

President Succession Plan

Senate Bill No. 1064 requires CIRM to engage in leadership succession planning for both the Board and the agency to minimize the impact and disruption of a change in leadership and to ensure the successful transfer of knowledge. CIRM's Governing Board has adopted policies and procedures with respect to the selection of the Chair and Vice Chairs of the Governing Board. This document is intended to outline a plan, if necessary, for the succession of CIRM's President, Alan Trounson. This plan is based on the Board's last two presidential searches.

1. Re-establish Presidential Search Subcommittee: The Board relied on a Presidential Search Subcommittee to oversee the last two searches conducted by CIRM. The subcommittee comprised 14 members of the Governing Board and was chaired by the Chairman of the Governing Board. Current Board members who served on the Subcommittee include: Goldberg, Lansing, Bryant, Price, Sheehy, Pizzo, and Samuelson. The Presidential Search Subcommittee recommended criteria for evaluating candidates for President, selected an executive search firm, and conducted interviews of candidates, and recommended candidates to the Governing Board. Although there is no present need for a search committee, we recommend that the Board take action now to ensure that a subcommittee can be established immediately if and when the need arises. Because the composition of the Board will likely change between now and the time a subcommittee is required, we suggest that the Board consider delegating authority to the Chair of the Board to appoint a broad-based search committee composed of Board members drawn from among the patient advocates, life science commercial entity representatives, university representatives, and non-profit research institute representatives at the time a need for the subcommittee arises.

Recommendation: Delegate authority to the Chair of the Board to re-establish the Presidential Search Subcommittee and appoint its members when the need arises.

2. Prepare a Request for Proposals for an executive search firm: For the last two presidential searches, the Board solicited proposals from executive search firms. In response to the first request, the Board received proposals from A.T. Kearney, Spencer Stuart, Isaacson Miller, Kincannon & Reed, and Caliber Associates. The Board selected Spencer Stuart. In response to the second RFP, Spencer Stuart, Opus, Kelly Healthcare, Edward W. Kelley & Partners submitted bids. The Presidential Search Subcommittee selected Spencer Stuart to assist with the second search. Because the process of issuing a Request for Proposals, interviewing potential firms, and selecting a firm can be time-consuming, we propose to draft the specifications for an RFP now so that it can be issued as soon as the need becomes apparent. A copy of the 2007 RFP is attached as Attachment A. We also recommend that the Board delegate authority to the Presidential Search Subcommittee to select and approve a contract with an executive search firm, as it did with the second search, at the appropriate time.

Recommendation: Direct staff to prepare Request for Proposals for executive search firm and authorize Presidential Search Subcommittee, once appointed, to select and approve a contract with an executive search firm at the appropriate time.

3. Determine the eligibility criteria and the most important qualities for candidates for President: The Presidential Search Subcommittee spent a considerable amount of time evaluating and recommending criteria and key qualities for candidates for President. For example, the Subcommittee recommended that the President could not maintain a research laboratory while serving as President due to concerns regarding the time commitment for the President and the potential for conflicts of interest. The Subcommittee also emphasized the desire for the candidate to be prominent scientist and a leader in the stem cell research field. CIRM is now a more mature and established organization, so it is possible that members of the Board may now have different views concerning the criteria and essential qualities for candidates for President and that these views may have evolved further by the time a search becomes necessary. Copies of the 2005 and 2007 candidate specifications prepared by Spencer Stuart, based on criteria approved by the Board, are attached as Attachments B and C, respectively.

Recommendation: At the appropriate time, consider the eligibility criteria and desired qualities for candidates for President.

4. Consider process for appointing an interim President: CIRM has been served by four interim Presidents since its inception. At its meeting in January 2005, before the agency had hired any staff, the Board asked Chairman Bob Klein to serve as interim President. In March of 2005, the Board hired Dr. Zach Hall to serve as interim President before appointing him as President later that year. Immediately after Dr. Hall announced his resignation in April 2007, the Board appointed Dr. Arlene Chiu, the Chief Scientific Officer, and Lori Hoffman, the Chief Administrative Officer, to serve as co-interim Presidents. During its search for a new President, which took approximately six months, the Board appointed Rich Murphy, a former member of the Board, to serve as interim President, providing important stability for the agency during the search and permitting existing staff to focus on their other responsibilities. As demonstrated by this history, there are different models for filling the role of interim President. Because the desirability of these models may turn on the length of the transition to a new President and other factors not known at this time, we recommend that the Presidential Search Subcommittee, at the appropriate time, consider the desirability of the various options and the process for appointing an interim President.

