICUT**

**OFFICE OF THE STATE COMPTROLLER**

**Co-672A REV. 2186 (Stock No. 6938-170-01)**

The State agency and the contractor as listed below hereby enter into an agreement subject to the terms and conditions stated herein and/or attached hereto and subject to the provisions of Section 4-98 of the Connecticut General Statutes as applicable.

### CONTRACTOR

- **NAME AND ADDRESS OF CONTRACTOR (Include FEIN/SSN)**
  - Deloitte & Touche
  - 1 State Street, Hartford, CT 06103

- **ARE YOU PRESENTLY A STATE EMPLOYEE?**
  - Yes [X] No [ ]

### STATE AGENCY

- **AGENCY NAME AND ADDRESS**
  - Office of the Treasurer, 55 Elm St., Hartford, CT 06106

- **AGENCY NO.**
  - 1261

- **IDENTIFICATION NO.**
  - P.S. 831201

### CONTRACT PERIOD

- **FROM (Date)**
  - 01/15/87

- **THRU (Date)**
  - 12/31/90

### CANCELLATION CLAUSE

This agreement shall remain in full force and effect for the entire term of the contract period stated above unless cancelled by the State agency by giving the contractor written notice of such intention (required days notice specified at right.)

- **Required No. of days written notice:** 90

### TERMS AND CONDITIONS

Acceptance of this contract implies conformance with conditions stated on the reverse side of this form.

### COMPLETE DESCRIPTION OF SERVICE

(Include special provisions; Use additional blank sheets of same size if required)

See Attachment A of Agreement between the Office of the Treasurer and Deloitte & Touche re: Automation Plan

### COST AND SCHEDULE OF PAYMENTS

(See Part 4 of Attachment A)

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</tr>
</tbody>
</table>

**COMMITTED AMOUNT**

- 133

**OBLIGATED AMOUNT**

- 133

**CONTRACT PERIOD**

- FROM 01/15/87

- TO 12/31/90

### STATUTORY AUTHORITY

Conn. Gen. Stat. §§ 3-11a, 3-76h(a)

### ACCEPTANCES AND APPROvals

**APPROVALS**

- **ATTORNEY GENERAL (Approved as to form)**
  - [Signature]  
  - [Date]

### DISTRIBUTION:

- Original — Contractor
- Part 2 — Comptroller
- Part 3 — OFM/DAS
- Part 4 — Attorney General
- Part 5 — Agency

**LP 04524**
AMENDMENT TO AGREEMENT

Amendment to Agreement dated January 15, 1987, ("the Agreement") by and between Deloitte Haskins & Sells ("the Contractor") and the Treasurer of the State of Connecticut ("the Treasurer"). This Amendment is executed as of the 1st day of May, 1988.

WITNESSETH:

WHEREAS, in January, 1986, the Treasurer announced its intent to implement an information and automation plan (hereinafter referred to as the "project") and issued a request for qualifications in connection therewith,

WHEREAS, the Contractor was declared the successful competitor,

WHEREAS, the Treasurer desires to achieve the timely completion of the project without the addition of staff,

WHEREAS, the Treasurer desires to expedite the development of an enhanced automated system to replace the current system for recording State receipts and disbursements.

WHEREAS, the Contractor has the necessary staff to assist in expediting the development of a new system.

NOW, THEREFORE, the Treasurer and Contractor deem it appropriate to amend the Agreement with respect to the scope of services to be provided by the Contractor and the fee schedule. In consideration of the premises, it is agreed as follows:

Section 1.

The following language is added to the end of Section 2 of the Agreement:

"The Contractor further agrees to provide the Treasurer with the services that are outlined in the contractor's August 29, 1988 letter to the Treasurer (Exhibit III)."
These services can be described as Phase IIC of the project. The services include:

1. Identification of package software for use in tracking State receipts and disbursements prior to implementation of a fully-integrated financial reporting system.

2. Development of data input screens.

3. Package implementation.

4. Unit Testing.

5. Modification of user documentation.

6. Staff training.

7. System testing.

8. Monitoring of parallel testing and reconciliation.

9. Project management.

Section 2.

The following language is added to the end of Section 3 of the Agreement:

"Furthermore the Contractor shall be compensated as follows for Phase IIC of the project:

$100 per hour for services performed. In no event shall the Contractor be compensated for more than $42,200 for services performed in Phase IIC.

Billing for the services provided for Phase IIC of this Agreement shall begin as of January 1, 1989. The State shall be billed every four weeks for Phase IIC of this Agreement. Payment by the State to the Contractor for Phase IIC shall be due within sixty (60) days of receipt of a properly submitted invoice. A properly submitted invoice is one which specifically details the dates and hours worked, by whom, and the hourly rate thereon."

Section 3:

All of the other terms and conditions stated in the Agreement dated January 15, 1987, and not amended herein, shall remain in full force and effect.
IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective duly authorized undersigned officers.

DELOITTE HASKINS & SELLS

By: Edward W. Graycar
   Director

Date

STATE OF CONNECTICUT

By: Francisco L. Borges
   Its Treasurer

Date

APPROVED AS TO FORM:
OFFICE OF THE ATTORNEY GENERAL

BY:

DATE:
Mr. Edward J. Forand Jr.
Deputy State Treasurer
State of Connecticut
20 Trinity Street
Hartford, CT 06106

Dear Deputy Treasurer Forand:

As requested, this letter contains our proposal for assisting the Treasury in developing and implementing an interim replacement system for the Treasury's Nixdorf system. The interim system, which would be replaced in about one year by the more comprehensive cash accounting system now under design, would allow the Treasury to:

- Improve upon the Nixdorf system's functionality
- Reduce Nixdorf lease, maintenance and associated service bureau costs
- Move to its new quarters without having to move the Nixdorf equipment and without having to construct unnecessary computer room space (a Local Area Network, which will replace the Nixdorf, requires less space).

As we indicated to you on April 11, 1988, we estimate that our net additional fees for managing the procurement, installation, testing and training for this project will total $42,200. If the project requires fewer than the 422 hours that we anticipate, we will reduce our billings accordingly. On the other hand, if the project requires more than the currently anticipated hours, which is quite possible given the numerous meetings with the Department of Administrative Services, we will increase our billings accordingly.

If you have any questions concerning this proposal, please contact me or Lawrence Wilson at 280-3000.

Sincerely,

Edward W. Graybar
Director
AMENDMENT TO AGREEMENT

Amendment to Agreement dated January 15, 1987, ("the Agreement") by and between Deloitte Haskins & Sells ("the Contractor") and the Treasurer of the State of Connecticut ("the Treasurer"). This Amendment is executed as of the ______ day of ______.

WITNESSETH:

WHEREAS, in January, 1986, the Treasurer announced its intent to implement an information and automation plan (hereinafter referred to as the "project") and issued a request for qualifications in connection therewith,

WHEREAS, the Contractor was declared the successful competitor,

WHEREAS, the Treasurer desires to achieve the timely completion of the project without the addition of staff,

WHEREAS, the Treasurer desires to expedite the development of an enhanced automated system to replace the current system for recording State receipts and disbursements.

WHEREAS, the Contractor has the necessary staff to assist in expediting the development of a new system.

NOW, THEREFORE, the Treasurer and Contractor deem it appropriate to amend the Agreement with respect to the scope of services to be provided by the Contractor and the fee schedule. In consideration of the premises, it is agreed as follows:
Section 1.

The following language is added to Section 2 of the Agreement:

"The Contractor further agrees to provide the Treasurer with the services that are outlined in the contractor's August 29, 1988 letter to the Treasurer (Exhibit III). These services can be described as Phase IIC of the project. The services include:

1. Identification of package software for use in tracking State receipts and disbursements prior to implementation of a fully-integrated financial reporting system.
2. Development of data input screens.
3. Package implementation.
4. Unit testing.
5. Modification of user documentation.
6. Staff training.
7. System testing.
8. Monitoring of parallel testing and reconciliation.
9. Project management."
Section 2.

Section 3 of the Agreement is amended as follows:

"Furthermore the Contractor shall be compensated as follows for Phase IIC of the project:

$100 per hour for services performed, not to exceed $42,200.

The State shall be billed every four weeks for Phase IIC of this Agreement. Payment by the State to the Contractor for Phase IIC shall be due within sixty (60) days of receipt of a properly submitted invoice. A properly submitted invoice is one which specifically details the dates and hours worked, by whom, and the hourly rate thereon."

Section 3.

All of the other terms and conditions stated in the Agreement dated January 15, 1987, and not amended herein, shall remain in full force and effect.
IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective duly authorized undersigned officers.

DELOITTE HASKINS & SELLS

By: Edward W. Graycar
    Director

Date

STATE OF CONNECTICUT

By: Francisco L. Borges
    Its Treasurer

Date

APPROVED AS TO FORM:
OFFICE OF THE ATTORNEY GENERAL

By: ________________________________

Date: ________________________________
ATTACHMENT A

AGREEMENT

THIS AGREEMENT is made and entered into as of this April 13, 1987, by and between Deloitte Haskins & Sells (hereinafter referred to as the "contractor"), a partnership having its principal offices at 1114 Avenue of the Americas, New York, New York, and the State of Connecticut (hereinafter referred to as the "State"), acting through its State Treasurer (hereinafter referred to as the "Treasurer" or the "contracting agency").

WHEREAS the State Treasurer, acting pursuant to his authority of Section 3-76h(a) of the General Statutes of the State of Connecticut (Rev. 1958, Revised to January 1, 1987), wishes to implement an automation plan.

WHEREAS in January, 1986, the Treasurer announced its intent to implement an information and automation plan (hereinafter referred to as the "project") and issued a request for qualifications in connection therewith.

WHEREAS the contractor was declared the successful competitor.
NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

Section 1. Definitions.

As used in this Agreement, the following terms shall have the following meanings:

1. Project Director shall mean the person responsible for project objectives, deadlines, and quality control.

2. Project Manager shall mean the person responsible for supervising the day-to-day performance and coordinating the activities of the team leaders.

3. Team Leaders shall mean the persons responsible for the accomplishment of individual project tasks by the project team consultants.

Section 2. Scope of Services.

The contractor agrees to provide the State with the following services for Phase III of the Project. Under Phase III of the project the contractor agrees to:

1. Perform a comprehensive management review.

2. Develop automated office systems.

3. Develop a telecommunications system.

4. Develop office procedures and manuals.

The parties agree that time is of the essence in having the contractor fully perform under this Agreement.

The contractor agrees not to replace the Project Director, Project Manager or Team Leaders without the State's written permission.
The contractor agrees to perform all of the above-mentioned services in accordance with its proposal of January 30, 1987. The Facilities and Space Plan portion of the proposal, which is discussed in Sections IIE and IIEE of the proposal, is not included in this contract.

The contractor's work proposal dated January 30, 1987, is hereby designated as Exhibit I. It is hereby made a part of this agreement as if fully set forth herein.

Section 3. Compensation.

The contractor shall be compensated as follows:

<table>
<thead>
<tr>
<th>Project Component</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Review</td>
<td>$90,000</td>
</tr>
<tr>
<td>Automated Office Systems</td>
<td>155,000</td>
</tr>
<tr>
<td>Telecommunications System</td>
<td>35,000</td>
</tr>
<tr>
<td>Office Procedures and Plans</td>
<td>80,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$360,000</strong></td>
</tr>
</tbody>
</table>

This amount includes all professional fees, travel expenses, and clerical costs. The fee does not include software (including any necessary custom programming) and hardware costs.

The State shall be billed every four weeks for actual time worked, based on the hourly rate of $98.00, beginning May 1, 1987. However, total payments shall not exceed $360,000.
Section 4. Hold Harmless Clause

The contractor agrees that while performing duties specified in this agreement that it shall carry sufficient insurance (liability and/or other) according to the nature of the work to be performed to "save harmless" the State of Connecticut from any insurable cause whatsoever. Certificates of same are to be filed with the agency prior to the performance of services if requested.

Section 5. Executive Orders.

This Agreement is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill promulgated June 16, 1971 and as such this Agreement may be cancelled, terminated or suspended by the State Labor Commissioner for violation of noncompliance with said Executive Order No. Three, or any state or federal law concerning nondiscrimination, notwithstanding that the labor commissioner is not a party to this Agreement. The parties to this Agreement, as part of the consideration hereof, agree that said Executive Order No. Three is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the State Labor Commissioner shall have continuing jurisdiction in respect to contract performance in regard to nondiscrimination until the Agreement is completed or terminated prior to completion. The contractor agrees, as part consideration hereof, that this Agreement is subject to the Guidelines and Rules issued by the State Labor Commissioner to implement Executive Order No. Three, and that it will not discriminate in its employment practices or policies, will file all reports as required, and will fully cooperate with the State of Connecticut and the State Labor Commissioner.
This Agreement is also subject to the provisions of Executive Order No. Seventeen of Governor Thomas J. Meskill promulgated February 15, 1973, and, as such, this Agreement may be cancelled, terminated or suspended by the contracting agency or the State Labor Commissioner for violation of or noncompliance with said Executive Order No. Seventeen, notwithstanding that the Labor Commissioner may not be a party to this Agreement. The parties to this Agreement, as part of the consideration hereof, agree that Executive Order No. Seventeen is incorporated herein by reference and made a part hereof. The parties agree that the contracting agency and the State Labor Commissioner shall have joint and several continuing jurisdiction in regard to listing all employment openings with the Connecticut State Employment Service.


The contractor agrees and warrants that in the performance of this Agreement it will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, martial status, national origin, sex, mental retardation, or mental or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of work involved in any manner prohibited by the laws of the United States or of the State of Connecticut and further agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission concerning the employment practices and procedures of the contractor as relate to the provisions of Sec. 4-114a of the Connecticut General Statutes, as amended.
Section 7. Jurisdiction.

This Agreement shall be construed in all respects under the laws of the State of Connecticut and the parties hereto agree that the State and/or Federal Courts located within the State of Connecticut shall have exclusive jurisdiction to hear cases regarding disputes arising hereunder.

Section 8. Approval of Attorney General.

This Agreement shall not be effective until it receives final approval from the Attorney General of the State of Connecticut.

Section 9. Termination.

This agreement shall terminate on September 1, 1988 or when all services of Phase III of the project (as described in Section 2 of this Agreement) have been completed.
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized undersigned officers.

DELOITTE HASKINS & SELLS

[Signature]
Edward W. Grayce
Partner
Date: 4/21/87

STATE OF CONNECTICUT
TREASURER'S OFFICE

[Signature]
Francisco L. Borges
Treasurer, State of Connecticut
Date: 4/28/87

APPROVED AS TO FORM
STATE ATTORNEY GENERAL

[Signature]
By: [Signature]
Date: 4/28/87
AMENDMENT TO AGREEMENT

Amendment to Agreement dated January 15, 1987, ("the Agreement") by and between Deloitte Haskins & Sells ("the Contractor") and the Treasurer of the State of Connecticut ("the Treasurer"). This Amendment is executed as of the 1st day of May, 1988.

