March 9, 2011

Mr. Darrell Bazzell
Vice Chancellor for Administration
University of Wisconsin-Madison
100 Bascom Hall – 500 Lincoln Drive
Madison, WI 53715

Statement of Work

I am pleased to confirm, on behalf of Huron Consulting Services LLC (Huron), our engagement to provide the University of Wisconsin-Madison (UW) services to promote efficiency, effectiveness, and flexibility at UW. This Statement of Work, including any appendices, schedules, attachments, and/or amendments, documents the understanding between Huron and UW respecting our assistance with the Benchmarking, Effectiveness, Efficiency, and Flexibility Study pursuant to Award UW-MAD 11-5289 (Services). Huron shall provide the Services pursuant to the provisions of this Statement of Work and the Master Service Agreement, which, together, describe our mutual understanding with respect to the Services (Agreement).

Objectives and Scope

UW is seeking Huron’s assistance in: (1) identifying opportunities for the institution to be more effective, efficient, and flexible, both across and internal to individual functional areas; and (2) helping UW to develop the right organizational structures, business processes, and staff competencies that allow it to execute its core responsibilities in the most effective, efficient, and flexible manner possible. The following matrix identifies the functional areas and/or business processes that Huron will focus its review on and whether each functional area/business process requires near term analysis/review, or a longer-term focus. Huron and UW will jointly update the matrix over the course of the first several weeks of the engagement, as new focal issues are identified and others become less critical.
<table>
<thead>
<tr>
<th>Functional Area/Business Process</th>
<th>Near-Term Focus</th>
<th>Longer-Term Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Structure</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Advancement/Endowment</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Accounting/Financial Reporting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auxiliary Operations</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Capital Budget &amp; Bonding</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Cash &amp; Treasury Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction Management</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Controllship</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy Consumption</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Enrollment Management</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Enterprise IT Systems</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Facilities</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Human Resources</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Information Technology</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Internal Auditing</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Internal Budgeting</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Legal Services</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Procurement</td>
<td></td>
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<tr>
<td>Research Administration</td>
<td>X</td>
<td></td>
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<tr>
<td>Risk Management</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Space Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic Sourcing</td>
<td>X</td>
<td></td>
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<tr>
<td>Student Services</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Tax Management</td>
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</tr>
</tbody>
</table>

Our efforts will result in the development of recommendations to improve the efficiency, effectiveness, and flexibility of the functional areas and business processes identified, as well as to identify and help to implement changes related to organizational structure, competencies, technology, and policies needed to effectuate changes in business processes, where appropriate.

To ensure that we are engaging a broad range of stakeholders and getting a full perspective on UW's organization and operations, we will convene three constituent groups over the course of the project detailed herein:

- **Steering Committee** – the Steering Committee will be comprised of the Chancellor, the Provost, and the Vice Chancellor for Administration and will be responsible for overseeing the effort on behalf of UW, and deciding how best to move forward on Huron's recommendations. Huron will meet with the Steering Committee every other week.

- **Advisory Committee** – the Advisory Committee will be comprised of key campus stakeholders including governance and labor representatives, as well as external constituents with experience from the private sector. The Advisory Committee will be responsible for providing perspectives
to inform Huron’s analysis and vetting the recommendations developed by Huron. Huron will meet with the full Advisory Committee monthly, and will likely interview the members of the group individually over the course of the engagement.

- Working Group — the Working Group will be comprised of staff and administrators, may have membership parallel to, or a subset of, UW’s Administrative Council, and will be responsible for assisting Huron in collecting data and information and working through potential solutions. Huron will meet with the full Working Group approximately monthly, and will likely meet with the members of the group individually or in small groups over the early part of the engagement. Under the auspices of the Working Group, Huron and UW may create a series of functional teams to provide more detailed insights and assistance in modeling out recommendations and business process changes. The parameters of the Working Group’s duties, and those of the functional teams, will be further honed during the planning phase discussed below.

UW will assign a full-time project manager to assist in the effort. This individual will help the Huron team schedule interviews, obtain data, liaise with the various constituent groups and manage the efforts of the Working Group and functional teams, and serve as an integral member of the Huron team.

**Project Charters**

To guide the work effort and to identify distinct stakeholders, communications, and progress, Project Charters will be utilized and jointly developed by the Huron Project Director and the University Project Manager.

