

BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

SECTION: <i>6</i>
DATE: July 21, 2006

RECOMMENDATION

ANONYMOUS ETHICS AND COMPLIANCE REPORTING SOLUTION

ACTION REQUESTED

It is recommended that the Board of Regents accept the bid of Global Compliance Services, Inc. for the implementation of an anonymous ethics and compliance reporting solution at Eastern Michigan University (EMU), and authorize the administration to sign a contract with Global Compliance Services, Inc. for a term not exceeding five years.

STAFF SUMMARY

On May 31, 2006 EMU released a Request for Proposal (RFP) for an Anonymous Ethics and Compliance Reporting Solution. Copies of the RFP were forwarded to eight companies that provide anonymous reporting solutions. Prior to the June 15, 2006 bid deadline, EMU received responses to its RFP from two companies, Global Compliance Services, Inc. (Global) of Charlotte, North Carolina and The Network, Inc. (Network) of Norcross, Georgia. The responses to EMU's RFP were evaluated by an EMU Committee consisting of Steve Holda, Director of Finance, Gary Reffitt, Director of Purchasing and Ken McKanders, General Counsel. The Committee is recommending that the Board of Regents accept the bid of and authorize the administration to enter into a contract with Global Compliance Services, Inc. While the substantive proposals of Global and the Network are similar, and both companies have been in the business of providing reporting solutions for approximately 25 years, Global's pricing arrangement was substantially less than the Network's. For the implementation of a telephone hotline and web-based anonymous reporting solution at EMU for faculty and staff, Global's basic fee consists of a \$2,250 annual fee with a one-time only set-up fee of \$995. Further, at EMU's option Global is willing to add EMU students at no additional cost. The Network's basic fee for a similar reporting solution for faculty and staff only consists of a \$7,500 annual fee with a \$1,000 one-time only set-up fee that the Network is willing to waive. Both companies would assess additional charges if EMU desires to customize their basic systems. Further, EMU would incur additional costs if it purchases reporting solution printed awareness materials for faculty and staff from the companies (Global's recommended package - \$7,100 for 200 posters, 2100 brochures and 2100 wallet cards; Network's recommended package - \$10,256 for 100 posters, 6400 letters, 6400 brochures and 6400 wallet cards).

Global would be able to activate an EMU reporting solution within three weeks of receipt and completion of a Program set-up worksheet and EMU's payment of the initial invoice. Global's reporting solution would be operational 24 hours a day, 7 days a week, 365 days

a year. The telephone hotline service would utilize Global's in-house Contact Center, and interpretive services would be available in 150 languages. The "Web Allegation" service would be similarly available and would include an option to translate forms in up to 150 languages. All Global employees are required to sign confidentiality agreements. After initial reports are forwarded to EMU, the solution would allow EMU to submit follow-up inquiries to reporters without compromising the reporter's identity. Further, the solution would provide EMU with a case management tool and a data extraction and graphing tool that will enable EMU to analyze and chart report data.

Global currently serves over 1550 clients across diverse industries including corporations, colleges and universities, governmental entities, and not-for-profit organizations. University clients include Yale University, George Washington University, University of Pittsburgh, University of Connecticut, Colombia University, Cleveland State University and the University of New Mexico. Three universities serve on Global's Client Advisory Committee.

EMU's Vendor contract and selected pages from Global's response to EMU's RFP are attached for your information and review.

FISCAL IMPLICATIONS

Global's basic fee consists of a \$2,250 annual fee with a one-time only set-up fee of \$995.

ADMINISTRATION RECOMMENDATION

The proposed Board action has been reviewed and is recommended for Board approval.