WITNESSETH:

WHEREAS, in January, 1986, the Treasurer announced its intent to implement an information and automation plan (hereinafter referred to as the "project") and issued a request for qualifications in connection therewith,

WHEREAS, the Contractor was declared the successful competitor,

WHEREAS, the Treasurer desires to achieve the timely completion of the project without the addition of staff,

WHEREAS, the Treasurer desires to expedite the development of an enhanced automated system to replace the current system for recording State receipts and disbursements.

WHEREAS, the Contractor has the necessary staff to assist in expediting the development of a new system.

NOW, THEREFORE, the Treasurer and Contractor deem it appropriate to amend the Agreement with respect to the scope of services to be provided by the Contractor and the fee schedule. In consideration of the premises, it is agreed as follows:

Section 1.

The following language is added to the end of Section 2 of the Agreement:

"The Contractor further agrees to provide the Treasurer with the services that are outlined in the contractor's August 29, 1988 letter to the Treasurer (Exhibit III)."
These services can be described as Phase IIC of the project. The services include:

1. Identification of package software for use in tracking State receipts and disbursements prior to implementation of a fully-integrated financial reporting system.

2. Development of data input screens.

3. Package implementation.

4. Unit Testing.

5. Modification of user documentation.

6. Staff training.

7. System testing.

8. Monitoring of parallel testing and reconciliation.

9. Project management.

Section 2.

The following language is added to the end of Section 3 of the Agreement:

"Furthermore the Contractor shall be compensated as follows for Phase IIC of the project:

$100 per hour for services performed. In no event shall the Contractor be compensated for more than $42,200 for services performed in Phase IIC.

Billing for the services provided for Phase IIC of this Agreement shall begin as of January 1, 1989. The State shall be billed every four weeks for Phase IIC of this Agreement. Payment by the State to the Contractor for Phase IIC shall be due within sixty (60) days of receipt of a properly submitted invoice. A properly submitted invoice is one which specifically details the dates and hours worked, by whom, and the hourly rate thereon."

Section 3:

All of the other terms and conditions stated in the Agreement dated January 15, 1987, and not amended herein, shall remain in full force and effect.
IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective duly authorized undersigned officers.

DELOITTE HASKINS & SELLS

By: Edward W. Graycar
Director

1/27/85

STATE OF CONNECTICUT

By: Francisco L. Borges
Its Treasurer

2/4/89

APPROVED AS TO FORM:
OFFICE OF THE ATTORNEY GENERAL

By: 
Assoc. Att. General

DATE: 2/4/89
Dear Deputy Treasurer Forand:

As requested, this letter contains our proposal for assisting the Treasury in developing and implementing an interim replacement system for the Treasury's Nixdorf system. The interim system, which would be replaced in about one year by the more comprehensive cash accounting system now under design, would allow the Treasury to:

- Improve upon the Nixdorf system's functionality
- Reduce Nixdorf lease, maintenance and associated service bureau costs
- Move to its new quarters without having to move the Nixdorf equipment and without having to construct unnecessary computer room space (a Local Area Network, which will replace the Nixdorf, requires less space).

As we indicated to you on April 11, 1988, we estimate that our net additional fees for managing the procurement, installation, testing and training for this project will total $42,200. If the project requires fewer than the 422 hours that we anticipate, we will reduce our billings accordingly. On the other hand, if the project requires more than the currently anticipated hours, which is quite possible given the numerous meetings with the Department of Administrative Services, we will increase our billings accordingly.

If you have any questions concerning this proposal, please contact me or Lawrence Wilson at 280-3000.

Sincerely,

Edward W. Garvey
Director
PERSONAL SERVICE AGREEMENT

STATE OF CONNECTICUT

Prepared in triplicate: The State agency and the contractor as listed below hereby enter into an agreement subject to the terms and conditions stated herein and/or attached hereto and subject to the provisions of Section 4-98 of the Connecticut General Statutes as applicable.

CONTRACTOR

<table>
<thead>
<tr>
<th>NAME AND ADDRESS OF CONTRACTOR (Include FEIN/SSN)</th>
<th>Are you presently a state employee?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deloitte, Haskins and Sells, City Place, Hartford, Conn.</td>
<td>[ ] Yes [X] No</td>
</tr>
</tbody>
</table>

STATE AGENCY

<table>
<thead>
<tr>
<th>AGENCY NAME AND ADDRESS</th>
<th>AGENCY NO.</th>
<th>IDENTIFICATION NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury Department, 20 Trinity Street, Hartford, Conn.</td>
<td>1201</td>
<td>[X] P.S. 93/1201</td>
</tr>
</tbody>
</table>

CONTRACT PERIOD

<table>
<thead>
<tr>
<th>FROM (Date)</th>
<th>THROUGH (Date)</th>
<th>INDICATE</th>
<th>Contract Award No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/15/87</td>
<td>9/1/88</td>
<td>[ ] Master Agreement [ ] (Required No. of days written notice: 30)</td>
<td></td>
</tr>
</tbody>
</table>

CANCELLATION CLAUSE

This agreement shall remain in full force and effect for the entire term of the contract period stated above unless cancelled by the State agency by giving the contractor written notice of such intention (required days notice specified at right.)

TERMS AND CONDITIONS

Acceptance of this contract implies conformance with conditions stated on the reverse side of this form.

[ ] CONTRACTOR AGREES TO

See Attachment A for further terms of this Agreement.

COST AND SCHEDULE OF PAYMENTS

<table>
<thead>
<tr>
<th>[ ] PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES. The contractor shall be compensated as follows:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Reporting and Debt Management</td>
</tr>
<tr>
<td>Disbursement Processing</td>
</tr>
<tr>
<td>Federal/State Equity Program</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

STATUTORY AUTHORITY

Section 3-76b(a) of the Connecticut General Statutes.

ACCEPTANCES AND APPROVALS

Edward W. Graycar
General Partner

Francisco L. Borges
State Treasurer

Edward W. Graycar
General Partner

Francisco L. Borges
State Treasurer

Edward W. Graycar
General Partner

Francisco L. Borges
State Treasurer
ATTACHMENT A

AGREEMENT

THIS AGREEMENT is made and entered into as of this January 15, 1987, by and between Deloitte Haskins & Sells (hereinafter referred to as the "contractor"), a partnership having its principal offices at 1114 Avenue of the Americas, New York, New York, and the State of Connecticut (hereinafter referred to as the "State"), acting through its State Treasurer (hereinafter referred to as the "Treasurer" or the "contracting agency").

WHEREAS the State Treasurer, acting pursuant to his authority of Section 3-76h(a) of the General Statutes of the State of Connecticut (Rev. 1958, Revised to January 1, 1987), wishes to implement an automation plan.

WHEREAS in January, 1986, the Treasurer announced its intent to implement an information and automation plan (hereinafter referred to as the "project") and issued a request for qualifications in connection therewith.

WHEREAS the contractor was declared the successful competitor.
NOW, THEREFORE, IT IS AGREED AS FOLLOWS;

Section 1. Definitions.

As used in this Agreement, the following terms shall have the following meanings:

1. Project Director shall mean the person responsible for project objectives, deadlines, and quality control.
2. Project Manager shall mean the person responsible for supervising the day-to-day performance and coordinating the activities of the team leaders.
3. Team Leaders shall mean the persons responsible for the accomplishment of individual project tasks by the project team consultants.

Section 2. Scope of Services.

The contractor agrees to provide the State with the following services for Phase II of the Project. Phase II shall include the following:

1. Development and implementation of a Financial Reporting and Debt Management system.
2. Development of a state-wide cash management training program and procedures manual.
3. Review and revision of the State’s disbursement processing procedures.
4. Assistance with implementation of the Federal/State Equity Program.
5. Analysis of organization structure and staffing pattern.

The parties agree that time is of the essence in having the contractor fully
perform under this Agreement.

The contractor agrees not to replace the Project Director, Project Manager or Team Leaders without the State's written permission.

The contractor's work proposal is hereby designated as Exhibit I. It is hereby made a part of this agreement as if fully set forth herein.

Section 3: Compensation.

The contractor shall be compensated as follows:

<table>
<thead>
<tr>
<th>Project Component</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Reporting and Debt Management</td>
<td>$230,000</td>
</tr>
<tr>
<td>State-Wide Cash Management</td>
<td></td>
</tr>
<tr>
<td>Training and Procedures Manual</td>
<td>30,000</td>
</tr>
<tr>
<td>Disbursement Processing</td>
<td>40,000</td>
</tr>
<tr>
<td>Federal/State Equity Program</td>
<td>25,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$325,000</strong></td>
</tr>
</tbody>
</table>

This amount includes all professional fees, travel expenses, and clerical costs. The fee does not include software (including any necessary custom programming) and hardware costs. In addition, costs of duplicating cash management training materials and procedure manuals will be the State's responsibility.

The State shall be billed $27,000.00 every four weeks beginning March 1, 1987. However, the State will not be billed in excess of 90% of the total of the total contract amount prior to project completion.
Section 4. Hold Harmless Clause

The contractor agrees that while performing duties specified in this agreement that it shall carry sufficient insurance (liability and/or other) according to the nature of the work to be performed to "save harmless" the State of Connecticut from any insurable cause whatsoever. Certificates of same are to be filed with the agency prior to the performance of services if requested.

Section 5. Executive Orders.

This Agreement is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill promulgated June 16, 1971 and as such this Agreement may be cancelled, terminated or suspended by the State Labor Commissioner for violation of noncompliance with said Executive Order No. Three, or any state or federal law concerning nondiscrimination, notwithstanding that the labor commissioner is not a party to this Agreement. The parties to this Agreement, as part of the consideration hereof, agree that said Executive Order No. Three is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the State Labor Commissioner shall have continuing jurisdiction in respect to contract performance in regard to nondiscrimination until the Agreement is completed or terminated prior to completion. The contractor agrees, as part consideration hereof, that this Agreement is subject to the Guidelines and Rules issued by the State Labor Commissioner to implement Executive Order No. Three, and that it will not discriminate in its employment practices or policies, will file all reports as required, and will fully cooperate with the State of Connecticut and the State Labor Commissioner.
This Agreement is also subject to the provisions of Executive Order No. Seventeen of Governor Thomas J. Meskill promulgated February 15, 1973, and, as such, this Agreement may be cancelled, terminated or suspended by the contracting agency or the State Labor Commissioner for violation of or noncompliance with said Executive Order No. Seventeen, notwithstanding that the Labor Commissioner may not be a party to this Agreement. The parties to this Agreement, as part of the consideration hereof, agree that Executive Order No. Seventeen is incorporated herein by reference and made a part hereof. The parties agree that the contracting agency and the State Labor Commissioner shall have joint and several continuing jurisdiction in regard to listing all employment openings with the Connecticut State Employment Service.


The contractor agrees and warrants that in the performance of this Agreement it will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, sex, mental retardation, or mental or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of work involved in any manner prohibited by the laws of the United States or of the State of Connecticut and further agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission concerning the employment practices and procedures of the contractor as relate to the provisions of Sec. 4-114a of the Connecticut General Statutes, as amended.
Section 7. Jurisdiction.

This Agreement shall be construed in all respects under the laws of the State of Connecticut and the parties hereto agree that the State and/or Federal Courts located within the State of Connecticut shall have exclusive jurisdiction to hear cases regarding disputes arising hereunder.

Section 8. Approval of Attorney General.

This Agreement shall not be effective until it receives final approval from the Attorney General of the State of Connecticut.

Section 9. Termination.

This agreement shall terminate on September 1, 1988 or when all services of Phase II of the project (as described in Section 2 of this Agreement) have been completed.
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized undersigned officers.

DELOITTE HASKINS & SELLS.

Edward W. Graycar  
Partner  
Date  4/21/87

STATE OF CONNECTICUT  
TREASURER'S OFFICE

Francisco L. Borges  
Treasurer, State of Connecticut  
Date  11/11/87

APPROVED AS TO FORM  
STATE ATTORNEY GENERAL

By:  
Date:  4/28/87
AMENDMENT TO AGREEMENT

Amendment to Agreement dated January 15, 1987, ("the Agreement") by and between Deloitte Haskins & Sells ("the Contractor") and the Treasurer of the State of Connecticut ("the Treasurer"). This Amendment is executed as of the 1st day of May, 1988.

WITNESSETH:

WHEREAS, in January, 1986, the Treasurer announced its intent to implement an information and automation plan (hereinafter referred to as the "project") and issued a request for qualifications in connection therewith,

WHEREAS, the Contractor was declared the successful competitor,

WHEREAS, the Treasurer desires to achieve the timely completion of the project without the addition of staff,

WHEREAS, the Treasurer desires to expedite the development of an enhanced automated system to replace the current system for recording State receipts and disbursements.

WHEREAS, the Contractor has the necessary staff to assist in expediting the development of a new system.

NOW, THEREFORE, the Treasurer and Contractor deem it appropriate to amend the Agreement with respect to the scope of services to be provided by the Contractor and the fee schedule. In consideration of the premises, it is agreed as follows:

Section 1.

The following language is added to the end of Section 2 of the Agreement:

"The Contractor further agrees to provide the Treasurer with the services that are outlined in the contractor's August 29, 1988 letter to the Treasurer (Exhibit III)."
These services can be described as Phase IIC of the project. The services include:

1. Identification of package software for use in tracking State receipts and disbursements prior to implementation of a fully-integrated financial reporting system.

2. Development of data input screens.

3. Package implementation.

4. Unit Testing.

5. Modification of user documentation.

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9. Project management.

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The following language is added to the end of Section 3 of the Agreement:

"Furthermore the Contractor shall be compensated as follows for Phase IIC of the project:

$100 per hour for services performed. In no event shall the Contractor be compensated for more than $42,200 for services performed in Phase IIC.

Billing for the services provided for Phase IIC of this Agreement shall begin as of January 1, 1989. The State shall be billed every four weeks for Phase IIC of this Agreement. Payment by the State to the Contractor for Phase IIC shall be due within sixty (60) days of receipt of a properly submitted invoice. A properly submitted invoice is one which specifically details the dates and hours worked, by whom, and the hourly rate thereon."

Section 3:

All of the other terms and conditions stated in the Agreement dated January 15, 1987, and not amended herein, shall remain in full force and effect.
IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective duly authorized undersigned officers.

DELLOITTE HASKINS & SELLS

By: Edward W. Grayca
   Director

Date: 3/31/89

STATE OF CONNECTICUT

By: Francisco L. Borges
   Its Treasurer

Date: 4/6/87

APPROVED AS TO FORM:
OFFICE OF THE ATTORNEY GENERAL

By: [Signature]

Date: 4/20/89

LP 04554
Mr. Edward J. Forand Jr.
Deputy State Treasurer
State of Connecticut
20 Trinity Street
Hartford, CT 06106

Dear Deputy Treasurer Forand:

As requested, this letter contains our proposal for assisting the Treasury in developing and implementing an interim replacement system for the Treasury's Nixdorf system. The interim system, which would be replaced in about one year by the more comprehensive cash accounting system now under design, would allow the Treasury to:

- Improve upon the Nixdorf system's functionality
- Reduce Nixdorf lease, maintenance and associated service bureau costs
- Move to its new quarters without having to move the Nixdorf equipment and without having to construct unnecessary computer room space (a Local Area Network, which will replace the Nixdorf, requires less space).