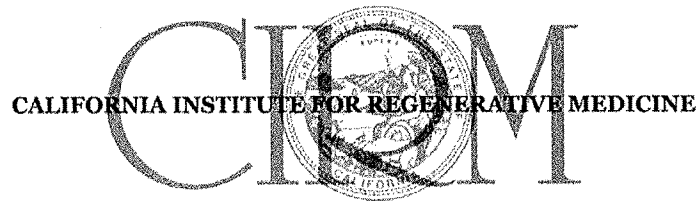
Recommendation: At the appropriate time, consider the options and process for selecting an Interim President to ensure a smooth transition to a new President.

5. Transfer of Knowledge: A smooth transition to new leadership depends upon the successful transfer of knowledge to a new President. CIRM has now been in existence for almost eight years. Many of the original members of the Governing Board continue to serve on the Board and CIRM's staff includes several individuals who were among the agency's early employees and many others who have served the agency for multiple years. In addition, CIRM is now a mature organization with well-established policies and processes. Thus, a new President will have the benefit of guidance from Board members and members of the agency staff who have significant historical knowledge and of policies and processes that have been in existence for some time and with which staff and members of the Board are very familiar. These factors should permit a smooth transfer of knowledge to a new President. To the

extent that the timeframe for a transition to new leadership permits, CIRM would also benefit from a handoff of power from the current President to a new President to permit the transfer of knowledge from one leader to the next. For example, Dr. Murphy and Dr. Trounson overlapped for a period of time to ensure a smooth transition.

Recommendation: At the appropriate time, consider ways in which CIRM can ensure a transfer of knowledge from the current President to the new President.

ATTACHMENT A



REQUEST FOR PROPOSAL

**February 2, 2007
Executive Search Firm Services
RFP# CIRM 2055**

You are invited to review and respond to this Request for Proposal (RFP), entitled RFP#CIRM2055 Executive Search Firm Services for the California Institute for Regenerative Medicine (CIRM). In submitting your proposal, you must fully comply with these instructions. Missing and/or incomplete information may cause your response to be disqualified from further consideration. The RFP seeks qualified executive search firms to submit proposals to conduct a search for a president of CIRM described in Section A, Item 2,

In the opinion of the CIRM, this RFP is complete and without need of explanation. However, if you have questions, or should you need any clarifying information, the contact person for this RFP is:

Contract Manager
Melissa King
(415) 396-9119

All submittals must be received on or before 5 PM Pacific Time, Friday, February 23. Return 4 identical copies (One original signed and three identical copies) to:

California Institute for Regenerative Medicine
210 King Street
San Francisco, CA 94107
Attn: Robert Klein
(415) 396-9107

**Faxed submittals will not be accepted
Late submittals will not be accepted**

Please note that no *verbal* information given will be binding upon the State unless such information is issued in writing as an official addendum.

Table of Contents

Section	Page
A) Purpose and Description of Services	3
1) Introduction.....	3
2) Scope of Service	4
3) Term of Agreement.....	5
B) Minimum Qualifications for Proposers	5
C) Proposal Requirements and Information	5
1) Key Action Dates.....	6
2) References.....	6
3) Submission of Proposal.....	6
4) Evaluation Process.....	8
5) Disposition of Proposals	9
6) Agreement Execution and Performance	9
D) Required Attachments	10
1) Proposer References	
2) Payee Data Record (STD 204)	
E) Exhibits	12
1) Sample Independent Consultant Agreement	

A. Purpose and Description of Services

1. Introduction

The California Institute for Regenerative Medicine (CIRM) was established for the purpose of making grants and loans to California's universities and other advanced medical research facilities throughout the state for stem cell research, for research facilities, and for other vital research opportunities to realize therapies, protocols, and/or medical procedures that will result in, as speedily as possible, the cure for, and/or substantial mitigation of, major diseases, injuries, and orphan diseases. Priority will be given to stem cell research that has the greatest potential for therapies and cures, specifically focused on pluripotent stem cell and progenitor cell research among other vital research opportunities that cannot, or are unlikely to, receive timely or sufficient federal funding. Funding for the grants and loans and for the operational costs necessary to accomplish this purpose will come from the issuance by the State Treasurer of \$3 billion in general obligation bonds. The grant and loan funding decisions will be made by the Independent Citizens' Oversight Committee (ICOC), a twenty-nine member body charged with governing the CIRM. The ICOC is authorized under Proposition 71 of 2004 to commit an average of \$295 million per year in grants and loans over a 10-year period. In addition, the ICOC is authorized to accept real and personal property donations to fund operations and grant programs. Also, the ICOC is authorized to accept general fund loans to finance start up activities for CIRM or to provide bridge financing until the bonds are sold. Finally, the State Treasurer may issue Bond Anticipation Notes (BANS) as bridge financing.