In order to identifying stakeholders, communications, and progress, the Project Charters will fully develop scope, milestone expectations, assignments of responsibility, and outcome objectives. Huron will provide tracking of costs associated with work provided for each Project Charter developed.

**Huron’s Services**

Huron’s services will consist of the following:

- Identification of viable opportunities for operational improvements, focused on balancing potential improvements to service, morale, business process, and cost effectiveness with the costs of implementation;
- Comprehensive assessment of the high priority functions and operations;
- Benchmarking of selected functions, business processes, and organizations to support the deep assessment and detailed analysis of opportunities;
- Identification of the optimal organizational structures, people, process, technology, and governance to execute business processes;
- Collaboration with UW personnel to leverage the existing continuous improvement efforts currently underway, including APR;
- Participation in meetings, interviews, and other working sessions with UW personnel;
- Project management of the overall effort, including both Huron and UW personnel;
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- Assistance in the development of communications to the UW community and various constituencies;
- Development and presentation of deliverables; and
- Provision of other services as mutually agreed and documented as addendums to this agreement.

Huron will not be auditing any financial statements or performing attest procedures with respect to information in conjunction with this engagement. Our services are not designed, nor should they be relied upon, to disclose weaknesses in internal controls, financial statement errors, irregularities, illegal acts or disclosure deficiencies.

Approach

Our approach to fulfill your objectives will follow a tiered process, focusing first on those functional areas and business processes that are most in need of improved effectiveness, efficiency, and flexibility (termed “near term focus” herein), and then delving into those areas and processes where improvements are desired, but the time frame can be extended. We expect to use the same basic timelines, terminology, approach, deliverables, and methodologies proposed as part and parcel of Huron’s response to UW-MAD RFP # 11-5289, coupled with additional methods successfully used in the past through UW’s engagement with Huron. APR principles of transparency, inclusion and engagement will be honored and efforts will be taken to bridge Huron methodologies to the Lean Six Sigma methods practice by the campus administrative community.

1. Project Planning

During the first few weeks of the engagement, the team will validate and refine the scope and objectives, develop and vet a more detailed work plan, and confirm staffing. We will develop a detailed Project Plan and schedule, conduct kickoff meetings with primary constituent groups, submit initial data and interview request lists, and confirm data access and security for team members. The team will develop quality assurance procedures, risk mitigation plans, and a status reporting process. The team will also develop a project communication plan and vet that plan with the Steering Committee.

2. Current-State Assessment

Simultaneous to the project planning effort, we will conduct interviews across campus with the functional area leaders and business process owners to understand the critical issues and needs present in each. As a result of these interviews and a review of existing data, we will triage the broader list of immediate focus areas into a roadmap and timeline, detailing how best to move forward to solve each of the critical issues and needs.

3. Detailed Assessment and Analysis

During the detailed assessment and analysis step, the team will conduct additional, more focused interviews, deeper data collection of functional area information, map business processes where appropriate, and conduct more robust and focused benchmarking. We will assess organizational structures, competencies, technology, and policies to ascertain whether existing infrastructure can execute
Huron’s recommendations. Huron and UW will jointly define, for each critical area, whether Huron will provide detailed recommendations and business cases (replete with a justification for the proposed change and a cost-benefit analysis, including not only financial, but also implications to service levels, effectiveness, and morale) or move immediately to implementation, which could take the form of any of the following:

(a) Project Management, which entails Huron helping to marshal UW resources to accomplish the necessary change through executing project management tasks, identifying project champions, communicating status to the community and executive leadership, and holding champions responsible for progress;

(b) Interim Management, which includes hiring necessary staff, developing policies and procedures, and deploying staff training; or

(c) Interim Staffing, where Huron would serve as the staff executing the business processes until UW personnel could be hired and/or trained to take over.

Through this overarching process, we will also identify and develop detailed business cases for more holistic recommendations on how UW can improve its organizational and operational model. Implementation efforts on one initiative may occur contemporaneous with the recommendation development process for other initiatives.