As we indicated to you on April 11, 1988, we estimate that our net additional fees for managing the procurement, installation, testing and training for this project will total $42,200. If the project requires fewer than the 422 hours that we anticipate, we will reduce our billings accordingly. On the other hand, if the project requires more than the currently anticipated hours, which is quite possible given the numerous meetings with the Department of Administrative Services, we will increase our billings accordingly.

If you have any questions concerning this proposal, please contact me or Lawrence Wilson at 280-3000.

Sincerely,

Edward W. Graycar
Director
The State agency and the contractor as listed below hereby enter into an agreement subject to the terms and conditions stated herein and/or attached hereto and subject to the provisions of Section 4-98 of the Connecticut General Statutes as applicable.

**TER, CONAL SERVICE AGREEMENT STATE OF CONNECTICUT**

**CONTRACTOR**
Beloitte, Haskins and Sells, City Place, Hartford, CT

**STATE AGENCY**
Treasury Dept., 20 Trinity St., Hartford, CT

**CONTRACT PERIOD**
From [Date] through [Date] [Open-ended]

**CANCELLATION CLAUSE**
This agreement shall remain in full force and effect for the entire term of the contract period stated above unless cancelled by the State agency by giving the contractor written notice of such intention (required days notice specified at right.)

**TERMS AND CONDITIONS**
Acceptance of this contract implies conformance with conditions stated on the reverse side of this form.

**COMPLETE DESCRIPTION OF SERVICE**
(Include special provisions. Use additional blank sheets of same size if required)

**EXTENSION OF CONTRACT**

**COST AND SCHEDULE OF PAYMENTS**

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**STATUTORY AUTHORITY**
Section 3-76h(a) of the Connecticut General Statutes.

**ACCEPTANCES AND APPROVALS**

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**SEE ATTACHED FOR ALL AUTHORIZED SIGNATURES**

**OTHER**

- [Image and text content as per the document layout]
AMENDMENT TO AGREEMENT

Amendment to Agreement dated April 13, 1987, ("the Agreement") by and between Deloitte Haskins & Sells ("the Contractor") and the Treasurer of the State of Connecticut ("the Treasurer"). This Amendment is executed as of the 1st day of February, 1988.

WITNESSETH:

WHEREAS, in January, 1986; the Treasurer announced its intent to implement an information and automation plan (hereinafter referred to as the "project") and issued a request for qualifications in connection therewith,

WHEREAS, the Contractor was declared the successful competitor,

WHEREAS, the Treasurer desires to achieve the timely completion of the project without the addition to staff,

NOW, THEREFORE, the Treasurer and Contractor deem it appropriate to amend the Agreement with respect to the scope of services to be provided by the Contractor and the fee schedule. In consideration of the premises, it is agreed as follows:

Section 1.

In the first paragraph of Section 2 of the Agreement an addition to the scope of services is amended as follows:

"5. Develop Facilities and Space Plan."

Section 2.

The following language is added to the end of Section 2 of the Agreement:
"The Contractor further agrees to provide the Treasurer with the services that are outlined in the Contractor's June 28, 1988 letter to the Treasurer (Exhibit II). The services offered in Exhibit II will be complemented by the architectural firm of Jeter, Cook, and Jepson having its principal place of business at 450 Church Street, Hartford, CT 06103. These services can be described as the Facilities and Space Plan portion of sections IIE and IIIE of the January 30, 1987 proposal." The services are briefly outlined as follows:


2. The Contractor agrees to conduct a workstation audit, in order to determine what each employee requires in terms of space, privacy, and equipment to do his or her job effectively.

3. The Contractor agrees to provide an objective educational tour of various vendors' furniture systems.

4. The Contractor agrees to provide assistance with the Request for Proposals (RFP) in concert with DAS for furniture systems, thereby assisting the procurement of quality goods and layout services.

5. The Contractor agrees to provide the State's Project Manager with design, design review and related consulting advice, per his/her request.

6. The Contractor agrees to provide a floor plan that outlines the best estimate of where electrical services should be located.

7. The Contractor does not agree to provide electrical and/or engineering services as previously agreed.

Section 3.

The following language is added to the end of Section 3 of the Agreement:

"Furthermore the Contractor shall be compensated as follows for the services provided for the Facilities and Space Plan portion of Phase III of the project:

The Contractor shall be paid a flat fee of $60,000 for the Facilities and Space Plan portion of Phase III of the
project.

(NOTE: The Contractor will pass through to the State the bills of Jeter, Cook, and Jepson for fees and expenses without markup.)

Billing for the services provided for the Facilities and Space Plan portion of Phase III of this Agreement shall begin as of February 1, 1988. Payment to the Contractor for Phase III shall be due within sixty (60) days of receipt of a properly submitted invoice by the State. A properly submitted invoice is one which specifically details the activities performed on the project."

Section 4.

All of the other terms and conditions stated in the Agreement dated April 13, 1987, and not amended herein, shall remain in full force and effect.
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized undersigned officers.

DELOITTE HASKINS & SELLS

BY: Edward W. Graydon  
   Director  
   9/3/88  

STATE OF CONNECTICUT

BY: Francisco L. Borges  
   Its Treasurer  
   9/12/88  

APPROVED AS TO FORM:

OFFICE OF THE ATTORNEY GENERAL

BY: Claire Hard Rieke  
   9/19/88
The State agency and the contractor as listed below hereby enter into an agreement subject to the terms and conditions stated herein and attached hereto and subject to the provisions of Section 4-98 of the Connecticut General Statutes as applicable.

### COMPLETE DESCRIPTION OF SERVICE

(Include special provisions. Use additional blank sheets of same size if required)

The contractor shall be compensated as follows:

**Services provided for the Investment Accounting System and Procedures for Phase III of the project**

- **average hourly rate:** $65

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### STATUTORY AUTHORITY

Section 3-76h(a) of the Connecticut General Statutes.

### DISTRIBUTION

Original — Contractor Part 2 — Comptroller Part 3 — OPW/DAS Part 4 — Attorney General Part 5 — Agency
AMENDMENT TO AGREEMENT

Amendment to Agreement dated April 13, 1987, ("the Agreement") by and between Deloitte Haskins & Sells ("the Contractor") and the Treasurer of the State of Connecticut ("the Treasurer"). This Amendment is executed as of the 1st day of August, 1988.

WITNESSETH:

WHEREAS, in April, 1987; the Treasurer announced its intent to implement an information and automation plan (hereinafter referred to as the "project") and issued a request for qualifications in connection therewith,

WHEREAS, the Contractor was declared the successful competitor,

WHEREAS, the Treasurer desires to achieve the timely completion of the project without the addition to staff,

NOW, THEREFORE, the Treasurer and Contractor deem it appropriate to amend the Agreement with respect to the scope of services to be provided by the Contractor and the fee schedule. In consideration of the premises, it is agreed as follows:

Section 1.

In the first paragraph of Section 2 of the Agreement an addition to the scope of services is amended as follows:


Section 2.

The following language is added to Section 2 of the Agreement:
The following language is added to Section 2 of the Agreement:

"The Contractor further agrees to provide the Treasurer with the services that are outlined in the Contractor's July 7, 1988 letter to the Deputy Treasurer (Exhibit III). The services are briefly outlined as follows:

1. The Contractor agrees to establish an investment accounting system and procedures, including automation.

2. The Contractor agrees to provide staffing needs until the Office of the Treasurer (OTT) hires a full time senior investment accounting officer.

3. The Contractor agrees to assist the OTT in pre-screening of applicants.

4. The Contractor agrees to provide training for the full time senior investment accounting officer upon employment.

Section 3.

Section 3 of the Agreement is amended as follows:

"Furthermore the Contractor shall be compensated as follows for the services provided for the Investment Accounting System and Procedures for Phase III of the project:

Average Hourly Rate $65

Assuming one senior accountant per day and a 35 hour week, estimated fee will be $2,275 per week.

Billing for Phase III of this Agreement shall begin as of August 1, 1988. Payment to the Contractor for Phase III shall be due within sixty (60) days of receipt of a properly submitted invoice by the State. A properly submitted invoice is one which specifically details the dates and hours worked, by whom, and the hourly rate therein."

Section 4.

All of the other terms and conditions stated in the Agreement dated April 13, 1987, and not amended herein, shall remain in full force and effect.
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized undersigned officers.

DELOITTE HASKINS & SELLS

BY: Gregory G. Weaver  
Partner  
8/14/88  
Date

STATE OF CONNECTICUT

BY: Francisco L. Borges  
Its Treasurer  
9/6/88  
Date

APPROVED AS TO FORM:
OFFICE OF THE ATTORNEY GENERAL

BY: Clarice seat Perello  
DATE: SEP. 1 9 1988

LP 04565
PERSONAL SERVICE AGREEMENT

STATE OF CONNECTICUT
OFFICE OF THE STATE COMPTROLLER

The State agency and the contractor as listed below hereby enter into an agreement subject to the terms and conditions stated herein and/or attached hereto and subject to the provisions of Section 4-98 of the Connecticut General Statutes as applicable.

CONTRACTOR

[NAME AND ADDRESS OF CONTRACTOR] Deloitte, Haskins & Sells, City Place, Hartford, CT

STATE AGENCY

[AGENCY NAME AND ADDRESS] Office of the Treasurer, 55 Elm St., Hartford, CT 06106

CONTRACT PERIOD

[FROM (Date)] 04/13/87 [THROUGH (Date)] 99/99/99

CANCELLATION CLAUSE

This agreement shall remain in full force and effect for the entire term of the contract period stated above unless cancelled by the State agency by giving the contractor written notice of such intention (required 30 days written notice)

TERMS AND CONDITIONS

Acceptance of this contract implies conformance with conditions stated on the reverse side of this form.

COMPLETE DESCRIPTION OF SERVICE

[CONTRACTOR AGREES TO]

Develop facilities and space plan (see Sections 1 and 2 of the Attachment A).

COST AND SCHEDULE OF PAYMENTS

[PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES]

$60,000.00 flat fee (see Section 3 of the Attachment A).

STATUTORY AUTHORITY

[C.G.S. 3-76h (a)]

ACCEPTANCES

See attachment A for signatures.

APPROVALS

[ATTORNEY GENERAL (Approved as to form)]

DISTRIBUTION:

Original — Contractor

Part 2 — Comptroller

Part 3 — OPM/DAS

Part 4 — Attorney General

Part 5 — Agency
AMENDMENT TO AGREEMENT

Amendment to Agreement dated April 13, 1987, ("the Agreement") by and between Deloitte Haskins & Sells ("the Contractor") and the Treasurer of the State of Connecticut ("the Treasurer"). This Amendment is executed as of the 1st day of August, 1988.

WITNESSETH:

WHEREAS, in April, 1987; the Treasurer announced its intent to implement an information and automation plan (hereinafter referred to as the "project") and issued a request for qualifications in connection therewith,

WHEREAS, the Contractor was declared the successful competitor,

WHEREAS, the Treasurer desires to achieve the timely completion of the project without the addition to staff,

NOW, THEREFORE, the Treasurer and Contractor deem it appropriate to amend the Agreement with respect to the scope of services to be provided by the Contractor and the fee schedule. In consideration of the premises, it is agreed as follows:

Section 1.

In the first paragraph of Section 2 of the Agreement an addition to the scope of services is amended as follows:

"6. Establish an Investment Accounting System and Procedures, including Automation."

Section 2.

The following language is added to Section 2 of the Agreement:
The following language is added to Section 2 of the Agreement:

"The Contractor further agrees to provide the Treasurer with the services that are outlined in the Contractor's July 7, 1988 letter to the Deputy Treasurer (Exhibit III). The services are briefly outlined as follows:

1. The Contractor agrees to establish an investment accounting system and procedures, including automation.

2. The Contractor agrees to provide staffing needs until the Office of the Treasurer (OTT) hires a full time senior investment accounting officer.

3. The Contractor agrees to assist the OTT in pre-screening of applicants.

4. The Contractor agrees to provide training for the full time senior investment accounting officer upon employment.

Section 3.

Section 3 of the Agreement is amended as follows:

"Furthermore the Contractor shall be compensated as follows for the services provided for the Investment Accounting System and Procedures for Phase III of the project:

Average Hourly Rate $65

Assuming one senior accountant per day and a 35 hour week, estimated fee will be $2,275 per week.

Billing for Phase III of this Agreement shall begin as of August 1, 1988. Payment to the Contractor for Phase III shall be due within sixty (60) days of receipt of a properly submitted invoice by the State. A properly submitted invoice is one which specifically details the dates and hours worked, by whom, and the hourly rate therein."

Section 4.

All of the other terms and conditions stated in the Agreement dated April 13, 1987, and not amended herein, shall remain in full force and effect.
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized undersigned officers.

DELOITTE HASKINS & SELLS

BY: Gregory G. Weaver
Partner

STATE OF CONNECTICUT

BY: Francisco L. Borges
Its Treasurer

APPROVED AS TO FORM:
OFFICE OF THE ATTORNEY GENERAL

BY:

DATE: SEP. 19, 1988
The State agency and the contractor as listed below hereby enter into an agreement subject to the terms and conditions stated hereinafter and/or attached hereto and subject to the provisions of Section 4-98 of the Connecticut General Statutes as applicable.

## Contractor
- **Name and Address of Contractor (Include FEIN/SSN):** Deloitte, Haskins and Sells, City Place, Hartford, Conn.
- **Are you a state employee?** Yes

## State Agency
- **Name and Address:** Treasury Department, 20 Trinity Street, Hartford, Conn.
- **Identification No.:** PS 841380

## Contract Period
- **From (Day):** 4/13/87
- **To (Day):** 9/1/88
- **Indicate:** Master Agreement

## Cancellation
- This agreement shall remain in full force and effect for the entire term of the contract period stated above unless cancelled by the State agency by giving the contractor written notice of such intention (required days notice specified at right.)
- **Required No. of days written notice:** 30

## Terms and Conditions
- Acceptance of this contract implies conformance with conditions stated on the reverse side of this form.

### Contractor Agrees To
- See Attachment A for further terms of this Agreement.

## Cost and Schedule of Payments
- The contractor shall be compensated as follows:
  - **Project Component:** Management Review
    - Fee: $90,000
    - Automated Office System: 155,000
    - Telecommunications System: 35,000
    - Office Procedures and Plans: 80,000
  - **Total:** $360,000

## Statutory Authority
- Section 3-70(a) of the Connecticut General Statutes.

## Acceptances and Approvals
- **Title:** Edward W. Graycar
  - **Date:** 4/21/87
- **Title:** Francisco L. Borges
  - **Date:** 4/21/87

## Distribution
- Original — Contractor
- Part 2 — Comptroller
- Part 3 — OPM/DAS
- Part 4 — Attorney General
- Part 5 — Agency

**LP 04570**
ATTACHMENT A

AGREEMENT

THIS AGREEMENT is made and entered into as of this April 13, 1987, by and between Deloitte Haskins & Sells (hereinafter referred to as the "contractor"), a partnership having its principal offices at 1114 Avenue of the Americas, New York, New York, and the State of Connecticut (hereinafter referred to as the "State"), acting through its State Treasurer (hereinafter referred to as the "Treasurer" or the "contracting agency").