CIRM seeks to contract with an executive search firm to assist the CIRM in its search for a president. The California Research and Cures Act, Proposition 71, defines the role of the president as follows:

The president's primary responsibilities are to serve as the chief executive of the institute; to recruit the highest scientific and medical talent in the United States to serve the institute on its working groups; to serve the institute on its working groups; to direct ICOC staff and participate in the process of supporting all working group requirements to develop recommendations on grants, loans, facilities, and standards as well as to direct and support the ICOC process of evaluating and acting on those recommendations, the implementation of all decisions on these and general matters of the ICOC; to hire, direct, and manage the staff of the institute; to develop the budgets and cost control programs of the institute; to manage compliance with all rules and regulations on the ICOC, including the performance of all grant recipients; and to manage and execute all intellectual property agreements and any other contracts pertaining to the institute or research it funds.

Under Proposition 71, the governing board of CIRM, the Independent Citizens' Oversight Committee ("ICOC") "shall set compensation for the chairperson, vice chairperson, and president...within the range of compensation levels for executive officers...of medical schools within the University of California system and the nonprofit academic and research institutions...."

The ICOC has set the salary level for the President at the following:

Level 10 \$275,000-\$412,500

The firm that is selected must be technically and professionally capable of providing the services in all subject areas described in Section A, Item 2, Scope of Services and meet the Minimum Qualifications for Proposers in Section B. The firm must be free from actual conflicts of interest not only at the time of selection, but also throughout the term of the contract.

The CIRM expects that the winning firm will be able to start as soon as possible immediately after the execution of the contract. The CIRM anticipates entering into a six month contract with a possible extension based on mutual agreement between the CIRM and the winning firm and a 30-day cancellation clause by either party.

2. Scope of Services

The executive search firm will be expected to provide the CIRM with the following as described herein:

a) Firm's Experience, Personnel and References

1. Detailed information regarding the search firm, including prior relevant experience in placement of senior people in business operations and scientific leadership positions.
 - i. Qualifications and Experience of Firm - Discuss the overall experience of your firm that demonstrates your ability to successfully complete the Scope of Services, Section A, Item 2.
 - ii. Qualification of Personnel/Resumes - Identify the staff that will be providing the services required by the proposal, including years and type of experience for each person. Experience should include number of years at current firm as well as all prior service. Experience in search firm services should be detailed. The party in charge of the CIRM account must have at least five years prior placement experience of senior people in business operations and scientific leadership positions.
 - iii. The firm should insure that the quality and availability of its staff assigned to this agreement will be maintained over the term of the agreement. Any changes in assigned staff are at the discretion of the firm, provided that any replacements have substantially the same as or better qualifications and experience than the original personnel.
2. An all inclusive competitive cost proposal based on a percentage of the president's compensation (contingency) and/or a flat fee (retainer), include all administrative expenses and travel on a not to exceed basis.
3. A detailed timeline for the successful completion of the presidential search. Suggestions to potentially streamline the search timeline can also be presented. Cost implications for streamlining the search process should also be presented, if applicable.
4. Plan to coordinate all Presidential Search Committee meetings with CIRM and the Presidential Search Committee members, as appropriate.

- i. The successful executive search firm will be required to meet with the ICOC Presidential Search Sub-Committee at the initiation of the search and to make oral and written presentations to the Sub-Committee, when appropriate.

3. Term of Agreement

The term of the Agreement will be for six months with a possible extension based on mutual agreement between the CIRM and the winning firm.