University Executive Officer

Date

June 13, 2006

Gary Reffitt
Director, Purchasing and Communications
Eastern Michigan University
122 Physical Plant Building
Ypsilanti, MI 48197

Dear Mr. Reffitt,

We are pleased to submit our response to your request for proposal for an anonymous ethics and compliance reporting solution. As the original and leading ethics and compliance services provider in the industry, we welcome this opportunity to describe Global Compliance's unique combination of integrated solutions, superior information technology, and unparalleled commitment to developing best practices and customizing your service experience. We are confident that you will find no other provider can match our experience, client base, global reach, current product and service line, ongoing product and service development, consultative guidance, financial standing, and leadership. Please see Appendix A for a description of how we surpass the competition in each of these areas.

While our competition may attempt to duplicate our services, no one can duplicate our *experience and expertise* for no other company has invested the years, money, and thought leadership into this industry to the extent we have. If you can judge an organization by the company it keeps, then look no further than some of the leading organizations we name not only as clients but active partners in developing best practices in this industry: Yale University, Columbia University, University of Connecticut, The George Washington University, University of Pittsburgh, Cleveland State University, University of Connecticut, and University of New Mexico.

The executive leadership team at Global Compliance would welcome the opportunity to meet face-to-face with representatives of Eastern Michigan University. We invite you to visit our headquarters so you can tour our Contact and Data Centers, meet our team, and discuss your unique needs and how Global Compliance's unique strengths can meet them. We look forward to doing business with Eastern Michigan University.

As an officer of Global Compliance, I hereby acknowledge the accuracy and validity of the information contained herein. In addition, we have reviewed the terms and conditions of the agreement provided by Eastern Michigan University and found them acceptable. If you have specific questions concerning the proposal, please do not hesitate to contact Larry Schuett, Business Development Manager, directly at 800-528-5745, ext. 640.

Sincerely,

Nick Ciancio
Vice President, Marketing

Executive Summary

In order to meet Eastern Michigan's needs and fulfill the scope of this RFP, Global Compliance is submitting an initial recommendation of the following comprehensive and integrated helpline solution:

- A 24/7/365 **Hotline service** utilizing our in-house Contact Center staffed by over 60 highly trained and experienced Communication Specialists. Interpretation services would be available in 150 languages.
- In addition to hotline services, **Web Allegation**, also available 24/7/365, will be included for web-based report intake with the option to translate forms in up to 150 languages.
- A comprehensive **case investigation management tool with work flow** will be included to provide a consistent tool for managing cases from open through closed, regardless of whether the cases come in via phone or web. Users will be able to set tasks with reminder flags and due date notifications.
- A **data extraction and graphing tool** will be included for trending, analysis, and charting of report data from all sources. This tool will enable Eastern Michigan to query data and output reports on a real-time, ad hoc basis. Eastern Michigan will be empowered to track trends in their data and create custom reports for various constituents, including executive management.
- **Awareness and Education** to support your program objectives can be developed, fulfilled, and validated by Global Compliance. The program components drive knowledge of ethical behavior, reporting responsibilities, and processes for speaking up, as well as measure the retention and understanding of program content necessary to meet the results you are trying to achieve.

Our **Hotline** and **Web Allegation** services work in the following way. For each report in which an issue is presented, or in which some response is required or requested from Eastern Michigan, a report identification number and security code will be assigned for tracking purposes. A written report of the allegation will be delivered to authorized report recipients of Eastern Michigan no later than 12 hours after the call is received. Each report will be categorized by subject matter ("allegation") and assigned a priority level based on the urgency of the information contained therein. In the event of a high priority report, Global Compliance representatives will make verbal contact with authorized Eastern Michigan personnel to advise them of the urgent situation.

Reports will be delivered to the appropriate Eastern Michigan report recipients by email or to the secure online information management system. Once delivered to the information management system, designated Eastern Michigan representatives would be empowered to track and respond to reports as well as manage cases using our **case investigation**

management tool. If delivered by email, reports will be presented in a format of Eastern Michigan's choosing; possible formats include plain text, PDF, HTML, XML, and Microsoft Access files. Reports will be distributed according to Eastern Michigan's specifications, which may involve directing reports to appropriate departments according to the nature of the information reported by each caller.