WHEREAS the State Treasurer, acting pursuant to his authority of Section 3-76h(a) of the General Statutes of the State of Connecticut (Rev. 1958, Revised to January 1, 1987), wishes to implement an automation plan.

WHEREAS in January, 1986, the Treasurer announced its intent to implement an information and automation plan (hereinafter referred to as the "project") and issued a request for qualifications in connection therewith.

WHEREAS the contractor was declared the successful competitor.
NOW, THEREFORE, IT IS AGREED AS FOLLOWS;

Section 1. Definitions.

As used in this Agreement, the following terms shall have the following meanings:

1. Project Director shall mean the person responsible for project objectives, deadlines, and quality control.
2. Project Manager shall mean the person responsible for supervising the day-to-day performance and coordinating the activities of the team leaders.
3. Team Leaders shall mean the persons responsible for the accomplishment of individual project tasks by the project team consultants.

Section 2. Scope of Services.

The contractor agrees to provide the State with the following services for Phase III of the Project. Under Phase III of the project the contractor agrees to:

1. Perform a comprehensive management review.
2. Develop automated office systems.
3. Develop a telecommunications system.
4. Develop office procedures and manuals.

The parties agree that time is of the essence in having the contractor fully perform under this Agreement.

The contractor agrees not to replace the Project Director, Project Manager or Team Leaders without the State's written permission.
The contractor agrees to perform all of the above-mentioned services in accordance with its proposal of January 30, 1987. The Facilities and Space-Plan portion of the proposal, which is discussed in Sections IIE and IIIE of the proposal, is not included in this contract.

The contractor's work proposal dated January 30, 1987, is hereby designated as Exhibit I. It is hereby made a part of this agreement as if fully set forth herein.

Section 3. Compensation.

The contractor shall be compensated as follows:

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<tr>
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<th>Fee</th>
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<tbody>
<tr>
<td>Management Review</td>
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<td>Office Procedures and Plans</td>
<td>80,000</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$360,000</strong></td>
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</tbody>
</table>

This amount includes all professional fees, travel expenses, and clerical costs. The fee does not include software (including any necessary custom programming) and hardware costs.

The State shall be billed every four weeks for actual time worked, based on the hourly rate of $98.00, beginning May 1, 1987. However, total payments shall not exceed $360,000.
Section 4. Hold Harmless Clause

The contractor agrees that while performing duties specified in this agreement that it shall carry sufficient insurance (liability and/or other) according to the nature of the work to be performed to "save harmless" the State of Connecticut from any insurable cause whatsoever. Certificates of same are to be filed with the agency prior to the performance of services if requested.

Section 5. Executive Orders.

This Agreement is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill promulgated June 16, 1971 and as such this Agreement may be cancelled, terminated or suspended by the State Labor Commissioner for violation of noncompliance with said Executive Order No. Three, or any state or federal law concerning nondiscrimination, notwithstanding that the labor commissioner is not a party to this Agreement. The parties to this Agreement, as part of the consideration hereof, agree that said Executive Order No. Three is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the State Labor Commissioner shall have continuing jurisdiction in respect to contract performance in regard to nondiscrimination until the Agreement is completed or terminated prior to completion. The contractor agrees, as part consideration hereof, that this Agreement is subject to the Guidelines and Rules issued by the State Labor Commissioner to implement Executive Order No. Three, and that it will not discriminate in its employment practices or policies, will file all reports as required, and will fully cooperate with the State of Connecticut and the State Labor Commissioner.
This Agreement is also subject to the provisions of Executive Order No. Seventeen of Governor Thomas J. Meskill promulgated February 15, 1973, and, as such, this Agreement may be cancelled, terminated or suspended by the contracting agency or the State Labor Commissioner for violation of or noncompliance with said Executive Order No. Seventeen, notwithstanding that the Labor Commissioner may not be a party to this Agreement. The parties to this Agreement, as part of the consideration hereof, agree that Executive Order No. Seventeen is incorporated herein by reference and made a part hereof. The parties agree that the contracting agency and the State Labor Commissioner shall have joint and several continuing jurisdiction in regard to listing all employment openings with the Connecticut State Employment Service.


The contractor agrees and warrants that in the performance of this Agreement it will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, sex, mental retardation, or mental or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of work involved in any manner prohibited by the laws of the United States or of the State of Connecticut and further agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission concerning the employment practices and procedures of the contractor as relate to the provisions of Sec. 4-114a of the Connecticut General Statutes, as amended.
Section 7. Jurisdiction.

This Agreement shall be construed in all respects under the laws of the State of Connecticut and the parties hereto agree that the State and/or Federal Courts located within the State of Connecticut shall have exclusive jurisdiction to hear cases regarding disputes arising hereunder.

Section 8. Approval of Attorney General.

This Agreement shall not be effective until it receives final approval from the Attorney General of the State of Connecticut.

Section 9. Termination.

This agreement shall terminate on September 1, 1988 or when all services of Phase III of the project (as described in Section 2 of this Agreement) have been completed.
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized undersigned officers.

DELOITTE HASKINS & SELLS

Edward W. Graycar  
Partner  
Date  
4/24/87

STATE OF CONNECTICUT  
TREASURER'S OFFICE

Francisco L. Borges  
Treasurer, State of Connecticut  
Date  
4/27/87

APPROVED AS TO FORM  
STATE ATTORNEY GENERAL

By:  
Date:  
4/28/87
OFFICE OF THE TREASURER
STATE OF CONNECTICUT

PROPOSAL TO CONDUCT A MANAGEMENT REVIEW
AND DEVELOP SUPPORTING OFFICE SYSTEMS

AUTOMATION PROJECT PHASE III

JANUARY 30, 1987
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<td>PROJECT SCOPE</td>
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<td>III</td>
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<td>PROJECT TEAM</td>
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<td>V</td>
<td>CONSULTING EXPERIENCE OF THE FIRM</td>
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SECTION I

ADVANTAGES OF DELOITTE HASKINS & SELLS
SECTION I - ADVANTAGES OF DELOITTE HASKINS & SELLS

Deloitte Haskins & Sells offers the Office of the Treasurer (OTT) its nationally recognized treasury management consulting services. As one of the world's largest consulting and accounting firms, we have assisted public and private treasury units with a full range of management review, automation, and operations improvement projects. Our principal advantages are summarized below.

- **Treasury Experience** -- Our project director, Mr. Jack Kiley, has extensive experience as a deputy state treasurer and as an advisor to state and local treasurers throughout the nation. In addition to the State of Connecticut, we currently are helping improve the operations of the West Virginia and Oklahoma state treasuries. We also have consulted with the treasuries of Iowa and North Carolina and the County of Los Angeles. We have presented cash management training programs in nine states, including Connecticut and Massachusetts.

- **Office Automation Expertise** -- We have assisted public and private clients in automating their office activities. We have experts in word processing, electronic mail and filing, telecommunications, and voice and data communications.

- **Responsive, High-Quality Service** -- We will continue to serve the OTT in a responsive manner and according to the highest quality standards. We have demonstrated our commitment to the OTT by expanding our work to include appropriate project options (e.g., the contracting out of second injury fund processing) without requesting fee increases.

- **Project Accountability** -- As your sole project manager, we will be responsible for ensuring that the various system components work properly individually and collectively. Such accountability eliminates unproductive "finger pointing" that can occur with fragmented project management responsibility.

- **Project Integration** -- We will ensure that the various automation project components are appropriately linked and consistent in operating software and hardware.
- **Project Continuity** -- We are quite familiar with the Office's procedures, activities and responsibilities. Therefore, we can serve you with a minimum of required OTT staff time for orientation and training purposes.

- **Independence** -- As project manager we will search out the most practical and cost-effective solutions to your system needs. We do not sell proprietary software or conduct large-scale in-house programming. Therefore, we offer you our objectivity in reviewing your needs and determining how best to meet them.
SECTION II

PROJECT SCOPE
SECTION II - PROJECT SCOPE

The OTT is conducting a comprehensive automation project encompassing all of its major activities. Deloitte Haskins & Sells currently is serving as project manager for the Master Custodian, Cash Management, Second Injury, and Unclaimed Property project components. Our project management of the Financial Reporting and Debt Management component will begin shortly.

As Phase III, the OTT now is requesting a comprehensive review of its management program. This review will serve as a blueprint for strengthening the OTT's structure and operations, developing new systems, streamlining procedures and workflows, and enhancing its physical facility and equipment resources. Most importantly, the review will identify ways of improving the skills, morale, and productivity of the Treasury's most valuable resource -- its personnel.

We have divided Phase III into five components discussed below:

A. Management Review
B. Automated Office Systems
C. Telecommunications System
D. Office Procedures and Plans
E. Facilities and Space Plan

A. Management Review

The review will include:

- Internal controls
- Personnel requirements
- Organizational structure, staffing patterns, and reporting relationships
- Workflows
- Administrative and operating procedures
- Office equipment lease versus buy options
- Wordprocessing and document production
- Document filing and retention policies
- Facilities design and space planning
- Internal and external voice and data communications
- Employee training
- Management succession planning
- Emergency and disaster planning.

B. Automated Office Systems

The review will provide the information necessary for the design and implementation of automated office systems in the following areas:

- **Business Services** -- Agency accounting, budgeting, and purchasing, to allow easy monitoring of expenditures by OTT management and staff
- **Office Automation** -- Wordprocessing, personal computing, electronic mail and calendaring, mail processing, electronic filing, and document copying, recording and miniaturization (including analysis of optical laser disk image processing technology)
- **Performance Measurement** -- Monitoring individual and agency productivity and performance; provides basic management information on activities and plans
- **Legislative Tracking** -- Provides ability to track legislation which affects the OTT
- **Human Resources** -- Employee evaluation scheduling, compliance reporting, personnel requirements tracking, and personnel education, training, skills, and expense tracking.

C. Telecommunications System

We will also act as project manager for the design and implementation of an updated telecommunications system that meets the Treasury's operating requirements. Areas to be addressed will include:

- Software and hardware features
- Intercoms
- Teleconferencing
- Toll free "800" numbers for unclaimed property
- Training
- Security
- Mobile telephones
- Dialing enhancements
- Management reports and telephone logs
- System restructuring.

D. Office Procedures and Plans

From information obtained during the Management Review, we will develop and implement new:

- Administrative and operating procedures
- Procedure manuals
- Employee training programs
- Emergency and disaster plans
- Summary job descriptions of management personnel.

E. Facilities and Space Plan

We will manage the development and implementation of:

- Office equipment (e.g., furniture, hard copy files, and photocopiers) plans and purchase/lease request justification
- Conceptual space designs and request justifications
- Legislative and Bond Commission requests
- Preliminary, basic, and final designs.
SECTION III

PROJECT APPROACH AND WORKPLAN
SECTION III - PROJECT APPROACH AND WORKPLAN

We take a "top-down" approach to projects using the requirements and goals of top management to form a context in which to evaluate the overall management program and supporting office systems. This approach enables us to determine overall needs for planning and control and to fully understand future plans that may require enhanced management and system capabilities.

Deloitte Haskins & Sells believes that continuous involvement and oversight by the Treasury will be absolutely essential to the successful completion of this engagement. Imperative to our approach is continual interaction with and feedback from a project liaison team. A high level of interaction will ensure that the final product is fully responsive to the Treasury's unique needs. The close interaction with OTT staff also will increase the motivation and skill levels of your personnel and will allow your staff to operate more efficiently when our participation has ended.

Furthermore, we have found that an interactive approach is quite valuable in the eventual implementation of changes because:

- Persons involved feel that changes are their own, not those devised or imposed by people outside their organization.
- Persons see changes as reducing rather than increasing the difficulties they encounter in their jobs.
- Individuals perceive that their autonomy and security are not threatened.
- Those to be affected by change have joined in diagnostic efforts leading them to agree on the basic problem and solution.

As your sole project manager, we will ensure that the automated systems of this phase are properly integrated with the other project components. Such integration is necessary for a smooth running organization and it eliminates hardware duplication and service support confusion.

As discussed in Section II, this phase of the Treasury's automation project involves five basic components:

A. Management Review
B. Automated Office Systems
A. Management Review

We will conduct a comprehensive analysis of the Treasury's management program, organization structure, operating procedures, and physical plant. We will conduct our work according to the following tasks.

Task 1 - Project Management
- Set project goals and objectives
- Develop detailed work plan and schedule
- Agree upon project deliverables and milestones
- Determine progress and final reporting requirements
- Arrange team working space

Task 2 - Develop OTT Strategic Plan Outline
- Interview management to determine plans for future activities and new initiatives
- Draft OTT strategic plan outline
- Review with management
- Finalize outline

Task 3 - Collect Data and Background Material
- Obtain revised organization charts, position descriptions, floor plans, telecommunications and office equipment inventory, computer equipment inventory, personnel policies, audit reports and responses, budgets, and other information
- Distribute and receive questionnaires on workload, responsibilities, and activities

Task 4 - Conduct Interviews
- Interview management
- Interview selected staff
- Collect information on their needs, desires, functions, activities, equipment used, adjacency requirements, filing requirements, etc.

Task 5 - Document Current Practices
- Flowchart and document current administrative and operating procedures
- Flowchart personnel movement required for Treasury activities
Review with management and staff
Revise as necessary

Task 6 - Conduct Value Analysis
- Identify procedures and activities that can be eliminated, transferred, streamlined, strengthened, or added
- Identify key performance measures by department
- Identify key planning tools and indicators

Task 7 - Identify New Systems and Procedures
- Identify proposed internal control, internal communication, mail handling, cash handling, service payment (soft dollars versus fees), investment transaction processing, debt recordkeeping, assignment tracking, filing, record management, wordprocessing, employee training, office equipment, space design, management succession planning, emergency and disaster planning, and other operating systems and procedures
- Estimate, to the extent practical, costs and benefits of new systems and procedures
- Review with management and appropriate staff
- Finalize recommendations

Note: Recommended plans, procedures, and systems will be documented in succeeding project components.

Task 8 - Conduct Staff Analysis
- Based on strategic plan outline, workload estimates, and value analysis, determine required staffing levels
- Determine appropriate reporting relationships
- Develop organization structure
- Estimate, to the extent practical, costs and benefits of new structure
- Review with management and appropriate staff
- Finalize proposed organization structure and staffing pattern

Note: The proposed organization structure and staffing pattern will be amended as automated systems and other procedures are developed and implemented.

Task 9 - Develop Implementation Plan
- Develop implementation schedule
- Determine proposed OTT staff role in implementation
- Install project management system at OTT
- Review with OTT
- Finalize implementation plan
Task 10 - Assist in Budget Hearings

- Develop budget requests
- Develop justification documentation
- Testify as requested

Note: The implementation plan will take into account (a) necessary integration with Phase I and Phase II automation systems and (b) any agency moving plans.

B. - Automated Office Systems

We will manage the development and implementation of the supporting automated office systems according to the generic tasks discussed below. The usual data collection and interview steps will take place in conjunction with the Management Review.