B) Minimum Qualifications for Proposer(s)

The CIRM expects to have a close working relationship with its executive search firm as evidenced by the nature of the tasks listed above, and requires the demonstration of a high degree of experience, training and proficiency in the conduct of the various functions performed. The executive search firm should have extensive background in placement of senior people in business operations and scientific leadership positions. In addition, the CIRM expects that its executive search firm will comply with current industry standards and will maintain appropriate expertise at the firm’s own expense. Proposer must have, at minimum, the following qualifications and experience:

- 1. Firm must be a professional executive search firm with a specialization in placement of senior business operations and scientific candidates.
- 2. Firm must have conducted, within the last 5 years, at least three executive searches in the areas outlined above.
- 3. Firm must have sufficient staff to provide executive search services to the CIRM to meet the requirements outlined in Section A, Item 2, Scope of Services.
- 4. Independent Consultant Insurance Requirements
 - a. General Liability
 - i. Comprehensive or Commercial Form (minimum limits)

1. Each Occurrence	\$1,000,000.00
2. Products/Completed Operations Aggregate	\$1,000,000.00
3. Personal and Advertising Injury	\$1,000,000.00
4. General Aggregate*	\$1,000,000.00

*Not applicable to comprehensive form.

If the above insurance is written on a claims-made form, it shall continue for three years following termination of the agreement. The insurance shall provide for a retroactive date of placement prior to or coinciding with the effective date of the agreement.

- b. Business Automobile Liability (minimum limits): For owned, scheduled, non-owned, or hired automobiles with a combined single limit of not less than \$1,000,000 per occurrence.
- c. Workers' Compensation: as required under California State Law.
- d. Professional Liability Insurance (minimum limits):

- i. Each Occurrence \$1,000,000
- ii. Project Aggregate \$2,000,000

e. Other insurance in amounts which from time to time may reasonably be required by the mutual consent of the CIRM and the Independent Consultant against other insurable hazards relating to performance.

C) Proposal Requirements and Information

1) Key Action Dates

It is recognized that time is of the essence. All Proposers are hereby advised of the following schedule and will be expected to adhere to the required dates and times:

<u>Date</u>	<u>Action</u>
Friday, February 2	RFP available to prospective firms
Friday, February 23	Final Date for Proposal Submission. Proposals must be received at the CIRM at 210 King Street by 5:00 P.M.
Wednesday, March 7	Proposed Award Date (Note: The actual award date may be earlier.)

2) References

a) References - Submit a list of at least three references (clients) to which you have provided similar executive search firm services within the past five years and contact numbers for each. See Attachment 1.

3) Submission of Proposal

- a) Proposals should provide straightforward and concise descriptions of the Proposer's ability to satisfy the requirements of this RFP. The proposal must be complete and accurate. Omissions, inaccuracies or misstatements will be sufficient cause for rejection of a proposal.
- b) The proposal package should be prepared in the least expensive method.
- c) All proposals must be submitted to the California Institute for Regenerative Medicine by the dates and times shown in Section C, Proposal Requirements and Information, Item 1) Key Action Dates.
- d) One (1) original plus three (3) copies of the proposal must be submitted.
- e) The original proposal must be marked "ORIGINAL COPY". All documents contained in the original proposal package must have original signatures and must be signed by a person who is authorized to bind the proposing firm. All additional proposal sets may contain photocopies of the original package.

- f) The proposal envelope(s) should be addressed as follows and must be plainly marked with the RFP number and title:

Bob Klein
ICOC Chairman
California Institute for Regenerative Medicine
210 King Street
Subject: Request for Proposal for Executive Search Firm
RFP# CIRM 2055

If the proposal is made under a fictitious name or business title, the actual legal name of the proposer must be provided.

- g) All proposals shall include the documents identified in Section D, Required Attachments. Proposals not including the proper "required attachments" shall be deemed non-responsive. A non-responsive proposal is one that does not meet the basic proposal requirements.
- h) Mail or deliver proposals to the address as stated in f above.
- i) Proposals must be submitted for the performance of all the services described herein. Any deviation from the work specifications will not be considered and will cause a proposal to be rejected.
- j) A proposal may be rejected if it is conditional or incomplete, or if it contains any alterations of form or other irregularities of any kind. CIRM may reject any or all proposals and may waive any immaterial deviation in a proposal. CIRM's waiver of immaterial deviation shall in no way modify the RFP document or excuse the proposer from full compliance with all requirements if awarded the agreement.
- k) Costs incurred for developing proposals and in anticipation of award of the agreement are entirely the responsibility of the proposer and shall not be charged to the State of California.
- l) An individual who is authorized to bind the proposing firm contractually shall sign the Attachment 2, Payee Data Record. The signature must indicate the title or position that the individual holds in the firm. An unsigned proposal may be rejected.
- m) A Proposer may modify a proposal after its submission by withdrawing its original proposal and resubmitting a new proposal prior to the proposal submission deadline as set forth in Section C, Proposal Requirements and Information, Item 1) Key Action Dates. Proposal modifications offered in any other manner, oral or written, will not be considered.
- n) A Proposer may withdraw its proposal by submitting a written withdrawal request to CIRM, signed by the Proposer or an authorized agent, addressed in accordance with f above. A Proposer may thereafter submit a new proposal prior to the proposal submission deadline. Proposals may not be withdrawn without cause subsequent to proposal submission deadline.