To accommodate callers who do not speak English or who prefer to communicate in their native language, Global Compliance will employ the services of a third-party telephonic interpretation service. This service is available 24 hours a day and provides immediate access to interpreters skilled in over 150 languages. Bilingual Communications Specialists are available for Spanish, and Global Compliance will take Spanish-speaking calls in-house when possible. Reports that arrive in written form to Global Compliance will be provided to Eastern Michigan in the language in which it was received. Reports received by telephone will be delivered in English.

A summary of program activity will be provided at the end of each month. The summary report will contain information about the report volume, types of reports, allegations, reporter anonymity, and other information for the previous month and for the year to date.

At a minimum, Global Compliance will dedicate the following resources to developing, implementing, and supporting Eastern Michigan's program, inclusive of all services described above:

For development, implementation, communication and training:

- A Business Development Manager (Larry Schuett)
- An Implementation Specialist
- A Training Specialist
- An Awareness and Education Specialist

For ongoing support:

- A Client Solutions Consultant to serve as Eastern Michigan's single point of contact for consultation and guidance, including program audits and complex solution design
- The Client Care team for routine support and maintenance
- A Business Development Manager (Larry Schuett) to serve as ongoing relationship manager
- An Awareness and Education Specialist for evaluation of communication effectiveness and ongoing needs assessment

Costs

23. Clearly identify and all costs associated with your proposed solution.

ITEMIZED PRICING

ANONYMOUS ETHICS AND COMPLIANCE REPORTING SOLUTION

PRICING PROVIDED ASSUMES:

- ❖ *2,030 Faculty and Staff*
- ❖ *Students, optionally, at no additional cost*
- ❖ *Custom Phone and Web services with full case investigation management and report writing tools*

Ethics and Compliance Hotline Services \$2,250 annually

Set up fee \$995 one time

For the proposed annual fee, Global Compliance will provide the following:

- 24/7 coverage of a propriety domestic use toll-free telephone number (transfer existing number)
- Scripted and intuitive interview process
- **Unlimited call volume**
- **Web Allegation Submission** in English (other languages available)
- Reports of individual calls delivered within 12 hours of each call
- Delivery of reports by allegation or location to up to 3 designated Case Managers
- Use of online **Information Management System** for up to 3 user licenses to receive, respond to, search, enter new reports, and receive management reports
- **Online Case Investigation Management** access for up to 3 user licenses and an unlimited number of investigators
 - Set and change a case status to follow an investigation from open through closed
 - Assign cases to an unlimited number of investigators
 - Send auto-generated email notification of assignment and case activity
 - Input investigation case notes
 - Search case notes and case status
 - Attach documents to the case
- **Data Extraction and Graphing Tool** for report query capabilities for all online case managers
 - Enables real-time queries and analysis of report data
 - Perform ad hoc trending and statistical analysis
 - Query results download into an Excel spreadsheet for data manipulation, formatting, and charting
 - Various pre-defined queries available to run on demand

- **Monthly Summary Reports** detailing MTD and YTD program activity
- Support from our AlertLine client service's team for program set up, online training, and on-going program maintenance
- Acceptance of all telephone toll charges
- Telephonic interpretation services available in over 150 languages (\$3.70 per minute)

AGREEMENT

This Agreement made this ____ day of _____, 2006, by and between Eastern Michigan University (EMU), located in Ypsilanti, Michigan and Global Compliance Services, Inc., located at 13950 Ballantyne Corporate Place, Suite 300, Charlotte, NC, 28277 (Vendor).

EMU and Vendor agree as follows:

1. The initial term of this Agreement shall be for a period of ____ year(s), from _____ to _____. The parties may mutually agree in writing to extend the term of the Agreement.

EMU reserves the right to terminate the Agreement at any time, with or without cause, on thirty (30) days prior written notice to Vendor.

2. The provisions of the attached EMU May 31, 2006 Request For Proposal (RFP) and Vendor's response to RFP dated June 13, 2006, are hereby incorporated by reference and made a part of this Agreement. To the extent there are conflicts or inconsistencies between the documents, the provisions of this document and EMU's RFP shall take precedent over the Vendor's document.