Task 1 - Define User Needs and Requirements

- List required and desired system capabilities
- Assist in defining format and content of system output:
  - Types and formats of reports
  - Interactive query capabilities
- Evaluate linkages between Treasury units
- Evaluate linkages with other state agencies
- Develop list of required and desired system functions
- Obtain OTT management approval

Task 2 - Develop System Specifications

- Compare features and functions of current systems to the list of required and desired functions
- Determine potential areas for improvement
- Detail system inputs and outputs
- Develop data flow diagrams
- Design key components of system databases
- Develop alternative approaches
- Identify and document key hardware component requirements
- Review alternatives and associated costs with OTT management
- Select desired alternative
- Prepare automated system specifications
- Obtain OTT management approval

Task 3 - Assist in Software and Hardware Selection

- Prepare an RFP for automated systems
- Review with OTT
- Finalize and distribute RFPs
- Prepare proposal review matrix for comparing responses to weighted specification requirements
- Evaluate responses and prepare a listing of preliminary "best fit" vendors

III-4
• Interview key vendors
• Present findings and preliminary recommendations to OTT management for final selection

Note: Integration with other project components will be an overriding consideration.

This task will be conducted in concert with the Department of Administrative Services (DAS), which is responsible for software and hardware procurement for executive branch agencies.

Task 4 - Assist in Negotiations

• Conduct planning meeting for negotiations
• Determine objectives for negotiations
• Assist OTT management and DAS in negotiating with selected vendors

Task 5 - Develop Software (Alternative)

• If packaged software is not available to meet your needs, we may recommend custom programming

Task 6 - Manage Installation

• Prepare implementation plan
• Monitor physical site preparation
• Monitor delivery and installation of software and hardware
• Organize and direct testing of selected packages
• Conduct parallel/pilot testing
• Assist with establishment of new operating procedures
• Monitor conformance to requirements specifications
• Design and coordinate software modifications for any deviations from specifications

Task 7 - Assist with Data Conversion and Transition

• Manage and oversee data entry to new system
• Monitor control procedures
• Assist in the development of standard reports and data query screens
Task 8 - Train Staff and Document Procedures

- Organize and schedule staffing
- Prepare training materials
- Train key users
- Train operations staff
- Prepare procedures manuals and operations documentation

Note: This task is key to the effective implementation of any automation project. The best system in the world is of no value to a client if client personnel do not want or know how to use it.

C. - Telecommunications System

We will manage the development and implementation of a state-of-the-art telecommunications system, according to the following workplan:

Task 1 - Gather Data

- Review historical expenditures for long distance, local, and Centrex systems
- Obtain Centrex equipment records detailing the features and capabilities currently available on existing Centrex lines

Task 2 - Review Telephone Needs

- Interview management and staff to determine current and future telecommunication needs and concerns
- Identify requirements for such features as:
  - Conference calling
  - Speaker phones
  - "TouchTone" service
  - Speed dialing
  - Toll free "800" service
  - Intercoms
  - Mobile telephones

Task 3 - Analyze Alternatives

- Develop alternative approaches for upgrading equipment and service capabilities
- Develop cost estimates for alternatives
- Review alternatives with OTT

Task 4 - Develop Specifications

- Based on the desired phasing, we will develop telephone charge orders for minor adjustments or technical specifications for inclusion in a RFP
- Coordinate the preparation of required procurement documents
Task 5 - Assist in Vendor Selections

- Review proposals
- Assist in vendor selection
- Assist in contract negotiations

Task 6 - Manage Installation

- Prepare implementation plan
- Monitor delivery and installation of software and hardware
- Monitor vendor training program
- Monitor user satisfaction

Note: We will work with the Office of the Comptroller, which is responsible for telephone procurement, during the design and implementation of the telephone system. Based on space remodeling or moving plans, the development of the phone system may be phased.

D. Office Procedures and Plans

We will manage the development and implementation of new office practices, procedure manuals, and plans according to the following generic tasks. As with the system development efforts, basic data collection and interview activities will take place during the Management Review. In addition, procedural and planning needs will be identified in the Review.

Task 1 - Outline New Procedures and Plans

- Draft outlines of new procedures and plans
- Review drafts with management and staff
- Finalize outlines of new procedures and plans

Task 2 - Prepare Procedure Manuals and Plans

- Expand outlines into formal procedure manuals and plans
- Review documents with management and staff
- Finalize procedure manuals and plans

Task 3 - Assist in Implementation

- Monitor implementation efforts
- Conduct training sessions

E. Facilities and Space Plan

We will manage the development and implementation of plans for updating office equipment and new space requirements according to the following tasks. Our basic role would be to help prepare requests and to actively monitor the approval, design, and construction process.
Task 1 - Develop Plans

- Review recommended staffing pattern to set preliminary office equipment and space needs
- Determine adjacency requirements for staff space design
- Determine effect of new operating and filing procedures on space needs and office layout
- Develop preliminary equipment and space requirement plans
- Obtain OTT management approval
- Discuss with DAS and OPM and obtain cost estimating assistance
- Analyze lease versus buy options
- Finalize plans
- Develop equipment and space requests and cost estimates

Task 2 - Assist in Equipment Procurement

- Develop RFPs in concert with DAS
- Assist in vendor selection
- Assist in contract negotiations, including analysis of purchase versus lease options
- Monitor delivery and installation

Task 3 - Assist in Design Process

- Monitor and assist in process for obtaining DAS, OPM, Legislative, and Bond Commission approval of design funds
- Monitor DAS' procedures for advertising for, interviewing, and selecting an architect
- Monitor contract approval process
- Work with architect in the development of preliminary, basic, and final designs

Task 4 - Monitor Construction

- Monitor bidding process
- Monitor Bond Commission process
- Monitor contract process
- Monitor actual construction

Tasks 3 and 4 are based on general State policy and the State's standard process for administering capital construction projects. The process from legislative approval to the start of the construction generally involves over 40 separate steps.

If the Treasury is successful in expediting or altering the process, we would be pleased to revise our services to best meet its needs. Our services could include direct assistance or the provision of assistance by subcontracting with others. We cannot present a fee estimate for Tasks 3 and 4 due to the uncertainty surrounding our ultimate role.

The equipment and space plans will be carefully coordinated with DAS and OPM, as required.
Schedule

We are aware of the Treasury's desire for an expeditious completion of this project. We will make every effort to complete the Management Review by late April. We also will provide our best possible estimates of additional equipment, space, personnel, and operating expense costs by mid-March for use during budget hearings.

At the completion of the Management Review, we will put together a full implementation schedule for the system, procedure, and space plan components.
SECTION IV

PROJECT TEAM
Deloitte Haskins & Sells will continue to serve the OTT with its existing, highly-qualified team and augment it with specialists in office operations and supporting systems. The project team consists of professionals possessing a unique combination of experience and training related to government operations, office automation, electronic data processing, and treasury services.

Our organization structure provides for:

- Overall project direction by Jack Kiley, the Firm's National Coordinator for Treasury and Cash Management Services.
- Control of day-to-day activities by Larry Wilson, Manager.
- Use of a partner-level administrative and quality assurance team to ensure that the services we provide to the OTT meet the highest possible professional standards.
- A new team leader, Ms. Joan Piercy, to lead the Management Review.
- Technical experts to assist in the design of office automation, telecommunications, and agency business systems.
- Management consultants selected specifically for their areas of expertise who will assist the team leader in the successful completion of this phase of the project.

The following page provides an overview of the project's overall organizational structure.
DELOITTE HASKINS & SELLS
PROJECT ORGANIZATION

PROJECT DIRECTOR
Jack Kiley

ADMINISTRATIVE PARTNER
Edward Grayson

GOVERNMENTAL ACCOUNTING PARTNER
Gregory Weaver

PROJECT MANAGER
Lawrence Wilson

CASH MANAGEMENT
MASTER CUSTODIAN
SECOND INJURY
UNCLAIMED PROPERTY
FINANCIAL RPT./DEBT MANAGEMENT

MANAGEMENT REVIEW
Joan Piercy

OFFICE AUTOMATION
Judy Grant

TELECOMMUNICATIONS
Derry Cunningham

AGENCY BUS. SYSTEMS
John Postle

(New)
Project Director

Mr. Jack Kiley, our Firm's National Coordinator of Treasury and Cash Management Services, will continue to serve as Project Director.

Mr. Kiley has been extremely active on the national scene in support of upgrading treasury and cash management practices. He recently assisted the Iowa State Treasurer's Office in designing and implementing an automated treasury accounting and reporting workstation system. He currently, in addition to Connecticut, is advising the West Virginia and Oklahoma treasuries. In addition, he has conducted cash management training seminars in nine states, and has spoken at two national conferences on the Federal/State Equity Program.

Prior to joining Deloitte Haskins & Sells, Mr. Kiley held several positions, including Investment Officer, Deputy Treasurer, and Assistant State Treasurer, in the Washington State Treasurer's Office. In these capacities, he directed the State's multi-billion dollar cash flow and investment portfolio. He also established automated cash management and investment accounting and reporting systems.

As Project Director, he will be responsible for project objectives, deadlines, and quality control. In addition, he will be actively involved in the Management Review.

Project Manager

Mr. Lawrence Wilson, Coordinator for State Government Consulting Services in Connecticut, will continue to serve as Project Manager. Mr. Wilson will supervise day-to-day performance, and coordinate the activities of the functional specialists.

Mr. Wilson has extensive experience in State government operations reviews and fiscal analysis. He recently managed analyses and needs assessments of the Connecticut Resources Recovery Authority, and of Connecticut's capital project construction process for the General Assembly. He also managed our review of Connecticut's regulation of greyhound racing for the Division of Special Revenue and the Office of Policy and Management.

Administrative Partner

Mr. Edward Graycar will continue to serve as the Administrative Partner for this effort, and will oversee all work done and reports produced by the project team. Mr. Graycar is Partner-In-Charge of our Connecticut Management Advisory Services department. He has extensive experience in information systems analysis and development.
Governmental Accounting Partner

Mr. Gregory Weaver, C.P.A., Partner, will ensure that the services we provide the Treasurer's Office meet the highest professional standards. He will advise the project team on all aspects of the work relating to accounting system issues. Mr. Weaver is the engagement partner for several state and municipal clients.

Management Review Team

Ms. Joan Piercy, Manager, will lead the Management Review and the subsequent implementation efforts. Ms. Piercy is an expert in office procedures, workflows, organizational structures, and productivity. She recently joined Deloitte Haskins & Sells from the Hartford Insurance Group, where she directed its internal consulting practice and managed start-up operations. Ms. Piercy currently is managing our efficiency study of the Enfield School Department.

Technical Experts

Ms. Judy Grant, Senior Manager, will serve as our technical expert on office automation issues. She leads the Northeast Region's office automation practice.

Mr. Gerald Cunningham, Senior Manager, will serve as our telecommunications expert. He is the region's telecommunications practice leader.

Mr. John Postle, C.P.A., Senior Consultant, will serve as the agency business (accounting, budgeting, and purchasing) systems expert. He has extensive experience in financial systems development.

Project Consultants

Our project team members have been selected for the applicability of their experience to the scope of this project and to assure its successful and timely completion. Following is a brief description of some of the qualifications of the consultants who may participate in the project:

Ms. Dawn Cooper - Operations review and office automation

Mr. Ron Lawson - Financial management

Mr. Thomas Legere - Governmental accounting and systems design
Ms. Robin Levine - Telecommunications

Mr. Nicholas Santarelli - Systems analysis, design, and implementation

Ms. Jill Strickler - Securities and trading operations

Project team resumes are contained on the following pages. Additional personnel may be used to respond to issues not now evident, subject to OTT review and approval.
AMENDMENT TO AGREEMENT

Amendment to Agreement dated April 13, 1987, ("the Agreement") by and between Deloitte Haskins & Sells ("the Contractor") and the Treasurer of the State of Connecticut ("the Treasurer"). This Amendment is executed as of the 1st day of February, 1988.

WITNESSETH:

WHEREAS, in January, 1986, the Treasurer announced its intent to implement an information and automation plan (hereinafter referred to as the "project") and issued a request for qualifications in connection therewith,

WHEREAS, the Contractor was declared the successful competitor,

WHEREAS, the Treasurer desires to achieve the timely completion of the project without the addition to staff,

NOW, THEREFORE, the Treasurer and Contractor deem it appropriate to amend the Agreement with respect to the scope of services to be provided by the Contractor and the fee schedule. In consideration of the premises, it is agreed as follows:

Section 1.

In the first paragraph of Section 2 of the Agreement an addition to the scope of services is amended as follows:

"5. Develop Facilities and Space Plan."

Section 2.

The following language is added to the end of Section 2 of the Agreement:
"The Contractor further agrees to provide the Treasurer with the services that are outlined in the Contractor's June 28, 1988 letter to the Treasurer (Exhibit II). The services offered in Exhibit II will be complemented by the architectural firm of Jeter, Cook, and Jepson having its principal place of business at 450 Church Street, Hartford, CT 06103. These services can be described as the Facilities and Space Plan portion of sections IIE and IIIE of the January 30, 1987 proposal." The services are briefly outlined as follows:


2. The Contractor agrees to conduct a workstation audit, in order to determine what each employee requires in terms of space, privacy, and equipment to do his or her job effectively.

3. The Contractor agrees to provide an objective educational tour of various vendors' furniture systems.

4. The Contractor agrees to provide assistance with the Request for Proposals (RFP) in concert with DAS for furniture systems, thereby assisting the procurement of quality goods and layout services.

5. The Contractor agrees to provide the State's Project Manager with design, design review and related consulting advice, per his/her request.

6. The Contractor agrees to provide a floor plan that outlines the best estimate of where electrical services should be located.

7. The Contractor does not agree to provide electrical and/or engineering services as previously agreed.

Section 3.

The following language is added to the end of Section 3 of the Agreement:

"Furthermore the Contractor shall be compensated as follows for the services provided for the Facilities and Space Plan portion of Phase III of the project:

The Contractor shall be paid a flat fee of $60,000 for the Facilities and Space Plan portion of Phase III of the
project.

(NOTE: The Contractor will pass through to the State the bills of Jeter, Cook, and Jepson for fees and expenses without markup.)

Billing for the services provided for the Facilities and Space Plan portion of Phase III of this Agreement shall begin as of February 1, 1988. Payment to the Contractor for Phase III shall be due within sixty (60) days of receipt of a properly submitted invoice by the State. A properly submitted invoice is one which specifically details the activities performed on the project."

Section 4.

All of the other terms and conditions stated in the Agreement dated April 13, 1987, and not amended herein, shall remain in full force and effect.
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized undersigned officers.

DELOITTE HASKINS & SELLS

BY: Edward W. Graycar
Director

Date: 9/8/88

STATE OF CONNECTICUT

BY: Francisco L. Borges
Its Treasurer

Date: 9/12/88

APPROVED AS TO FORM:
OFFICE OF THE ATTORNEY GENERAL

BY: [Signature]

DATE: SEP 19 1988
IN AGREEMENT STATE OF CONNECTICUT

The State agency and the contractor as listed below hereby enter into an agreement subject to the terms and conditions stated herein and/or attached hereto and subject to the provisions of Section 4-98 of the Connecticut General Statutes as applicable.