- o) The CIRM may modify the RFP prior to the date fixed for submission of proposals by the issuance of an addendum to all parties who received a proposal package.
- p) The awarding agency reserves the right to reject all proposals. The CIRM is not required to award an agreement.
- q) Before submitting a response to this solicitation, Proposers should review, correct all errors and confirm compliance with the RFP requirements.
- r) Where applicable, Proposer should carefully examine work sites and specifications. No additions or increases to the agreement amount will be made due to a lack of careful examination of work sites and specifications, if applicable.
- s) More than one proposal from an individual, firm, partnership, corporation or association under the same or different names, will not be considered.
- t) CIRM does not accept alternate contract language from a prospective Consultant. A proposal with such language will be considered a counter proposal and will be rejected.
- u) No oral understanding or agreement shall be binding on either party.

4) Evaluation Process

- a) At the time of proposal opening, each proposal will be checked for the presence or absence of required information in conformance with the submission requirements of this RFP.
- b) Proposals that contain false or misleading statements, or which provide references that do not support an attribute or condition claimed by the proposer, may be rejected.
- c) Award, if made, will be to the highest scoring responsible proposal.
- d) Proposal Evaluation

The CIRM desires an executive search firm that demonstrates a high degree of experience, training and proficiency in the conduct of placement of senior people in business operations and scientific leadership positions.

The proposals that meet the Minimum Qualifications in Section B and the Proposal Requirements and Information in Section C, will be evaluated and scored according to the criteria indicated below. The selection will be made by an evaluation committee of the Presidential Search Sub-committee of the ICOC on the basis of the following weighted factors (Maximum Points available for each criterion is noted.)

- (1) Qualification of Personnel (35 points)
The CIRM will evaluate the individuals to be assigned to the contract on the basis of background and experience in related work.

(2) Experience as a Firm (20 points)

The CIRM will evaluate the firm on the basis of the firm's overall experience demonstrating its ability to successfully complete the requirements identified in 1) Introduction and 2) Scope of Services, Section A.

(3) Cost (20 points)

The CIRM will score the cost upon the competitive cost proposal, Scope of Services, Section A, Item 2.

Maximum Total Possible Points

75 points

The firm receiving the highest score based on the factors listed above will be awarded the contract.

5) Disposition of Proposals

- a) Upon proposal opening, all documents submitted in response to this RFP will become the property of the State of California, and will be regarded as public records under the California Public Records Act (Government Code Section 6250 et seq.) and subject to review by the public.
- b) Proposal packages may be returned only at the Proposer's expense, unless such expense is waived by the CIRM.

6) Agreement Execution and Performance

- a) Service shall start on the express date set by the CIRM and the Consultant, after all approvals have been obtained and the agreement is fully executed. Should the Consultant fail to commence work at the agreed upon time, the CIRM, upon five (5) days written notice to the Consultant, reserves the right to terminate the agreement. In addition, the Consultant shall be liable to the State for the difference between Consultant's Proposal price and the actual cost of performing work by another Consultant.
- b) All performance under the agreement shall be completed on or before the termination date of the agreement.

D) Required Attachments

For your proposal to be considered responsive, all required attachments must be included with the RFP by the dates and times shown in Section C, Proposal Requirements and Information, Item 1, Key Action Dates.

Attachment 1 – Proposer References

Attachment 2 – Payee Data Record (STD 204)

E) Exhibits

- 1. Sample Independent Consultant Agreement

ATTACHMENT 1

PROPOSER REFERENCES

Submission of this attachment is mandatory. Failure to complete and return this attachment with your bid may cause your bid to be rejected and deemed non-responsive.

List below three references for services performed within the last five years, which are similar to the scope of work to be performed in this contract.

