MATTHEW G. BEVIN
GOVERNOR

EXECUTIVE ORDER

Secretary of State
Frankfort
Kentucky

2016-556
July 28, 2016

By virtue of the authority vested in me by Section 12.210(1) of the Kentucky Revised Statutes, and as Governor of the Commonwealth of Kentucky, I, Matthew G. Bevin, do hereby approve an employment contract between the **Finance and Administration Cabinet,** and **Taft, Stettinius & Hollister,** Indianapolis, Indiana as outlined in the attached Contract.

Please enter this Executive Order upon the Executive Journal and file the attached Contract with the Executive Order.

MATTHEW G. BEVIN
Governor

ALISON LUNDERGAN GRIMES
Secretary of State

RECEIVED AND FILED

DATE 7/29/16

ALISON LUNDERGAN GRIMES
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY

BY K. Adler

Commonwealth of Kentucky

CONTRACT

IMPORTANT
Show Doc ID number on all packages, invoices and correspondence.

Doc Description: LEGAL & INVESTIGATIVE SERVICES/ DP 7	
Doc ID No: PON2 750 1600003972 1	**Procurement Folder:** 4253204
Procurement Type: Personal Service Contract	**Record Date:**
Issued By: HOLLY CALLAGHAN	**Cited Authority:** FAP111-43-00-L
Telephone:	

CONTRACTOR

TAFT STETTINIUS & HOLLISTER

ONE INDIANA SQUARE, SUITE 3500

INDIANAPOLIS IN 46204
US

Effective From: 07/29/2016 **Effective To:** 06/30/2018

Line	CL Description	Due Date	Quantity	Unit Issue	Unit Price	Contract Amt	Total Price
1	LEGAL & INVESTIGATIVE SERVICES		0.00		0.00000	500,000.00	500,000.00

Extended Description

The Contractor will assist with the investigation of potential violations of state laws governing the behavior of elected officials and public servants in conducting the affairs of the state, including, but not limited to, investigative assistance related to possible violations of the Kentucky Model Procurement Code and alleged coercion of state employees for campaign contributions in violation of campaign finance laws. The investigatory scope of the contract may be expanded, at the option of the Finance and Administration Cabinet, to include additional alleged violations of the public trust and applicable statutes and regulations reported or discovered as part of this or other ongoing investigations or referred by other agencies to FAC for investigation.

BILL TO

512160
FAC OFFICE OF GENERAL COUNSEL
702 CAPITOL AVENUE

FRANKFORT KY 40601
US

SHIP TO

Total Order Amount: 500,000.00

PERSONAL SERVICE CONTRACT FOR

LEGAL & INVESTIGATIVE SERVICES

BETWEEN

THE COMMONWEALTH OF KENTUCKY

FINANCE & ADMINISTRATION CABINET
OFFICE OF INSPECTOR GENERAL

AND

TAFT STETTINIUS & HOLLISTER LLP
One Indiana Square, Suite 3500
Indianapolis, IN 46204

This Personal Service Contract (PSC) is entered into, by and between the Commonwealth of Kentucky, Finance & Administration Cabinet, Office of Inspector General ("the Commonwealth") and Taft Stettinius & Hollister LLP ("the Contractor") to establish a contract for Legal & Investigative Services. **This initial PSC is effective from 7/19/2016 through 6/30/2018.**

Per the solicitation, the Commonwealth reserves the right to renew this contract for up to one (1) additional two-year period.

RFP 750 1600000471

The Commonwealth and Contractor agree to the following:

I. Scope of Contract

The Contractor will assist with the investigation of potential violations of state laws governing the behavior of elected officials and public servants in conducting the affairs of the state, including, but not limited to, investigative assistance related to possible violations of the Kentucky Model Procurement Code and alleged coercion of state employees for campaign contributions in violation of campaign finance laws. The investigatory scope of the contract may be expanded, at the option of the Finance and Administration Cabinet, to include additional alleged violations of the public trust and applicable statutes and regulations reported or discovered as part of this or other ongoing investigations or referred by other agencies to FAC for investigation.

Investigations will be assigned by the FAC Secretary.

Any reports compiled and evidence collected may be referred by the FAC Office of Inspector General to federal, state or local law enforcement agencies or any other investigatory bodies for further investigation, prosecution, or administrative action, as appropriate.

By executing this Contract, the Contractor confirms that it does not have any interest, direct or indirect, which would conflict in any manner or degree with the performance of services hereunder.