3. In consideration for the mutual covenants contained herein, EMU shall pay Vendor as follows: Initial one-time only set-up fee - \$995; Annual fee - \$2,250; Customization one-time only fee - \$_____; Printed Program Materials costs - \$_____ for the following materials - _____.

4. Vendor may not assign or transfer this Agreement, any interest therein or claim thereunder, without the prior written approval of EMU.

5. Vendor assures that to the best of Vendor's knowledge there exists no conflict of interest or appearance of a conflict between Vendor's family, business or financial interest and the services provided under this Agreement. Should this situation change during the term of this Agreement, Vendor will advise EMU of such change.

6. Vendor shall keep confidential and shall not publish or otherwise disclose, except to EMU and except matters of public record, any information or data obtained hereunder.

7. This Agreement shall not be construed to create a partnership, joint venture, nor other agency relationship between the parties, who are independent of one another. The relationship of the Vendor to EMU is and shall continue to be that of an independent contractor, and no liability or benefits such as workers' compensation, pension rights or liabilities, insurance rights or liabilities, arising out of or related to an employer/employee relationship, shall arise, or accrue to either party or either party's

agent, subcontractor or employee, as a result of this Agreement or its performance. No relationship, other than that of independent contractor, shall be implied between the parties or between either party and the other party's agent, employee, or subcontractor, and the Vendor hereby agrees to hold EMU harmless for any such claims by it or its associates, and any cost or expense related thereto.

8. EMU shall have access to and the right to examine any directly pertinent books, documents, papers and records of Vendor involving transactions related to this Agreement.

9. In the event of a failure by Vendor to satisfactorily perform the services specified herein and/or a default by Vendor in abiding by the other terms and conditions of this Agreement, EMU may terminate the Agreement on written notice to Vendor and Vendor shall be liable for all damages, costs, and expenses (including attorney fees) incurred by EMU related to this default.

10. Vendor agrees to defend, indemnify and hold harmless EMU, its regents, officers, employees, agents and students from any and all liability which they may incur arising directly or indirectly from Vendor's performance of this Agreement.

11. Vendor shall obtain, and shall maintain at all times during the term of this Agreement, insurance in the following kinds and amounts:

- a. Standard Workers Compensation and Employers Liability as required by state statute, including occupational disease, covering all employees on or off the work site, acting within the course and scope of employment.
- b. General Personal Injury, and Automobile Liability (including bodily injury and property damage) minimum coverage: \$1,000,000 per incident, \$3,000,000 aggregate, written on an occurrence basis.

12. This Agreement may be changed, amended, modified, extended or assigned only by mutual consent of the parties provided that consent shall be in writing and executed by the parties hereto prior to the time such change shall take effect.

13. The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as or be construed to be a waiver of any subsequent breach of the same or other provisions.

14. Any paragraph, sentence, phrase, or other provision of this Agreement which is in conflict with any applicable statute, rule, or other law shall be deemed, if possible, to be omitted herefrom. The invalidity of any portion hereof shall not affect the force or effect of the remaining portions hereof.

15. This Agreement shall be construed and enforced in accordance with the laws of the State of Michigan, and suit must be brought within the State of Michigan.

16. This Agreement incorporates and supersedes all prior negotiations, communications, understandings and agreements between the parties hereto regarding the subject matter hereof, whether written or oral. No such prior negotiations, communications, understandings or agreements shall be of further force or effect.

17. Vendor shall not discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status, or sexual orientation, or disability that is unrelated to the individual's ability to perform the duties of a particular job or position. A breach of this covenant may be regarded as a material breach of the contract.

18. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, EMU and Vendor, by and through their duly authorized officers and representatives, have executed this Agreement as of the date first above written.

EASTERN MICHIGAN UNIVERSITY

GLOBAL COMPLIANCE SERVICES, INC.

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

WITNESSED

WITNESSED