REFERENCE 1			
Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			

REFERENCE 2			
Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			

REFERENCE 3			
Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			

ATTACHMENT 2

STATE OF CALIFORNIA-DEPARTMENT OF FINANCE

PAYEE DATA RECORD

(Required when receiving payment from the State of California in lieu of IRS W-9)
STD. 204 (Rev. 6-2003)

1	INSTRUCTIONS: Complete all information on this form. Sign, date, and return to the State agency (department/office) address shown at the bottom of this page. Prompt return of this fully completed form will prevent delays when processing payments. Information provided in this form will be used by State agencies to prepare Information Returns (1099). See reverse side for more information and Privacy Statement. NOTE: Governmental entities, federal, State, and local (including school districts), are not required to submit this form.											
2	PAYEE'S LEGAL BUSINESS NAME (Type or Print) _____ <hr/> SOLE PROPRIETOR – ENTER NAME AS SHOWN ON SSN (Last, First, M.I.) _____ E-MAIL ADDRESS _____ <hr/> <table style="width: 100%; border: none;"> <tr> <td style="border: none; width: 50%;">MAILING ADDRESS</td> <td style="border: none; width: 50%;">BUSINESS ADDRESS</td> </tr> <tr> <td style="border: none;"><hr/></td> <td style="border: none;"><hr/></td> </tr> <tr> <td style="border: none;">CITY, STATE, ZIP CODE</td> <td style="border: none;">CITY, STATE, ZIP CODE</td> </tr> <tr> <td style="border: none;"><hr/></td> <td style="border: none;"><hr/></td> </tr> </table>		MAILING ADDRESS	BUSINESS ADDRESS	<hr/>	<hr/>	CITY, STATE, ZIP CODE	CITY, STATE, ZIP CODE	<hr/>	<hr/>		
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3	ENTER FEDERAL EMPLOYER IDENTIFICATION NUMBER (FEIN): <input type="text"/> - <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	NOTE: Payment will not be processed without an accompanying taxpayer I.D. number.										
PAYEE ENTITY TYPE CHECK ONE BOX ONLY	<input type="checkbox"/> PARTNERSHIP CORPORATION: <input type="checkbox"/> ESTATE OR TRUST <input type="checkbox"/> MEDICAL (e.g., dentistry, psychotherapy, chiropractic, etc.) <input type="checkbox"/> LEGAL (e.g., attorney services) <input type="checkbox"/> EXEMPT (nonprofit) <input type="checkbox"/> ALL OTHERS <input type="checkbox"/> INDIVIDUAL OR SOLE PROPRIETOR ENTER SOCIAL SECURITY NUMBER: <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <small>(SSN required by authority of California Revenue and Tax Code Section 18646)</small>											
4	<input type="checkbox"/> California resident - Qualified to do business in California or maintains a permanent place of business in California. <input type="checkbox"/> California nonresident (see reverse side) - Payments to nonresidents for services may be subject to State income tax withholding. <input type="checkbox"/> No services performed in California. <input type="checkbox"/> Copy of Franchise Tax Board waiver of State withholding attached.											
5	I hereby certify under penalty of perjury that the information provided on this document is true and correct. Should my residency status change, I will promptly notify the State agency below. <hr/> <table style="width: 100%; border: none;"> <tr> <td style="border: none; width: 60%;">AUTHORIZED PAYEE REPRESENTATIVE'S NAME (Type or Print)</td> <td style="border: none; width: 40%;">TITLE</td> </tr> <tr> <td style="border: none;"><hr/></td> <td style="border: none;"><hr/></td> </tr> <tr> <td style="border: none; width: 40%;">SIGNATURE</td> <td style="border: none; width: 20%;">DATE</td> <td style="border: none; width: 40%;">TELEPHONE</td> </tr> <tr> <td style="border: none;"><hr/></td> <td style="border: none;"><hr/></td> <td style="border: none;"><hr/></td> </tr> </table>		AUTHORIZED PAYEE REPRESENTATIVE'S NAME (Type or Print)	TITLE	<hr/>	<hr/>	SIGNATURE	DATE	TELEPHONE	<hr/>	<hr/>	<hr/>
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6	Please return completed form to: Department/Office: State Controller's Office _____ Unit/Section: Contracts Unit _____ Mailing Address: 300 Capitol Mall, Suite 622 _____ City/State/Zip: Sacramento, CA 95814 _____ Telephone: (916) 322-0527 _____ Fax: (916) 327-1259 _____ E-mail Address: pmoore@sco.ca.gov _____											

EXHIBIT 1

Agreement No. CIRM ____

CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE
INDEPENDENT CONSULTANT AGREEMENT

THIS AGREEMENT to furnish certain consultant services is made by and between the California Institute for Regenerative Medicine hereinafter called (the CIRM), and _____ [Name] hereinafter called (the Consultant).