An attorney-client relationship will exist between and among the Contractor and the FAC Secretary, the FAC Office of Inspector General, the FAC Office of General Counsel, and other state entities with whom the Contractor communicates during the course of each investigation assigned to it as may be necessary and appropriate (together, "State Clients"), provided, however, that on behalf of itself and all other current and future State Clients, the Commonwealth acknowledges and agrees that (i) Contractor may represent or continue to represent current and future clients with interests directly or indirectly adverse to any state entity other than a State Client in connection with any matter that is not substantially related to the subject matter of this PSC; and (ii) with the Commonwealth's written consent, which shall not unreasonably be withheld, Contractor may represent or continue to represent current and future clients with interests directly or indirectly adverse to any State Client in connection with any matter that is not substantially related to the subject matter of this PSC.

Notwithstanding any other provisions of this Contract, nothing set forth herein is intended or should be construed to operate as a waiver of the attorney-client privilege of any state agency in regard to its communications with the Contractor.

II. Contract Components and Order of Precedence

The Commonwealth's acceptance of the Contractor's offer in response to the Solicitation, indicated by the issuance of a Contract Award shall create a valid Contract between the Parties consisting of the following:

- Any written Agreement between the Parties;
- Any Addenda to the Solicitation;
- The solicitation and all attachments thereto; including PSC Standard Terms and Conditions;
- Any Best and Final Offer;
- Any clarifications concerning the Contractor's proposal in response to the Solicitation;

In the event of any conflict between or among the provisions contained in the Contract, the order of precedence shall be as enumerated above.

III. Negotiated Items

N/A

IV. Pricing

All work performed under this Contract will be billed at a blended average hourly rate not to exceed $250.00/hour.

The Commonwealth will reimburse for travel as follows:

A. Allow for payment at half the normal hourly rate ($125/hour) for actual time spent traveling in the course of performing services under this Contract.

B. If the Contractor bills for the hourly rate for travel time as provided in paragraph A. above, travel expenses shall not be allowed, except for overnight lodging when approved by the Commonwealth.

C. If the Contractor does not bill the hourly rate for travel time as provided in paragraph A above, travel expenses shall be allowed in accordance with state travel regulations.

V. Invoicing

The Contractor should submit invoices setting forth the hours worked and the expenses for which reimbursement is sought on a monthly basis.

VI. Personal Service Contract Standard Terms and Conditions

Whereas, the first party, the state agency, has concluded that either state personnel are not available to perform said function, or it would not be feasible to utilize state personnel to perform said function; and
Whereas, the second party, the Contractor, is available and qualified to perform such function; and
Whereas, for the abovementioned reasons, the state agency desires to avail itself of the services of the second party;

NOW THEREFORE, the following terms and conditions are applicable to this contract:

Effective Date:
This contract is not effective until the Secretary of the Finance and Administration Cabinet or his authorized designee has approved the contract and until the contract has been submitted to the Legislative Research Commission, Government Contract Review Committee ("LRC"). However, in accordance with KRS 45A.700, contracts in aggregate amounts of $10,000 or less are exempt from review by the committee and need only be filed with the committee within 30 days of their effective date for informational purposes.

KRS 45A.695(7) provides that payments on personal service contracts and memoranda of agreement shall not be authorized for services rendered after government contract review committee disapproval, unless the decision of the committee is overridden by the Secretary of the Finance and Administration Cabinet or agency head, if the agency has been granted delegation authority by the Secretary.

Renewals:
Upon expiration of the initial term, the contract may be renewed in accordance with the terms and conditions in the original solicitation. Renewal shall be subject to prior approval from the Secretary of the Finance and Administration Cabinet or his authorized designee and the LRC Government Contract Review Committee in accordance with KRS 45A.695 and KRS 45A.705, and contingent upon available funding.

LRC Policies:
Pursuant to KRS 45A.725, LRC has established policies which govern rates payable for certain professional services. These are located on the LRC webpage (http://www.lrc.ky.gov/Statcomm/Contracts/homepage.htm) and would impact any contract established under KRS 45A.690 et seq., where applicable.

Choice of Law and Forum:
All questions as to the execution, validity, interpretation, construction and performance of this contract shall be governed by the laws of the Commonwealth of Kentucky. Furthermore, the parties hereto agree that any legal action which is brought on the basis of this contract shall be filed in the Franklin County Circuit Court of the Commonwealth of Kentucky.

Cancellation:
The state agency shall have the right to terminate and cancel this contract at any time not to exceed thirty (30) days' written notice served on the Contractor by registered or certified mail.

Funding Out Provision:
The state agency may terminate this contract if funds are not appropriated to the contracting agency or are not otherwise available for the purpose of making payments without incurring any obligation for payment after the date of termination, regardless of the terms of the contract. The state agency shall provide the Contractor thirty (30) calendar days' written notice of termination of the contract due to lack of available funding.

Reduction in Contract Worker Hours:
The Kentucky General Assembly may allow for a reduction in contract worker hours in conjunction with a budget balancing measure for some professional and non-professional service contracts. If under such authority the agency is required by Executive Order or otherwise to reduce contract hours, the contract will be reduced by the amount specified in that document.