AGENT OR CONTRACTOR
NAME AND ADDRESS OF CONTRACTOR (Include FEIN/SO:
Deloitte, Haskins and Sells, City Place, Hartford, Conn.

STATE AGENCY
AGENCY NAME AND ADDRESS
Treasury Department, 20 Trinity Street, Hartford, Conn.

CONTRACT PERIOD
FROM (Day) THROUGH (Day)
1/15/87 9/1/88

CANCELLATION
This agreement shall remain in full force and effect for the entire term of the contract period stated above unless cancelled by the State agency by giving the contractor written notice of such intention (required days notice specified at right.)

TERMS AND CONDITIONS
Acceptance of this contract implies conformance with conditions stated on the reverse side of this form.

COMPLETE DESCRIPTION OF SERVICE
(Include special provisions, Use additional blank sheets of same size if required)

STRANDED
CONTRACTOR AGREES TO

See Attachment A for further terms of this Agreement.

PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.

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COST AND SCHEDULE OF PAYMENTS

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STATUTORY AUTHORITY

Section 2-78b(s) of the Connecticut General Statutes.

Acceptances
(Authorized Official)
General Partner
Francisco L. Borges
State Treasurer

Approvals
(Authorized Official)
ATTACHMENT A

AGREEMENT

THIS AGREEMENT is made and entered into as of this January 15, 1987, by and between Deloitte Haskins & Sells (hereinafter referred to as the "contractor"), a partnership having its principal offices at 1114 Avenue of the Americas, New York, New York, and the State of Connecticut (hereinafter referred to as the "State"), acting through its State Treasurer (hereinafter referred to as the "Treasurer" or the "contracting agency").

WHEREAS the State Treasurer, acting pursuant to his authority of Section 3-76h(a) of the General Statutes of the State of Connecticut (Rev. 1958, Revised to January 1, 1987), wishes to implement an automation plan.

WHEREAS in January, 1986, the Treasurer announced its intent to implement an information and automation plan (hereinafter referred to as the "project") and issued a request for qualifications in connection therewith.

WHEREAS the contractor was declared the successful competitor.
NOW, THEREFORE, IT IS AGREED AS FOLLOWS;

Section 1. Definitions.

As used in this Agreement, the following terms shall have the following meanings:

1. Project Director shall mean the person responsible for project objectives, deadlines, and quality control.

2. Project Manager shall mean the person responsible for supervising the day-to-day performance and coordinating the activities of the team leaders.

3. Team Leaders shall mean the persons responsible for the accomplishment of individual project tasks by the project team consultants.

Section 2. Scope of Services.

The contractor agrees to provide the State with the following services for Phase II of the Project. Phase II of the project shall include the following:

1. Development and implementation of a Financial Reporting and Debt Management system.

2. Development of a state-wide cash management training program and procedures manual.

3. Review and revision of the State's disbursement processing procedures.

4. Assistance with implementation of the Federal/State Equity Program.

5. Analysis of organization structure and staffing pattern.

The parties agree that time is of the essence in having the contractor fully
perform under this Agreement.

The contractor agrees not to replace the Project Director, Project Manager or Team Leaders without the State's written permission.

The contractor's work proposal is hereby designated as Exhibit I. It is hereby made a part of this agreement as if fully set forth herein.

Section 3. Compensation.

The contractor shall be compensated as follows:

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<td>Financial Reporting and Debt Management</td>
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<td>Training and Procedures Manual</td>
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<td>Disbursement Processing</td>
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<td>Federal/State Equity Program</td>
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This amount includes all professional fees, travel expenses, and clerical costs. The fee does not include software (including any necessary custom programming) and hardware costs. In addition, costs of duplicating cash management training materials and procedure manuals will be the State's responsibility.

The State shall be billed $27,000.00 every four weeks beginning March 1, 1987. However, the State will not be billed in excess of 90% of the total of the total contract amount prior to project completion.
Section 4. Hold Harmless Clause

The contractor agrees that while performing duties specified in this agreement that it shall carry sufficient insurance (liability and/or other) according to the nature of the work to be performed to "save harmless" the State of Connecticut from any insurable cause whatsoever. Certificates of same are to be filed with the agency prior to the performance of services if requested.

Section 5. Executive Orders.

This Agreement is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill promulgated June 16, 1971 and as such this Agreement may be cancelled, terminated or suspended by the State Labor Commissioner for violation of noncompliance with said Executive Order No. Three, or any state or federal law concerning nondiscrimination, notwithstanding that the labor commissioner is not a party to this Agreement. The parties to this Agreement, as part of the consideration hereof, agree that said Executive Order No. Three is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the State Labor Commissioner shall have continuing jurisdiction in respect to contract performance in regard to nondiscrimination until the Agreement is completed or terminated prior to completion. The contractor agrees, as part consideration hereof, that this Agreement is subject to the Guidelines and Rules issued by the State Labor Commissioner to implement Executive Order No. Three, and that it will not discriminate in its employment practices or policies, will file all reports as required, and will fully cooperate with the State of Connecticut and the State Labor Commissioner.
This Agreement is also subject to the provisions of Executive Order No. Seventeen of Governor Thomas J. Meskill promulgated February 15, 1973, and, as such, this Agreement may be cancelled, terminated or suspended by the contracting agency or the State Labor Commissioner for violation of or noncompliance with said Executive Order No. Seventeen, notwithstanding that the Labor Commissioner may not be a party to this Agreement. The parties to this Agreement, as part of the consideration hereof, agree that Executive Order No. Seventeen is incorporated herein by reference and made a part hereof. The parties agree that the contracting agency and the State Labor Commissioner shall have joint and several continuing jurisdiction in regard to listing all employment openings with the Connecticut State Employment Service.


The contractor agrees and warrants that in the performance of this Agreement it will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, martial status, national origin, sex, mental retardation, or mental or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of work involved in any manner prohibited by the laws of the United States or of the State of Connecticut and further agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission concerning the employment practices and procedures of the contractor as relate to the provisions of Sec. 4-114a of the Connecticut General Statutes, as amended.
Section 7. Jurisdiction.

This Agreement shall be construed in all respects under the laws of the State of Connecticut and the parties hereto agree that the State and/or Federal Courts located within the State of Connecticut shall have exclusive jurisdiction to hear cases regarding disputes arising hereunder.

Section 8. Approval of Attorney General.

This Agreement shall not be effective until it receives final approval from the Attorney General of the State of Connecticut.

Section 9. Termination.

This agreement shall terminate on September 1, 1988 or when all services of Phase II of the project (as described in Section 2 of this Agreement) have been completed.
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by
t heir respective duly authorized undersigned officers.

DELOITTE HASKINS & SELLS

[Signature]
Edward W. Gray
Partner
Date: 4/24/87

STATE OF CONNECTICUT
TREASURER'S OFFICE

[Signature]
Francisco L. Borge
Treasurer, State of Connecticut
Date: 4/24/87

APPROVED AS TO FORM
STATE ATTORNEY GENERAL

By: [Signature]
Date: 4/28/87

7
OFFICE OF THE TREASURER
STATE OF CONNECTICUT

PROPOSAL TO PROVIDE
AUTOMATION PROJECT MANAGEMENT SERVICES

DECEMBER 10, 1986
SECTION I

ADVANTAGES OF DELOITTE HASKINS & SELLS
Independence -- As project manager we will search out the most practical and cost-effective solutions to your system needs. We do not sell proprietary software or conduct large-scale in-house programming. Therefore, we offer you our absolute objectivity in reviewing your needs and determining how best to meet them.
SECTION II - PROJECT SCOPE

The OTT is conducting a comprehensive automation project encompassing all of its major activities. Deloitte Haskins & Sells currently is serving as project manager for the Master Custodian, Cash Management, Second Injury, and Unclaimed Property project components. The OTT now is requesting bids for project management services for the following additional project components:

- Financial Reporting and Debt Management
- Disbursement Processing
- Federal/State Equity Program Implementation.

As the diagrams on the next two pages indicate, these new project tasks are highly integrated with the current project components. Each of the current components will feed information into the Financial Reporting system.

Furthermore, the Financial Reporting and Cash Management systems will be intricately linked. For example, the design of the bank reconciliation system (a new component) will depend directly upon the implementation of a new system of banking relationships (a current project component). Also, the cash forecasting system (current project component) will tie directly to the receipt and disbursement tracking and debt management systems (new project components).

The new project components are discussed in more detail on the following pages.
Figure 2

SELECTED LINKAGES BETWEEN CURRENT AND NEW PROJECT COMPONENTS

CASH MANAGEMENT (Current Contract)  FINANCIAL REPORTING & DEBT MANAGEMENT (This Proposal)

BANKING RELATIONS  BANK RECONCILIATION

CASH FORECASTING  RECEIPT & DISBURSEMENT TRACKING

DEBT MANAGEMENT
SECTION III

PROJECT APPROACH AND WORKPLAN
SECTION III - PROJECT APPROACH AND WORKPLAN

We propose to act as your project manager for the development and implementation of the Financial Reporting and Debt Management system, and to expand our Cash Management responsibilities to include (a) state-wide cash management training, (b) disbursement processing, and (c) federal/state equity program implementation tasks.

As project manager we will ensure that the overall project is completed in a timely and cost-efficient manner. More specifically, we will:

- Specify your system needs
- Analyze how best to meet those needs
- Assist in selecting vendors
- Supervise vendors
- Manage installations
- Train staff
- Document procedures.

We will take a "top-down" approach to the project. That is, we will explore requirements and goals of top management in order to determine the information requirements at lower levels. This approach will enable us to determine overall information needs for planning and control, and to determine the information and operating systems needed at the department level to get the job done. This top-down approach also allows us to track functions across division boundaries so that related information is identified and integrated.

We expect extensive participation from OTT personnel to ensure total compliance with the objectives of the engagement. This will provide a mutual contribution of ideas and technical and industry knowledge. The close interaction with OTT staff also will increase the motivation and skill levels of your personnel and will allow your staff to operate more efficiently when our participation has ended.

As your sole project manager, we will ensure that the Financial Reporting and Debt Management system is properly integrated with the other project components. Such integration is necessary for a smooth running organization and it eliminates hardware duplication and service support confusion.

Specific project tasks will be discussed on the following pages.
Task 5 - Develop System Specifications

- Compare features and functions of current system to the list of required and desired functions
- Determine potential areas for improvement
- Detail system inputs and outputs
- Develop data flow diagrams
- Design key components of system databases
- Develop alternative approaches
- Identify and document key hardware component requirements
- Review alternatives and associated costs with OTT management
- Analyze cost of developing an in-house bank reconciliation capability versus continuing to contract with a bank for that service
- Select desired alternative
- Prepare automated system specifications
- Obtain OTT management approval

Task 6 - Assist in Software and Hardware Selection

- Prepare an RFP for an automated system
- Review with OTT and determine method of announcement
- Prepare and distribute RFPs
- Prepare proposal review matrix comparing responses to weighted specification requirements
- Evaluate responses and prepare a listing of preliminary "best fit" vendors
- Interview key vendors
- Present findings and preliminary recommendations to OTT management for final selection

NOTE: Integration with other project components will be an overriding consideration.

This task will be conducted in concert with the Department of Administrative Services (DAS), which is responsible for software and hardware procurement for executive branch agencies.

Task 7 - Assist in Negotiations

- Assist OTT management and DAS in negotiating with selected vendors

Task 8 - Develop Software (alternative)

- If, in the unlikely event that packaged software is not available to meet your needs, we may recommend custom programming
• Review program with OTT staff and revise as necessary

• Develop notebook and handouts to accompany training sessions

• Present three one-day training seminars for state personnel

• Develop draft statewide cash management procedures manual

• Review draft with OTT and selected other state agency personnel

• Finalize procedures manual.

**Disbursement Processing**

For this component we will work closely with the Comptroller's Office and OPM. Our tasks will include:

• Conduct interviews with representatives from selected agencies, primarily OTT, Comptroller's Office, and OPM

• Review in detail current disbursement practices and volumes

• Compare current practices to industry standards and recent developments

• Analyze costs and benefits of different types of electronic fund transfers

• Recommend new disbursement procedures and specific applications (for example, for direct payroll and retirement pay deposit, intergovernmental transfers, debt service, and recurring vendor payments)

• Review recommendations with OTT and other agencies

• Specify system impacts of new procedures

• Develop implementation plan

• Present final plan.
SECTION IV

PROJECT TEAM
Administrative Partner

Mr. Edward Graycar will continue to serve as the Administrative Partner for this effort, and will oversee all work done and reports produced by the project team. Mr. Graycar is Partner-In-Charge of our Connecticut Management Advisory Services department. He has extensive experience in information systems analysis and development.

Governmental Accounting Partner

Mr. Gregory Weaver, C.P.A., Partner, will ensure that the services we provide the Treasurer's Office meet the highest professional standards. He will advise the project team on all aspects of the work relating to accounting system issues. Mr. Weaver is the engagement partner for several state and municipal clients.

Cash Management Teams

Mr. Jack Kiley, in addition to his Project Director duties, will lead the Cash Management teams. As discussed above, Mr. Kiley has extensive experience in cash and treasury management issues.

Financial Reporting Team

Mr. John Postle, C.P.A., will lead the Financial Reporting and Debt Management System development team. Mr. Postle is a firm designated financial information systems specialist, with over twelve years of experience in the fields of accounting, strategic planning, financial analyses, treasury services and systems design. He has played a key role in our services to the OTT to date. Other recent engagements include significant restructuring accounting systems, design and development of a large scale financial reporting and consolidation system, and EDP system analyses.

Project Consultants

Our project team members have been selected for the applicability of their experience to the scope of this project and to assure its successful and timely completion. Following is a brief description of some of the qualifications of the consultants who may participate in the project:

- Ms. Marilyn Bosworth - Training and systems analysis
- Ms. Joan DiVincenzo - Office automation and data processing
- Mr. Thomas Legere - Governmental accounting and systems design
POSITION

Senior Manager and National Director of Treasury Management Services

ROLE IN ENGAGEMENT

Project Director

EXPERIENCE

Mr. Kiley is a senior manager with our Firm and is our National Director of Treasury Management Services. Prior to joining Deloitte Haskins & Sells, Mr. Kiley was the Assistant State Treasurer in Washington State. In this capacity, he was responsible for managing the State's multi-billion dollar cash flow and overseeing an investment portfolio averaging $1 billion.

Mr. Kiley's efforts in cash management made the State of Washington a model for effectively maximizing interest earnings. Some of the techniques pioneered by the State of Washington under Mr. Kiley's direction include adoption of lockbox collection systems for all major State revenues, the adoption of competitive bidding in bank selections and bank contracts, extension of investment parameters to include bankers' acceptances, commercial paper, and negotiable CD's, initiation of funds' consolidation using depository transfer checks and electronic debit entries, and the implementation of direct deposit systems for retirement payments, intergovernmental payments, and employee salaries.

Additionally, under his direction, Washington became the second state to use the "MONEYMAX" system. "MONEYMAX" is a computer-based system for cash projections, investment accounting/reporting, and investment analysis used by many large government entities around the country.