I. NATURE AND PLACE(S) OF SERVICE

- A. The Consultant shall furnish to the CIRM the following described services including a time schedule by which the Consultant is to produce or provide specified materials or perform certain consulting services as well as reports on the progress of the services:
- B. In addition to the services described in subparagraph A. above, the Consultant's proposal to the CIRM shall be incorporated herein by reference and made part of this Agreement.
- C. If the Consultant is an entity other than an individual, the CIRM requires that _____ be assigned to perform the work set forth herein. No reassignment of work to any other individual(s) other than those described in Attachment A shall be made without the written approval of the CIRM.
- D. Place(s) of performance of such services shall be:

Consultant's location:

CIRM's location:

210 King Street
San Francisco, CA 94107

- E. The CIRM will provide working space, equipment, furniture, utilities, and services, as follows:

II. TERM OF AGREEMENT

- A. The term of this Agreement shall be from _____ through _____.
- B. CIRM reserves the right to terminate this agreement subject to 30 days written notice to the _____ consultant. Consultant may submit a written notice to terminate this agreement only if the CIRM should _____ substantially fail to perform its responsibilities as provided herein. In addition, this agreement may be terminated immediately for cause. The term "for cause" shall mean that the Consultant fails to meet the terms, conditions, _____ and/or responsibilities of this agreement. In this instance, the termination shall be effective as of the date indicated _____ on CIRM's notification to the Consultant
- C. The term of this agreement may be extended by the mutual, written consent of both parties.

III. COMPENSATION AND REIMBURSEMENT FOR EXPENSES

A. The CIRM shall pay the Consultant for services performed on the following basis:

1. Professional Fees::
2. Other Expenses

MAXIMUM TO BE PAID UNDER THIS AGREEMENT

\$ _____

* Reimbursement for travel and per diem shall be in accordance with established CIRM rates and policies.

B. Payments shall be made upon the Consultant's submission of invoices indicating the Agreement Number and setting forth charges in accordance with rates detailed in Article III-A. Each invoice shall include the Consultant's taxpayer identification number (Social Security or employer identification number). Invoices shall be submitted in triplicate not more frequently than monthly in arrears to:

California Institute for Regenerative Medicine
Chief Finance & Administrative Officer
210 King Street
San Francisco, CA 94107

IV. REPORTING

In performing consulting services under this Agreement, the Consultant shall be accountable to the CIRM and shall provide progress reports to CIRM upon CIRM's request.

V. NOTIFICATION

Notices concerning this Agreement shall be addressed as follows:

CIRM:

CONSULTANT:

[Insert name and address]

VI. TAXES

The compensation stated in Article III includes all applicable taxes and will not be changed hereafter as the result of Consultant's failure to include any applicable tax or as the result of any change in the Consultant's tax liabilities. The Consultant acknowledges that compensation payable hereunder may be subject to withholding of state and federal income tax, including state income tax subject to withholding pursuant to California Revenue and Taxation Code Sections 18661-18677.

VII. INDEPENDENT CONSULTANT STATUS

A. Both parties agree that in the performance of this Agreement the Independent Consultant shall not be an agent or employee of the CIRM, shall not be covered by the State of California Worker's Compensation Insurance or Unemployment Insurance, shall not be eligible to participate in the CIRM's retirement programs, and shall not be entitled to any other CIRM employee benefits.

- B. The Consultant shall be solely responsible for the conduct and control of the work to be performed by the Consultant under this Agreement, except that the Consultant is accountable to the CIRM for the results of such work. The Consultant's services for the CIRM shall be performed in accordance with currently approved methods and ethical standards applicable to the Consultant's professional capacity.

California State Contract Code 10515 (a) states: No person, firm, or subsidiary thereof who has been awarded a consulting services contract may submit a bid for, nor be awarded a contract on or after July 1, 2003, for the provision of services, procurement of goods or supplies, or any other related action that is required, suggested, or otherwise deemed appropriate in the end product of the consulting services contract.

VIII. ASSIGNMENT OR SUBCONTRACTING

The Consultant may not assign or transfer this Agreement, or any interest or claim, or subcontract any portion of the work, without the prior written approval of the CIRM. The withholding or granting of such approval is totally discretionary with the CIRM. If the CIRM consents to such assignment or transfer, the terms and conditions of this Agreement shall be binding upon any assignee or transferee.