Authorized to do Business in Kentucky:
The Contractor affirms that it is properly authorized under the laws of the Commonwealth of Kentucky to conduct business in this state and will remain in good standing to do business in the Commonwealth of Kentucky for the duration of any contract awarded.

The Contractor shall maintain certification of authority to conduct business in the Commonwealth of Kentucky during the term of this contract. Such registration is obtained from the Secretary of State, who will also provide the certification thereof.

Registration with the Secretary of State by a Foreign Entity:
Pursuant to KRS 45A.480(1)(b), an agency, department, office, or political subdivision of the Commonwealth of Kentucky shall not award a state contract to a person that is a foreign entity required by KRS 14A.9-010 to obtain a certificate of authority to transact business in the Commonwealth ("certificate") from the Secretary of State under KRS 14A.9-030 unless the person produces the certificate within fourteen (14) days of the bid or proposal opening. Therefore, foreign entities should submit a copy of their certificate with their solicitation response. If the foreign entity is not required to obtain a certificate as provided in KRS 14A.9-010, the foreign entity should identify the applicable exception in its solicitation response. Foreign entity is defined within KRS 14A.1-070.

For all foreign entities required to obtain a certificate of authority to transact business in the Commonwealth, if a copy of the certificate is not received by the contracting agency within the time frame identified above, the foreign entity's solicitation response shall be deemed non-responsive or the awarded contract shall be cancelled.

Businesses can register with the Secretary of State at https://secure.kentucky.gov/sos/ftbr/welcome.aspx.

Invoices for fees:
The Contractor shall maintain supporting documents to substantiate invoices and shall furnish same if required by state government. The invoice must conform to the method described in Section V of this contract.

Pursuant to KRS 45A.695, no payment shall be made on any personal service contract unless the individual, firm, partnership, or corporation awarded the personal service contract submits its invoice for payment on a form established by the committee.

*Invoice form is available on the Legislative Research Commission, Government Contract Review Committee website: http://www.lrc.ky.gov/Statcomm/Contracts/homepage.htm

Travel expenses, if authorized:
The Contractor shall be paid for no travel expenses unless and except as specifically authorized by the specifications of this contract or authorized in advance and in writing by the Commonwealth. Either original or certified copies of receipts must be submitted for airline tickets, hotel bills, restaurant charges, rental car charges, and any other miscellaneous expenses.

Other expenses, if authorized herein:
The Contractor shall be reimbursed for no other expenses of any kind, unless and except as specifically authorized within the specifications of this contract or authorized in advance and in writing by the Commonwealth.

If the reimbursement of such expenses is authorized, the reimbursement shall be only on an out-of-pocket basis. Request for payment of same shall be processed upon receipt from the Contractor of valid, itemized statements submitted periodically for payment at the time any fees are due. The Contractor shall maintain supporting documents that substantiate every claim for expenses and shall furnish same if requested by the Commonwealth.

Purchasing and specifications:
The Contractor certifies that he/she will not attempt in any manner to influence any specifications to be restrictive in any way or respect nor will he/she attempt in any way to influence any purchasing of services, commodities or equipment by the Commonwealth of Kentucky. For the purpose of this paragraph and the following paragraph that pertains to conflict-of interest laws and principles, "he/she" is construed to mean "they" if more than one person is involved and if a firm, partnership, corporation, or other organization is involved, then "he/she" is construed to mean any person with an interest therein.

Conflict-of-interest laws and principles:
The Contractor certifies that he/she is legally entitled to enter into this contract with the Commonwealth of Kentucky, and by holding and performing this contract, he/she will not be violating either any conflict of interest statute (KRS 45A.330-45A.340, 45A.990, 164.390), or KRS 11A.040 of the executive branch code of ethics, relating to the employment of former public servants.

Campaign finance:
The Contractor certifies that neither he/she nor any member of his/her immediate family having an interest of 10% or more in any business entity involved in the performance of this contract, has contributed more than the amount specified in KRS 121.056(2), to the campaign of the gubernatorial candidate elected at the election last preceding the date of this contract. The Contractor further swears under the penalty of perjury, as provided by KRS 523.020, that neither he/she nor the company which he/she represents, has knowingly violated any provisions of the campaign finance laws of the Commonwealth, and that the award of a contract to him/her or the company which he/she represents will not violate any provisions of the campaign finance laws of the Commonwealth.

Access to Records:
The Contractor, as defined in KRS 45A.030(8) and (10), agrees that the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this contract for the purpose of financial audit or program review. The Contractor also recognizes that any books, documents, papers, records, or other evidence, received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the contract and shall be exempt from disclosure as provided in KRS 61.878(1)(c).

Protest:
Pursuant to KRS 45A.285, the Secretary of the Finance and Administration Cabinet, or his designee, shall have authority to determine protests and other controversies of actual or prospective vendors in connection with the solicitation or selection for award of a or contract.