Mr. Kiley has had extensive experience in debt and working capital management. In this regard, he negotiated a $400 million short-term loan for the State of Washington utilizing a new flexible rate instrument which significantly lowered borrowing costs.

Mr. Kiley has also had significant "hands-on" experience in the areas of governmental organization, budgeting, accounting systems, capital project administration, data processing administration, and legislative activities.
Mr. Kiley is responsible for DH&S' cash management seminar program which has been presented in Connecticut, Massachusetts, Washington, Pennsylvania, Missouri, Oklahoma, Texas, Idaho, and Michigan.

Mr. Kiley has been extremely active on the national scene in support of upgrading cash management practices. He has been Chairman of the Treasury Management Committee of MFOA (now GFOA) and assisted in drafting model legislation for municipalities delaying with investment policies and local government investment pools. He was also a Board member of the Washington Finance Officers' Association, and is a member of the Northwest Cash Management Association, the National Association of State Treasurer's, and the National Association of State Auditors, Comptrollers, and Treasurers.

Mr. Kiley recently advised the Federal/State Equity Program Task Force on methods of improving intergovernmental transfers. He has spoken at two national conferences on implementation of the task force's recommendation.
In addition, he has participated on the following engagements:

- Determining the information needs and automated systems design for the Massachusetts Juvenile Court.
- Determining the personnel and payroll system needs and automated system design for the New York State Senate.
- Assisting several municipalities in modifying their accounting systems to more closely comply with generally accepted accounting principles.

In addition, Mr. Wilson has analyzed the management, programs, and budgets of several State agencies. His activities included: analyzing and developing budget, caseload, and cost projections; determining more efficient methods of delivering services; assessing the cost-effectiveness of capital goods purchases; evaluating personnel needs, costs, and classification systems; evaluating information system proposals and requirements; analyzing the program and fiscal impact of legislation; and training new staff in budget analysis techniques. At the California Legislative Analyst's Office, he reviewed state correctional staffing issues.

While the Congressional Budget Office, Mr. Wilson analyzed alternatives for reducing government expenditures. To increase the quality and speed of the Office's analyses, he developed, individually or as part of a team, several sophisticated analytical models that were used to evaluate aggregate and distributional effects of existing and proposed education and health programs. He also analyzed alternative health care delivery systems, hospital reimbursement methodologies, and training programs for health care professionals.

PREVIOUS EMPLOYMENT

Legislative Analyst's Office, California Legislature
Congressional Budget Office, U.S. Congress
Minnesota Energy Agency
County Administrator's Office, Alameda County, California

EDUCATION

University of California, Berkeley, M.P.P. (Public Policy)
Lawrence University, B.A. (Economics)
GREGORY G. WEAVER

POSITION
Partner, Audit and Accounting, Connecticut

ROLE IN ENGAGEMENT
Governmental Accounting Partner

EXPERIENCE
Mr. Weaver has 12 years of experience in providing accounting, auditing, and management advice to state, municipal, and private clients in Connecticut.

Mr. Weaver is designated by the Firm as a specialist in governmental accounting and auditing. His clients have included:

State of Connecticut Department of Economic Development
Town of Enfield
Town of Killingly
Town of Newington
Town of Windham
Town of Windsor
Community Health Services
Hartford Community Mental Health Services
Bridgeport Transit District
Commonwealth of Massachusetts, Uniform Municipal Accounting System Conversion Project
Pioneer Valley Transit Authority
American Red Cross
March of Dimes
The Continental Group
Emhart Corporation
Scovill Inc.
Cellu-Tissue Corporation
Daytek International, Inc.
TWC – Dunhill
Eastern Savings & Loan
Insilco Corporation

EDUCATION
Albright College, B.S. (Mathematics)
Rutgers University, M.B.A.
MARILYN F. BOSWORTH

POSITION
Senior Consultant, Management Advisory Services, Connecticut

ROLE IN ENGAGEMENT
Member, Project Team

EXPERIENCE
Ms. Bosworth has seven years of experience in data processing. This includes extensive experience in applications development, programming and testing. She has also had management responsibility for hiring, training, and technical support of entry level as well as experienced programmers.

Her training experience includes writing and maintaining educational materials and conducting training seminars for both technical and non-technical systems users. She was also responsible for the design and implementation phases of computerized telemarketing systems. Ms. Bosworth has also written documentation and procedures to assist non technical system users to be effective and comfortable in a technical environment.

Ms. Bosworth has recently participated in an information systems planning study for a major corporation. This included the identification of hardware and software requirements and alternatives at both the corporate and division levels. She has worked with another large corporation to evaluate the centralized accounting organization and develop a decentralization plan. This included identification of key systems and their staffing requirements.

Ms. Bosworth has five years of experience in the area of public social services. This experience includes two years as a social worker for public welfare recipients. In addition, she has performed investigative work, written position statements, and participated in Fair Hearings. She also has developed and administered public welfare policies and programs.
JOAN DIVINCENZO

POSITION
Consultant, Connecticut Management Advisory Services

ROLE IN ENGAGEMENT
Member, Project Team

EXPERIENCE
Ms. DiVincenzo currently is assisting the Connecticut State Treasurer's Office in revising and automating its unclaimed property program. She recently conducted a management information study for a Connecticut municipality. She has reviewed information needs, and system (hardware and software) capabilities, and has recommended improved policies, procedures and operations.

Ms. DiVincenzo also tested a municipal tax system that will operate on a mainframe computer system. She reviewed client requirements and system performance and recommended system modifications. In addition, she just completed a thorough analysis of a minicomputer-based malpractice insurance system for an insurance client.

Ms. DiVincenzo has substantial experience with implementing and training client personnel in the use of office automation systems. She has assisted many manufacturing and service industry clients with applications training, software installation, and system problem solving. She recently assisted a client in the selection and procurement of a new office automation system.

PREVIOUS EMPLOYMENT
New England Management Services - software developer and computer distributor

EDUCATION
Bryant College, B.S., Business Administration
POSITION

Senior Consultant, Management Advisory Services, Connecticut

ROLE IN ENGAGEMENT

Member, Project Team

EXPERIENCE

Mr. Peterson has extensive experience in using and programming microcomputers, and in bank float management. He has identified cost savings and income opportunities for several banks in New England, and has installed an asset/liability model.

He has participated in the formation of an office automation committee and company policy, helped design and implement a retroactive float modification system and automated "Due From" system, worked on internal float reduction projects and advised managers on the evaluation of office systems, including mainframe software microcomputer hardware and software and micrographics systems. He has also held line management positions in check processing and internal cash management departments.

During his experience, Mr. Peterson has become fluent in programming in BASIC on micros and COBOL on an IBM S/370. He is familiar with many of the popular microcomputer software packages.

PREVIOUS EMPLOYMENT

Self-Employed - Computer Consultant and Programmer
Sun Trust Bank - Operations Officer

EDUCATION

Kenyon College, B.A., Economics
FRANK SWIGUT

POSITION
Manager, Management Advisory Services, Connecticut

ROLE IN ENGAGEMENT
Member, Project Team

EXPERIENCE
Mr. Swigut has twelve years of experience with information systems and data processing, including consulting. His background includes data processing management positions at a multi-subsidiary manufacturer, large systems marketing positions with IBM, and information systems consulting experience.

Mr. Swigut currently is implementing a series of financial system applications for a large insurance company. He has been responsible for all aspects of data processing: new systems justification, design/development and user education; operations; administration and budgeting; staffing; hardware and software selection for the central site and distribution locations. He has been heavily involved in all systems areas, military and commercial. Such areas include master production scheduling and requirements planning, inventory management, shop floor control (including automated data collection), purchasing and receiving, quality control, accounting, and financial reporting.

Of particular importance, his experience encompasses developing corporate systems plans relating to the selection and monitoring of systems projects, preparation of an end user computing policy which includes office automation and personal computing, and development/implementation of a disaster contingency plan. He has performed all aspects of initial automation of a multi-site telecommunications manufacturer and designed a delinquent tax collection system for a large municipality.

Mr. Swigut has also performed many systems analysis/design projects and operations reviews for numerous municipalities, manufacturers, and distributors.

PREVIOUS EMPLOYMENT
Raymond Engineering Inc.
Raymond Industries Inc.
Ernst & Whinney
International Business Machines Corp.

EDUCATION
University of Connecticut, B.S., Marketing/Finance
SECTION V

CONSULTING EXPERIENCE OF THE FIRM
Information systems planning - Identifying information systems objectives and requirements; developing long-range information systems plans; conducting feasibility studies for computer installations and applications; designing new/revised computer systems; evaluating alternative data processing approaches, such as in-house systems, service bureaus, and timesharing; preparing Requests for Proposals; evaluating vendor proposals for computer hardware and software; analyzing purchase versus lease options; assisting counsel on the technical aspects of contract negotiations; planning for on-line, real-time systems teleprocessing; large data base systems, minicomputers and microcomputers, and evaluating word processing and other office automation needs.

Systems implementation - Developing plans and schedules; estimating costs for systems implementation; assessing EDP personnel requirements; managing large projects; defining and documenting operating procedures with narratives, flow charts, and control descriptions; supervising programmers and contractors throughout implementation; testing new systems and applications before conversion; converting and upgrading to new systems; training staff; and providing post-installation follow-up and review.

Systems operation and control - Reviewing information systems organization, management, operating policies and practices; conducting cost-effectiveness studies; evaluating internal controls over input, processing, and output; developing standards for programming, documentation, and operations; reviewing security, backup, and disaster-recovery procedures; developing contingency plans; developing procedures for allocating data processing costs to users, and performing capacity planning and performance tuning studies.

Review of office and paperwork methods - procedural and work flow analysis, work measurement, work load control, forms design, record management, procedure manuals and work simplification, productivity studies and training.

Organizational planning and analysis - structure, assignment of functions, position descriptions, staffing problems, and development of management plans and manuals.

Project and operational reviews - review and evaluation of internal and/or external operations; performance measurement of organization's effectiveness, efficiency, and economy.
Our approach to the EDP audit of the Department of State Treasurer incorporated our internal EDP audit approach as well as EDP audit methods based upon GAO guidelines. Key elements of our approach included a review of:

- General EDP Controls – including organizational control, system design, development and modification, data center management protection, and systems software and hardware.
- Application Specific Controls – including data origination, data input, data processing and data output.
- Data Flow – including identification of internal controls and assessment of their interrelationships and evaluation and review of the adequacy and accuracy of application documentation.
- User Satisfaction – identification of errors in operations and specific applications.
- Specific applications testing.

**Nissan Motor Acceptance Corporation**

We determined the requirements for a state-of-the-art automated treasury workstation system. We analyzed user needs, evaluated available software packages, and served as liaison with the Corporation's data processing department.

**City of Los Angeles**

We performed a comprehensive review, utilizing our REACT (Review, Evaluation, and Analysis of Cash Management Techniques) program, of all aspects of the cash management process, emphasizing cash planning techniques, review of automated systems, receipt and disbursement procedures, float management, bank service evaluation, investment policies, portfolio evaluation, internal controls and security procedures.

**County of San Bernardino, California**

We performed a comprehensive review, utilizing our REACT program, of all elements of the cash management system, including disbursement practices. Additionally, we provided advice on how planned future financial systems should incorporate cash management activities. We also assisted the County in developing a statement of investment policy. Finally, we helped the County implement a county-wide deposit consolidation system that significantly accelerated cash collections and increased investment earnings.
Cash Management Training

We have conducted cash management training sessions for state and local government officials throughout the country. Recent training programs have been held in Connecticut, Massachusetts, Pennsylvania, Missouri, Washington, Texas, Michigan, Oklahoma, and Idaho.

Federal/State Equity Program

Mr. Jack Kiley has advised the Federal/State Equity Program Task Force on the development of its recommendation concerning intergovernmental transfers. He recently spoke at two national conferences on implementation of the program. One of those conferences, in Washington, D.C., was attended by OIT, OPM, and Comptroller's Office officials.

State of Utah, Division of Finance

The principle objective of this two and a half year project was to upgrade the Utah Statewide Accounting System to meet the specific cost accounting and financial reporting requirements of the State agencies.

The engagement was carried out in several phases, as follows:

- A feasibility study which examined the current systems and the operating needs of the State.

- A general design process which defined the major systems changes that would be needed to meet identified requirements. The general design document included system schematics, sample reports, and an overview of the major functional and procedural changes that would be associated with the new system.

- A detailed design development which, in addition to the systems definition process, explored in detail the impacts of the implementation process and eventual operations of the new system on the department's staffing, operations, hardware and software support function, procedures, and accounting control function. The design included such features as on-line data entry and editing, real-time update of system indexes and extensive report selection and management inquiry capabilities.

- A software development and modification phase, accomplished in two steps to include implementation of upgrades to the statewide system in addition to the UDOT-specified changes. This phase included the complete range of documentation, training, testing, and conversion function that are essential in a project of this magnitude.
In addition, we provided recommendations on the company's organizational structure, project management, hardware and software, and systems development procedures.

Deloitte Haskins & Sells is currently engaged in implementing key financial systems identified in the Information Systems Plan. This involves identifying and designing software and hardware interfaces between distributed IBM S/38 computers and a centralized IBM 4341 mainframe. In addition, IBM PC/AT's are used as access nodes and for offline spreadsheet analysis and work processing. Financial applications being implemented include Accounts Payable, General Ledger, Accounts Receivable, and Fixed Assets.

Connecticut Medical Insurance Corporation

For this physician-owned malpractice insurance company, we determined their software and hardware requirements and evaluated a software package. We then assisted in purchase negotiation. The package provides:

- claims processing
- incident tracking
- rate factoring
- client history
- claim history
- billing.

New York State Senate

We recently assisted the New York State Senate in beginning to automate many of its business systems. The engagement included several basic phases: analysis of unit services and organization, development of a logical integrated system, assessment of hardware alternatives, survey of applicable software, preparation of an RFI, evaluation of proposals, and assistance with the selection of a vendor.

Connecticut Resources Recovery Authority

We conducted an extensive management analysis of the Authority. We reviewed its information systems and needs, personnel requirements, and the organizational structure.

We presented 27 recommendations that would increase management staff and save over $150,000 in ongoing annual operating expenses and about $200,000 in annual debt service costs. We also recommended the development of improved financial reporting and project tracking systems.
City University of New York (CUNY)

Deloitte Haskins & Sells assisted the City University of New York (CUNY) with several projects leading to the development of an integrated management information system. Current projects include:

- Modification and implementation of a centralized Personnel Management System to support the 18-campus university system
- Redesign of a client-developed Student Information System.

As part of these two systems, we have determined information requirements, designed general and detailed systems specifications, designed forms, and supervised programming, testing and conversion efforts. In addition, we are preparing training manuals and providing user training.

Town of Darien, Connecticut

Deloitte Haskins & Sells conducted a data processing needs assessment and software package selection engagement for the Town of Darien and the Darien Board of Education. Tasks included:

- Documentation review
- Definition of the current data processing environment
- Identification of unsatisfied data processing needs
- Identification of shared database requirements
- Development of a statement of need for each department
- Review of available integrated software packages
- Request for Proposal preparation
- Development of evaluation criteria
- Proposal evaluation assistance.