IX. PROPERTY RIGHTS, INCLUDING PATENTS AND COPYRIGHTS

All written and other tangible material ("Material") produced pursuant to this Agreement by the Consultant shall be considered a work-made-for-hire under the Copyright Act. To the extent said Material does not qualify as a work-made-for-hire, Consultant hereby assigns all right, title, and interest, including, but not limited to, copyright and all copyright rights in the Material to the CIRM and shall execute any and all documents necessary to effectuate such assignment. In the event Consultant uses any individual who is not a full-time employee of Consultant or uses any other entity to perform any of the work required by Consultant hereunder, Consultant shall require said individual or entity to sign an agreement before commencing work for consultant to sign an agreement that contains identical wording to the foregoing two sentences except that the word "Consultant" shall be replaced with the individual's or entity's name.

X. CONSULTANT'S LIABILITY AND INSURANCE REQUIREMENTS

- A. The Consultant agrees to defend, at the CIRM's election, indemnify, and hold harmless the CIRM, its officers, agents, and employees from and against any and all claims, losses, expenses (including costs and reasonable attorney's fees), claims for injury, or damages that are caused by or result from the negligent or intentional acts or omissions of the Consultant, its officers, employees, or agents or Consultant's breach of this Agreement. In addition, Consultant agrees to defend, at the CIRM's election, indemnify, and hold harmless the CIRM, its officers, agents, and employees from and against any and all claims, losses, expenses (including costs and reasonable attorney's fees), claims for injury, or damages accruing or resulting to any and all contractors, subcontractors, suppliers, or any other person, firm or corporation furnishing services or supplying goods in connection with Consultant's performance of this Agreement
- B. The Consultant shall furnish a Certificate of Insurance or statement of self-insurance (contractual liability included) showing minimum coverage as follows:

1. General Liability: Comprehensive or Commercial Form (Minimum Limits)
 - (i) General Aggregate (BI, PD)* \$1,000,000
 - (ii) Products, Completed Operations

	Aggregate	\$1,000,000
(iii)	Personal and Advertising Injury	\$1,000,000
(iv)	Each Occurrence	\$300,000

* (not applicable to comprehensive form)

However, if such insurance is written on a claims-made form following termination of this Agreement, coverage shall survive for a period no less than three years. Coverage shall also provide for a retroactive date of placement coinciding with the effective date of this Agreement.

2. Business Auto Liability: (Minimum Limits) for Owned, Scheduled, Non-Owned, or Hired Automobiles with a combined single limit of no less than \$1,000,000 per occurrence.

3. Workers' Compensation: as required under California State Law.

4. Professional Liability Insurance: (Minimum Limits)

(1) Each occurrence	\$1,000,000
(2) Project Aggregate	\$2,000,000

If this insurance is written on a claims-made form, it shall continue for three years following termination of this Agreement. The insurance shall have a retroactive date of placement prior to or coinciding with the effective date of this Agreement.

5. Other insurance in amounts as from time to time may reasonably be required by the mutual consent of the CIRM and the Consultant against such other insurable hazards relating to performance.

Certificate(s) shall name the CIRM as an additional insured under 1, 2 and 4 above, obligate the insurer to notify the CIRM at least thirty (30) days prior to cancellation of or changes in any of the required insurance and include a provision that the coverage will be primary and will not participate with nor be excess to any valid and collectible insurance program of self-insurance carried or maintained by the CIRM. Premiums on all insurance policies shall be paid directly by the Consultant.

XI. RECORDS ABOUT INDIVIDUALS

- A. The Consultant acknowledges that the creation and maintenance of records pertaining to individuals is subject to certain requirements set forth by the California Information Practices Act (Civil Code 1798, et seq.) and by the CIRM policy. Such requirements include provisions governing the collection, maintenance, accuracy, dissemination, and disclosure of information about individuals, including the right of access by the subject individuals.
- B. If the Consultant creates confidential or personal records about an individual, as defined by the Information Practices Act, including notes or tape recordings, the information shall be collected to the greatest extent practicable directly from the individual who is the subject of the information. When collecting the information, the Consultant shall inform the individual that the record is being made and of the purpose of the record.
- C. Records containing confidential or personal information about individuals are the property of the CIRM and subject to the CIRM's policies and applicable federal and state