Any actual or prospective vendor, who is aggrieved in connection with the solicitation or selection for award of a contract, may file protest with the Secretary of the Finance and Administration Cabinet. A protest or notice of other controversy must be filed promptly and, in any event, within two (2) calendar weeks after such aggrieved person knows or should have known of the facts giving rise thereto. All protests or notices of other controversies must be in writing and shall be addressed to:

William M. Landrum III, Secretary
Commonwealth of Kentucky
Finance and Administration Cabinet
Room 383, New Capitol Annex
702 Capital Avenue
Frankfort, KY 40601

The Secretary of Finance and Administration Cabinet shall promptly issue a decision in writing. A copy of that decision shall be mailed or otherwise furnished to the aggrieved party and shall state the reasons for the action taken.

The decision by the Secretary of the Finance and Administration Cabinet shall be final and conclusive.

Social security: (check one)
_____ The parties are cognizant that the state is not liable for social security contributions, pursuant to 42 U.S. Code, section 418, relative to the compensation of the second party for this contract.

_____ The parties are cognizant that the state is liable for social security contributions, pursuant to 42 U.S. Code, section 418, relative to the compensation of the second party for this contract.

Violation of tax and employment laws:
KRS 45A.485 requires the Contractor and all subcontractors performing work under the contract to reveal to the Commonwealth, prior to the award of a contract, any final determination of a violation by the Contractor within the previous five (5) year period of the provisions of KRS chapters 136, 139, 141, 337, 338, 341, and 342. These statutes relate to the state sales and use tax, corporate and utility tax, income tax, wages and hours laws, occupational safety and health laws, unemployment insurance laws, and workers compensation insurance laws, respectively.

To comply with the provisions of KRS 45A.485, the Contractor and all subcontractors performing work under the contract shall report any such final determination(s) of violation(s) to the Commonwealth by providing the following information regarding the final determination(s): the KRS violated, the date of the final determination, and the state agency which issued the final determination.

KRS 45A.485 also provides that, for the duration of any contract, the Contractor and all subcontractors performing work under the contract shall be in continuous compliance with the provisions of those statutes, which apply to their operations, and that their failure to reveal a final determination, as described above, or failure to comply with the above statutes for the duration of the contract, shall be grounds for the Commonwealth's cancellation of the contract and their disqualification from eligibility for future state contracts for a period of two (2) years.

Contractor must check one:

_____ The Contractor has not violated any of the provisions of the above statutes within the previous five (5) year period.

_____ The Contractor has violated the provisions of one or more of the above statutes within the previous five (5) year period and has revealed such final determination(s) of violation(s). Attached is a list of such determination(s), which includes the KRS violated, the date of the final determination, and the state agency which issued the final determination.

Discrimination:

This section applies only to contracts disbursing federal funds, in whole or part, when the terms for receiving those funds mandate its inclusion. Discrimination (because of race, religion, color, national origin, sex, sexual orientation, gender identity, age, or disability) is prohibited. During the performance of this contract, the Contractor agrees as follows:

1. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex, sexual orientation, gender identity or age. The Contractor further agrees to comply with the provisions of the Americans with Disabilities Act (ADA), Public Law 101-336, and applicable federal regulations relating thereto prohibiting discrimination against otherwise qualified disabled individuals under any program or activity. The Contractor agrees to provide, upon request, needed reasonable accommodations. The Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensations; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

2. In all solicitations or advertisements for employees placed by or on behalf of the Contractor, the Contractor will state that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability.

3. The Contractor will send to each labor union or representative of workers with which he/she has a collective bargaining agreement or other contract or understanding a notice advising the said labor union or workers' representative of the Contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.

4. The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations and relevant orders of the Secretary of Labor.

5. The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his/her books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

6. In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations or orders, this contract may be cancelled, terminated or suspended in whole or in part, and the Contractor may be declared ineligible for further government contracts or federally-assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of

September 24, 1965, as amended, and such other sanctions that may be imposed and remedies invoked as provided in or as otherwise provided by law.

7. The Contractor will include the provisions of paragraphs (1) through (7) of section 202 of Executive Order 11246 in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor, issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

VI. Approvals

This contract is subject to the terms and conditions stated herein. By affixing signatures below, the parties verify that they are authorized to enter into this contract and that they accept and consent to be bound by the terms and conditions stated herein. In addition, the parties agree that (i) electronic approvals may serve as electronic signatures, and (ii) this contract may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all counterparts together shall constitute a single contract.

1st Party:

Signature	Title
Printed Name	Date

2nd Party:

Signature	Title
Printed Name	Date

Other Party:

Signature	Title
Printed Name	Date

Approved as to form and legality:

Attorney