

STATE OF SOUTH DAKOTA  
CONSULTING CONTRACT

Agreement made and entered into this 19th day of May, 2008, by and between Department of Revenue and Regulation, a state agency, 445 East Capitol, Pierre, SD 57501, (the "State") and South Dakota State University, Box 2201, SAD 130, Brookings, SD 57007, 605-688-4181 (the "Consultant").

The State hereby enters into this Agreement for services with Consultant in consideration of and pursuant to the terms and conditions set forth herein.

1. The Consultant will perform those services described in the Work Plan, attached hereto as Exhibit A and by this reference incorporated herein.

2. The Consultant's services under this Agreement shall commence on May 20, 2008 and end on June 30, 2010, unless sooner terminated pursuant to the terms hereof.

3. The Consultant will use State equipment, supplies or facilities. The Consultant's Employer Identification Number is 46-6000364.

4. The State will make payment for services upon satisfactory completion of the services. The TOTAL CONTRACT AMOUNT is an amount not to exceed \$ 206,268. The State will not pay Consultant's expenses as a separate item. Payment will be made pursuant to itemized invoices submitted by consultant.

5. Consultant agrees to report to the State any event encountered in the course of performance of this Agreement which results in injury to the person or property of third parties, or which may otherwise subject Consultant or the State to liability. Consultant shall report any such event to the State immediately upon discovery.

Consultant's obligation under this section shall only be to report the occurrence of any event to the State and to make any other report provided for by their duties or applicable law. Consultant's obligation to report shall not require disclosure of any information subject to privilege or confidentiality under law (e.g., attorney-client communications). Reporting to the State under this section shall not excuse or satisfy any obligation of Consultant to report any event to law enforcement or other entities under the requirements of any applicable law.

6. This Agreement may be terminated by either party hereto upon thirty (30) days written notice. In the event the Consultant breaches any of the terms or conditions hereof, this Agreement may be terminated by the State at any time with or without notice. If termination for such a default is effected by the State, any payments due to Consultant at the time of termination may be adjusted to cover any additional costs to the State because of

Consultant's default. Upon termination the State may take over the work and may award another party an agreement to complete the work under this Agreement. If after the State terminates for a default by Consultant it is determined that Consultant was not at fault, then the Consultant shall be paid for eligible services rendered and expenses incurred up to the date of termination.

7. This Agreement depends upon the continued availability of appropriated funds and expenditure authority from the Legislature for this purpose. If for any reason the Legislature fails to appropriate funds or grant expenditure authority, or funds become unavailable by operation of law or federal funds reductions, this Agreement will be terminated by the State. Termination for any of these reasons is not a default by the State nor does it give rise to a claim against the State.

8. This Agreement may not be assigned without the express prior written consent of the State. This Agreement may not be amended except in writing, which writing shall be expressly identified as a part hereof, and be signed by an authorized representative of each of the parties hereto.

9. This Agreement shall be governed by and construed in accordance with the laws of the State of South Dakota. Any lawsuit pertaining to or affecting this Agreement shall be venued in Circuit Court, Sixth Judicial Circuit, Hughes County, South Dakota.

10. The Consultant will comply with all federal, state and local laws, regulations, ordinances, guidelines, permits and requirements applicable to providing services pursuant to this Agreement, and will be solely responsible for obtaining current information on such requirements.

11. The Consultant may not use subcontractors to perform the services described herein without the express prior-written consent of the State. The Consultant will include provisions in its subcontracts requiring its subcontractors to comply with the applicable provisions of this Agreement, to indemnify the State, and to provide insurance coverage for the benefit of the State in a manner consistent with this Agreement. The Consultant will cause its subcontractors, agents, and employees to comply, with applicable federal, state and local laws, regulations, ordinances, guidelines, permits and requirements and will adopt such review and inspection procedures as are necessary to assure such compliance.

12. Any notice or other communication required under this Agreement shall be in writing and sent to the address set forth above. Notices shall be given by and to Michael Kenyon on behalf of the State, and by Kevin D. Kephart, on behalf of the Consultant, or such authorized designees as either party may from time to time designate in writing. Notices or communications to or between the parties shall be deemed to have been delivered when mailed by first class mail, provided that notice of default or termination shall be sent by registered or certified mail, or, if personally delivered, when received by such party.

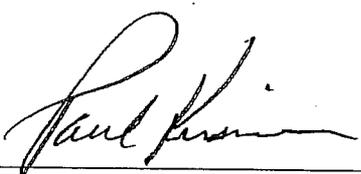
13. In the event that any court of competent jurisdiction shall hold any provision of this Agreement unenforceable or invalid, such holding shall not invalidate or render unenforceable any other provision hereof.