Pioneer Valley Transit Authority

The overall goal of the project was to provide several systems at several levels. PVTA required general financial, customer information, budget development, performance measurement, and fixed asset applications. Fixed route operators engaged by PVTA required financial, employee management, and operations support (maintenance and materials management, scheduling, timeroll) applications. Although there were many common requirements among the users, each user had to have separate systems, independent of other users, because each was a separate legal entity.
SECTION VI

FEE PROPOSAL
MEMORANDUM

TO: Tom Zampano, Business Manager
From: Linda V. Velez, Legal Intern
RE: Deloitte, Haskins & Sells Phase IIC Amendment
DATE: April 25, 1989

Enclosed is a copy of the Phase IIC Amendment to the January 15, 1987 Agreement between the Treasurer and Deloitte, Haskins & Sells. Please retain this copy for your files. Also, note that the contract has been fully executed as of April 20, 1989.

Should you have any questions, feel free to call me at 6244.

LVV/lvv

CC: Edward J. Forand, Deputy Treasurer
    Barbara L. Reid, Assistant Treasurer - Business Programs
AMENDMENT TO AGREEMENT

Amendment to Agreement dated January 15, 1987, ("the Agreement") by and between Deloitte Haskins & Sells ("the contractor") and the Treasurer of the State of Connecticut ("the Treasurer"). This Amendment is executed as of the 11th day of February, 1988.

WITNESSETH:

WHEREAS, in January, 1986, the Treasurer announced its intent to implement an information and automation plan (hereinafter referred to as the "project") and issued a request for qualifications in connection therewith,

WHEREAS, the contractor was declared the successful competitor,

WHEREAS, both the Treasurer and the Contractor realize that all necessary bank reconciliations should be completed before the project can be implemented,

WHEREAS, the Treasurer desires to achieve the timely completion of the project without the addition of staff,

WHEREAS, the Contractor has the necessary staff to assist in the preparation of the bank reconciliations,

NOW, THEREFORE, the Treasurer and Contractor deem it appropriate to amend the Agreement with respect to the scope of services to be provided by the Contractor and the fee schedule. In consideration of the premises, it is agreed as follows:
Section 1.

The first sentence of Section 2 of the Agreement is amended to read as follows:

"The contractor agrees to provide the State with the following services for Phase IIA of the Project. Phase IIA of the project shall include the following:"

Section 2.

The following language is added to Section 2 of the Agreement

"The contractor further agrees to provide the Treasurer with the services that are outlined in the contractor's February 9, 1988 letter to the Treasurer (Exhibit II). These services can be described as Phase IIB of the project. The services are briefly outlined as follows:

1. Identifying the scope and magnitude of differences - identify the bank and book balances at June 30, 1987 for all cash and investment accounts.


3. Roll back of balances to the preceding years.


5. For those accounts currently not being reconciled, the contractor agrees to prepare proforma reconciliations and outline procedures to be performed manually until the automated system is completed.

6. The contractor will provide the Treasurer with bi-weekly status reports. These status reports will contain the status of reconciliations on each account and the amount of unexplained variances.

7. Furthermore, the contractor agrees to abide by all other promises that are contained in Exhibit II and to perform the abovementioned services by the procedures that are outlined in Exhibit II. Exhibit II is hereby made a part of this agreement as if fully set forth herein."

Section 3.

Section 3 of the Agreement is amended as follows:
"Furthermore the contractor shall be compensated as follows for Phase IIB of the project:

$60 per hour for services performed

NOTE: (Assuming 6 personnel per day and a 35 hour week, the contractor's estimated fees will be $12,600.00 per week)

The State shall be billed every four weeks for Phase IIB of this Agreement. Billing for Phase IIB of this Agreement shall begin as of February 15, 1988. Payment to the contractor for Phase IIB shall be due within sixty (60) days of receipt of a properly submitted invoice by the State. A properly submitted invoice is one which specifically details the dates and hours worked, by whom, and the hourly rate thereon."

Section 4.

All of the other terms and conditions stated in the Agreement dated January 15, 1987, and not amended herein, shall remain in full force and effect.
IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective duly authorized undersigned officers.

DELOITTE HASKINS & SELLS

By:  Gregor G. Weaver  Date:  February 26, 1988
Partner

STATE OF CONNECTICUT

By:  Francisco L. Borges  Date:  February 26, 1988
Its Treasurer

APPROVED AS TO FORM:
OFFICE OF THE ATTORNEY GENERAL

By:  C. Peter DePuff  Date:  3/11/88

**PERSONAL SERVICE AGREEMENT**

P.O. Box 20 Trinity Street, Hartford, CT 06106

The State agency and the contractor as listed below hereby enter into an agreement subject to the terms and conditions stated herein and/or attached hereto and subject to the provisions of Section 4-68 of the Connecticut General Statutes as applicable.

### CONTRACTOR
- **Name and Address:** Peckitts, Hawkins, and Sells, City Place, Hartford, CT
- **Are you presently a State employee?** Yes [ ] No [ ]

### STATE AGENCY
- **Name and Address:** Treasury Dept., 20 Trinity Street, Hartford, CT 06106
- **Agency No.:** 1201
- **Identification No.:** P.S. 37-831201

### CONTRACT PERIOD
- **From Date:** 1-15-87
- **Through Date:** 9-1-88
- **Indicate:** Master Agreement [ ] Contract Award No. [ ]

### CANCELLATION CLAUSE
This agreement shall remain in full force and effect for the entire term of the contract period stated above unless cancelled by the State agency by giving the contractor written notice of such intention (required days notice specified at right.)

### TERMS AND CONDITIONS
Acceptance of this contract implies conformance with conditions stated on the reverse side of this form.

**CONTRACTOR AGREES TO**

**COMPLETE DESCRIPTION OF SERVICE**
(Include special provisions, Use additional blank sheets of same size if required)

**PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES.**

**COST AND SCHEDULE OF PAYMENTS**

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<th>AGENCY NUMBER</th>
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**STATUTORY AUTHORITY**

**CONTRACTOR (Owner or authorized)**

**ACCEPTANCES AND APPROVALS**

SEE ATTACHMENT A FOR ACCEPTANCES AND APPROVALS DATED 2-26-88

**DISTRIBUTION:**
- Original — Contractor
- Part 2 — Comptroller
- Part 3 — OPM/DAS
- Part 4 — Attorney General
- Part 5 — Agency

LP 04650
AMENDMENT TO AGREEMENT

Amendment to Agreement dated January 15, 1987, ("the Agreement") by and between Deloitte Haskins & Sells ("the contractor") and the Treasurer of the State of Connecticut ("the Treasurer"). This Amendment is executed as of the 11th day of February, 1988.

WITNESSETH:

WHEREAS, in January, 1986, the Treasurer announced its intent to implement an information and automation plan (hereinafter referred to as the "project") and issued a request for qualifications in connection therewith,

WHEREAS, the contractor was declared the successful competitor,

WHEREAS, both the Treasurer and the Contractor realize that all necessary bank reconciliations should be completed before the project can be implemented,

WHEREAS, the Treasurer desires to achieve the timely completion of the project without the addition of staff,

WHEREAS, the Contractor has the necessary staff to assist in the preparation of the bank reconciliations,

NOW, THEREFORE, the Treasurer and Contractor deem it appropriate to amend the Agreement with respect to the scope of services to be provided by the Contractor and the fee schedule. In consideration of the premises, it is agreed as follows:
Section 1.
The first sentence of Section 2 of the Agreement is amended to read as follows:

"The contractor agrees to provide the State with the following services for Phase IIA of the Project. Phase IIA of the project shall include the following:

Section 2.
The following language is added to Section 2 of the Agreement

"The contractor further agrees to provide the Treasurer with the services that are outlined in the contractor's February 9, 1988 letter to the Treasurer (Exhibit II). These services can be described as Phase IIB of the project. The services are briefly outlined as follows:

1. Identifying the scope and magnitude of differences - identify the bank and book balances at June 30, 1987 for all cash and investment accounts.


3. Roll back of balances to the preceding years.


5. For those accounts currently not being reconciled, the contractor agrees to prepare proforma reconciliations and outline procedures to be performed manually until the automated system is completed.

6. The contractor will provide the Treasurer with biweekly status reports. These status reports will contain the status of reconciliations on each account and the amount of unexplained variances.

7. Furthermore, the contractor agrees to abide by all other promises that are contained in Exhibit II and to perform the abovementioned services by the procedures that are outlined in Exhibit II. Exhibit II is hereby made a part of this agreement as if fully set forth herein."

Section 3.
Section 3 of the Agreement is amended as follows:
"Furthermore the contractor shall be compensated as follows for Phase IIB of the project:

$60 per hour for services performed

NOTE: (Assuming 6 personnel per day and a 35 hour week, the contractor's estimated fees will be $12,600.00 per week)

The State shall be billed every four weeks for Phase IIB of this Agreement. Billing for Phase IIB of this Agreement shall begin as of February 15, 1988. Payment to the contractor for Phase IIB shall be due within sixty (60) days of receipt of a properly submitted invoice by the State. A properly submitted invoice is one which specifically details the dates and hours worked, by whom, and the hourly rate thereon."

Section 4.

All of the other terms and conditions stated in the Agreement dated January 15, 1987, and not amended herein, shall remain in full force and effect.
IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective duly authorized undersigned officers.

DELOITTE HASKINS & SELLS

By: Gregory G. Weaver  
Partner  
February 26, 1988

STATE OF CONNECTICUT

By: Francisco L. Borges  
Its Treasurer  
February 26

APPROVED AS TO FORM:
OFFICE OF THE ATTORNEY GENERAL

By: Clarice M. Riddle  
Deputy Attorney General  
Date: MAR. 11 1988

Date:
The State agency and the contractor as listed below hereby enter into an agreement subject to the terms and conditions stated herein and/or attached hereto and subject to the provisions of Section 4-98 of the Connecticut General Statutes as applicable.

<table>
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<tr>
<th>CONTRACTOR</th>
<th>Deloitte, Haskins &amp; Sells, City Place, Hartford, CT</th>
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<td>STATE AGENCY</td>
<td>Office of the Treasurer, 55 Elm St., Hartford, CT</td>
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<td>CONTRACT PERIOD</td>
<td>FROM 01/15/87 THROUGH 99/99/99</td>
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<td>CANCELLATION</td>
<td>This agreement shall remain in full force and effect for the entire term of the contract period stated above unless cancelled by the State agency by giving the contractor written notice of such intention (required days notice specified at right).</td>
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<tr>
<td>TERMS AND CONDITIONS</td>
<td>Acceptance of this contract implies conformance with conditions stated on the reverse side of this form.</td>
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<tr>
<td>COMPLETE DESCRIPTION OF SERVICE</td>
<td>See attachment A, Section 1 and Section 2 for a complete description of Phase II C.</td>
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<tr>
<td>COST AND SCHEDULE OF PAYMENTS</td>
<td>$100.00 per hour but no more than $42,200.00.</td>
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| STATUTORY AUTHORITY | C.G.S. 3-76h (a) |

| ACCEPTANCES | See attachment A for signatures |

| APPROVALS | |


LP 04656
ATTACHMENT A

AMENDMENT TO AGREEMENT

Amendment to Agreement dated January 15, 1987, ("the Agreement") by and between Deloitte Haskins & Sells ("the Contractor") and the Treasurer of the State of Connecticut ("the Treasurer"). This Amendment is executed as of the 1st day of May, 1988.

WITNESSETH:

WHEREAS, in January, 1986, the Treasurer announced its intent to implement an information and automation plan (hereinafter referred to as the "project") and issued a request for qualifications in connection therewith,

WHEREAS, the Contractor was declared the successful competitor,

WHEREAS, the Treasurer desires to achieve the timely completion of the project without the addition of staff,

WHEREAS, the Treasurer desires to expedite the development of an enhanced automated system to replace the current system for recording State receipts and disbursements.

WHEREAS, the Contractor has the necessary staff to assist in expediting the development of a new system.

NOW, THEREFORE, the Treasurer and Contractor deem it appropriate to amend the Agreement with respect to the scope of services to be provided by the Contractor and the fee schedule. In consideration of the premises, it is agreed as follows:

Section 1.

The following language is added to the end of Section 2 of the Agreement:

"The Contractor further agrees to provide the Treasurer with the services that are outlined in the Contractor's August 29, 1988 letter to the Treasurer (Exhibit III)."
These services can be described as Phase IIC of the project. The services include:

1. Identification of package software for use in tracking State receipts and disbursements prior to implementation of a fully-integrated financial reporting system.
2. Development of data input screens.
3. Package implementation.
4. Unit Testing.
5. Modification of user documentation.
6. Staff training.
7. System testing.
8. Monitoring of parallel testing and reconciliation.
9. Project management.

Section 2.

The following language is added to the end of Section 3 of the Agreement:

"Furthermore the Contractor shall be compensated as follows for Phase IIC of the project:

$100 per hour for services performed. In no event shall the Contractor be compensated for more than $42,200 for services performed in Phase IIC.

Billing for the services provided for Phase IIC of this Agreement shall begin as of January 1, 1989. The State shall be billed every four weeks for Phase IIC of this Agreement. Payment by the State to the Contractor for Phase IIC shall be due within sixty (60) days of receipt of a properly submitted invoice. A properly submitted invoice is one which specifically details the dates and hours worked, by whom, and the hourly rate thereon."

Section 3:

All of the other terms and conditions stated in the Agreement dated January 15, 1987, and not amended herein, shall remain in full force and effect.
IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective duly authorized undersigned officers.

DELOITTE HASKINS & SELLS

By: Edward V. Graybar
Director

Date: 5/31/89

STATE OF CONNECTICUT

By: Francisco L. Borges
Its Treasurer

Date: 4/6/89

APPROVED AS TO FORM:
OFFICE OF THE ATTORNEY GENERAL

By:
Date: 4/20/89

LP 04659
August 29, 1988

Mr. Edward J. Forand Jr.
Deputy State Treasurer
State of Connecticut
20 Trinity Street
Hartford, CT 06106

Dear Deputy Treasurer Forand:

As requested, this letter contains our proposal for assisting the Treasury in developing and implementing an interim replacement system for the Treasury's Nixdorf system. The interim system, which would be replaced in about one year by the more comprehensive cash accounting system now under design, would allow the Treasury to:

- Improve upon the Nixdorf system's functionality
- Reduce Nixdorf lease, maintenance and associated service bureau costs
- Move to its new quarters without having to move the Nixdorf equipment and without having to construct unnecessary computer room space (a Local Area Network, which will replace the Nixdorf, requires less space).

As we indicated to you on April 11, 1988, we estimate that our net additional fees for managing the procurement, installation, testing and training for this project will total $42,200. If the project requires fewer than the 422 hours that we anticipate, we will reduce our billings accordingly. On the other hand, if the project requires more than the currently anticipated hours, which is quite possible given the numerous meetings with the Department of Administrative Services, we will increase our billings accordingly.

If you have any questions concerning this proposal, please contact me or Lawrence Wilson at 280-3000.

Sincerely,

Edward W. Graycar
Director
### Deloitte Payment History

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