

## PACE Service Provider Contracts Policy

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- I. Purpose. The purpose of this policy is to ensure thorough and consistent contracting terms and practices for PACE service providers.
- II. Service Providers. PACE contracts with a variety of service providers. Examples include, but are not limited to, service contracts with third-party administrators, systems and system maintenance, reinsurance and excess brokers, investment managers, general counsel, coverage counsel, agents authorized by the pool to place coverage for members, project consultants, professional advisors, or other operational relationships.
- III. Contracting Authority. The OSBA Executive Director, PACE Administrator, or designee has the authority to enter into service contracts up to \$250,000. Contracts more than \$250,000 must be approved by a quorum vote of the PACE Board of Trustees.
- IV. Oregon Public Contracting Law. PACE will comply with Oregon public contracting law as further detailed in the PACE Local Contract Review Board Rules.
- V. Required Contract Terms. PACE requires the following contract provisions to be addressed in service contracts:
  - A. Scope of Services. All service contracts must contain a provision outlining the scope of services provided by the service provider.
  - B. Reporting Requirements. As applicable, service contracts must contain a provision regarding periodic reporting. If periodic reporting is required by the service contract, the contract must identify the form and timing of such reports.
  - C. Service-Level Agreement. As applicable, service contracts must contain performance measures or minimum service requirements and corresponding reporting methods.
  - D. Compensation Details. All service contracts must contain a provision detailing compensation.

- E. Ownership and confidentiality of pool data and information. As applicable, service contracts must contain a provision stating that PACE retains ownership of all of its pool data and requiring that pool data and information be kept confidential by the service provider to the extent possible under applicable law.
- F. Business Continuity and Obligations. As applicable, service contracts must contain a provision detailing the service provider's obligation to ensure PACE's continuing operation.
- G. Data Security Obligations. As applicable, service contracts must contain a provision outlining the service provider's obligation to maintain security of PACE data.
- H. Records Retention Standards and Accountabilities. As applicable, service contracts must contain a provision outlining record retention standards and accountabilities.
- I. Compliance with Applicable Laws and Regulations. All service contracts must contain a provision stating that service providers shall comply with all applicable laws and regulations.
- J. Indemnification. All service contracts must contain a provision setting forth indemnification requirements.
- K. Insurance. All service contracts must contain a provision regarding insurance requirements.
- L. Assignment. All service contracts must contain a provision regarding assignability of the contracted relationship.
- M. Cancellation and Termination. All service contracts must contain a cancellation and termination provision.
- N. Breach. All service contracts must have a provision containing a contract breach definition.

- O. Remedies. All service contracts must have a provision stating the remedies available in the event of a breach.
- P. Choice of Law. All service contracts must have a choice of law provision stating the applicable law and legal venue where disputes will be resolved.
- VI. Legal Review of Service Contracts. All service contracts entered into by PACE shall be reviewed by an attorney prior to PACE entering into the service contract.
- VII. Required Notices to the PACE Board of Trustees (PACE Governing Body).
  - A. The PACE Board of Trustees shall receive annual documentation of all service contracts entered into by the pool, except for de-minimis contracts defined by the PACE Board of Trustees as service contracts less than \$25,000 in value which the PACE Board of Trustees has determined is unnecessary to bring to its attention. Contract documentation includes the fee structure of contracts, including whether commission-based fees are paid by or to the pool, and whether compensation to or by the pool is calculated as a percentage of savings.
  - B. The PACE Board of Trustees shall receive agent or broker compensation structure information, including full disclosure about the fee structure and whether commission-based fees are paid by PACE to such agents or brokers on an annual basis, and at any time the compensation structure changes.
- VIII. Gifts. PACE does not under any circumstances require or expect service providers to provide gifts, perks, or other benefits to its governing board or staff as a condition of doing business with PACE.