Project Staff

Laura Yaeger, Vice President and Huron’s Higher Education Practice Leader, will serve as the Executive Advisor to UW’s Steering Committee and will have overall responsibility for the engagement’s success. Greg Bedell, a Managing Director in our Higher Education Consulting practice, will have overall responsibility for this successful execution of Huron’s fieldwork. Joy Walton, a Managing Director in our Higher Education Technology practice, will serve as the Quality Assurance Director. Scott Friedman, a Director in our Higher Education Consulting practice will lead the fieldwork. The core project team will begin with two dedicated Project Managers with experience on similar projects, two dedicated Associates with experience on similar projects, and 3 to 4 Analysts. In addition, we will bring to bear our vast cadre of subject matter experts, who will help to guide the pertinent streams of analysis, recommendation development, and deployment/implementation. We will work closely with UW to evaluate staffing needs as the project evolves.

Your Responsibilities

In connection with our provision of services, you will perform the tasks, furnish the personnel, provide the resources, and undertake the responsibilities specified below.

You will designate an employee or employees within your senior management who will make or obtain all management decisions with respect to this engagement on a timely basis. You also agree to ensure that all assumptions set forth below are accurate and to provide us with such further information we may need and which we can rely on to be accurate and complete. You also agree to cause all levels of your
employees and contractors to cooperate fully and timely with us. We will be entitled to rely on all of your decisions and approvals and we will not be obligated to evaluate, advise on, confirm, or reject such decisions and approvals.

To help maximize the value of our work to you and to keep the project moving on schedule, you agree to comply with all of our reasonable requests and to provide us timely access to all information and locations reasonably necessary to our performance of the services.

**Project Assumptions**

Our services are based on the following assumptions, representations, and information supplied by you. These assumptions formed the basis for the estimates associated with this project, contained in Huron’s response to UW-MAD RFP #11-5289. Any change in these assumptions will impact the project schedule and cost.

**Project Staffing**

- UW will provide two internal resources dedicated to this project. In addition to the UW project manager mentioned above, UW will also provide one individual who will be responsible for maintaining and updating the website that will be created as part of the communication plan for this effort.

- The project will be primarily performed on site at UW Madison’s main project location. Huron team members may also work remotely in their respective Huron office and home office locations throughout the engagement.

- UW will provide workspace, login accounts, phone/fax/internet/intranet/network and remote VPN access for each core team member prior to the start of step 2 outlined above.

The successful delivery of our services, and the fees charged, are dependent on (i) your timely and effective completion of your responsibilities, (ii) the accuracy and completeness of any assumptions, and (iii) timely decisions and approvals by your management. You will be responsible for any delays, additional costs, or other liabilities caused by any deficiencies in the assumptions or in carrying out your responsibilities.

**Fees and Expenses**

We will bill the University on an hourly basis based on the actual hours worked and the following hourly billing rates for the following roles.
<table>
<thead>
<tr>
<th>Engagement Role</th>
<th>Huron Position Title</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Director</td>
<td>Director</td>
<td>$272</td>
</tr>
<tr>
<td>Project Managers</td>
<td>Manager</td>
<td>$227</td>
</tr>
<tr>
<td>Associates</td>
<td>Associate</td>
<td>$225</td>
</tr>
<tr>
<td>Analysts *</td>
<td>Analyst</td>
<td>$175</td>
</tr>
</tbody>
</table>

* Huron will provide up to 2560 hours of analyst time at a discounted, fixed fee amount of $100,000. Analyst time beyond 2,560 hours will be billed the rate of $175.

To the extent that Huron senior leadership is required to participate to ensure clear direction and oversight is provided, rates shall be $325 for assigned Managing Directors. To the extent that expert resources are requested from other Specialized Practice areas within Huron or Huron’s network of Contractors, rates shall be agreed upon in advance of engaging them on the project.

Huron agrees to keep the above rates effective through December 31st, 2011. Thereafter rates will revert back to rates established in the Master Agreement and as submitted in Huron’s Response to UW-MAD RFP #11-5289.

All out of pocket expenses (including transportation, lodging, meals, communications, supplies, copying, etc.) will be billed at the actual amounts incurred, per the terms of the Master Agreement. These expenses typically equal approximately 15% of the project fees. Huron will submit invoices to the University of Wisconsin semi-monthly for fees and expenses incurred over the last half-month. Payments will be made per the terms of the Master Agreement, including any provisions for late fees.
We appreciate the opportunity to be of service to you and look forward to working with you on this important initiative.

Sincerely,

HURON CONSULTING SERVICES LLC

By: Laura A. Yaeger, Managing Director

Acknowledged and Accepted:

The University of Wisconsin

By: Mike Hardiman, Director of Purchasing Services

Date: 3/17/2011