14. All other prior discussions, communications and representations concerning the subject matter of this Agreement are superseded by the terms of this Agreement, and except as specifically provided herein, this Agreement constitutes the entire agreement with respect to the subject matter hereof.

In Witness Whereof, the parties signify their agreement effective the date above first written by the signatures affixed below.

STATE

CONSULTANT

BY:   
Paul Kinsman

BY:   
Kevin D. Kephart

Secretary, Department of Revenue  
and Regulation

Vice President for Research,  
South Dakota State University

6-12-08  
(DATE)

May 21, 2008  
(DATE)

- State Agency Coding (MSA Center) 02100
- State Agency MSA Company for which contract will be paid 1000.
- Object/subobject MSA account to which voucher will be coded \_\_\_\_\_.
- Name and phone number of contact person in State Agency who can provide additional information regarding this contract \_\_\_\_\_.

Startup		Proposed budget for Productivity Assessment project					
Year	Items	Salary	Hourly	Benefits	Other*		Sum
May-June 2008	Hourly Work (grad/undergrad)						
	40-50 hour/wk*2 months		3520				3520
	Subcontract:						
	Tonya Hansen				2500		2500
	(5 days * \$500 / day)						
	Faculty Release						
	1 mo / combined	8000		1658			9658
	Meetings/supplies				500		500
	<b>SUBTOTAL:</b>	<b>8000</b>	<b>3520</b>	<b>1658.333</b>	<b>3000</b>		<b>16178.3</b>
May / June 2008 budget is startup including funds for hourly work on the project including supervision of work performed.							
Ms. Tonya Hansen conducted the pilot studies in 2001 - 2003. She would offer professional consultation concerning numerous aspects of this study in the first 14 months.							

FY 2009 Proposed budget for Productivity Assessment project						
Year	Items	Salary	Hourly	Benefits	Other*	Sum
July 2008 thru June 2009	Research Assoc. ( 12 mo. Contract, full time)	38000		11500		49500
	Hourly Work (grad/undergrad) 15-20 hour/wk*40 wk		6600			6600
	Faculty Release 2 mo/ Pflueger	15500		3292		18792
	2 mo/ Janssen	17167		3058		20225
	Subcontracts: Tonya Hansen (10 days*\$500/day)				5000	5000
	SD Ag Statistics (data sets)				2500	2500
	Travel / Meetings				2500	2500
	Supplies / Clerical				2500	2500
	<b>SUBTOTAL:</b>	<b>70667</b>	<b>6600</b>	<b>17850</b>	<b>12500</b>	<b>107617</b>
Faculty release time is for direct work on the project including supervision of work performed including outreach education time used by Dr. Pflueger						
Hourly work would be used to continue building the datasets for the project which initially involves eight years of data collected for each county.						
A full-time research associate would provide a similar level of work as prior pilot studies conducted by Tonya Hansen. This is the minimum level of effort needed in the first year to provide the data and expertise to implement the productivity assessment approach						

FY 2010		Proposed budget for Productivity Assessment project					
Year	Items	Salary	Hourly	Benefits	Other*	Sum	
July 2009							
thru June 2010							
	Research Assoc.	29355		10509.35		39864.3	
	( 12 mo. Contract, 3/4 time)						
	Hourly Work		5100			5100	
	(grad/undergrad)						
	12-15 hour/wk*40 wk						
	Faculty Release :						
	2 mo/ Pflueger	16000		3367		19367	
	1 mo/ Janssen	8833		1808		10642	
	Subcontracts:						
	SD Ag Statistics				2500	2500	
	(data sets)						
	Travel / Meetings				2500	2500	
	Supplies / Clerical				2500	2500	
	<b>SUBTOTAL:</b>	<b>54188</b>	<b>5100</b>	<b>15684.35</b>	<b>7500</b>	<b>82472.7</b>	
Faculty release time is for direct work on the project including supervision of work performed							
Dr. Pflueger will assume a greater amount of outreach / meeting time related to this project.							
Dr. Janssen's release time will be reduced on this project after initial setup work has been completed. Overall faculty effort on this project is reduced by 25% in the second full year							
Hourly work would be used to continue building the datasets for the project which initially involves eight years of data collected for each county.							
Research associate time and hourly work is reduced by 25% and assumes continued maintenance and updating datasets and essential special projects							
No subcontract with Tonya Hansen should be needed after the initial year.							
All salaries, wages, and benefits are increased by 3% from previous year.							