DRAFT CONTRACT

CITY OF PORTLAND
AGREEMENT FOR PROFESSIONAL, TECHNICAL, OR EXPERT SERVICES

CONTRACT No. _____

SHORT TITLE OF WORK PROJECT:

Reengineering SAP Time Management
(DRAFT)

Pursuant to Ordinance No. _____, this Contract is made by and between the **City of Portland**, a municipal corporation of the State of Oregon, and its successors or assigns (hereafter called "City"), and **EPI-USE America, Inc.**, a Delaware corporation, hereafter called Contractor, by and through their duly authorized representatives. This Contract may refer to the City and Contractor individually as a "Party" or jointly as the "Parties." The City's Project Manager for this contract is Satish Nath.

Effective Date and Duration
Unless terminated sooner under the provisions of this Contract, the term of this Contract shall be for five years, from _____ ("Effective Date"), to _____.

Consideration
(a)   City agrees to pay Contractor a sum not to exceed **$975,000** for accomplishment of the work.
(b)   Payments shall be made to Contractor according to the schedule identified in Exhibit A, Contractor Personnel and Payment Schedule.

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CONTRACTOR DATA AND CERTIFICATION

Contractor Name: _____ EPI-USE America, Inc. _____
Address: _____ 2002 Summit Blvd., #825, Atlanta, GA 30319 _____
Employer Identification Number (EIN) _____
City of Portland Business License # __709219_____

Payment information will be reported to the IRS under the name and employer I.D. number provided above. Information must be provided prior to contract approval. Information not matching IRS records could subject you to 20 percent backup withholding.

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STANDARD CONTRACT PROVISIONS FOR
PROFESSIONAL, TECHNICAL & EXPERT SERVICES (MANDATORY PROVISIONS)

1.   **Definitions**

These definitions apply to the entire Contract and subsequent Amendments, Task/Change Orders:

"Acceptance" means Product has been inspected, loaded, shipped, transported, installed, delivered, configured and diagnostic tests have been performed to demonstrate, to the City's satisfaction, that Product conforms and operates according to the requirements of this Contract, applicable Documentation and Contractor's representations.

"Acceptance Criteria" means all specifications, functionality and performance requirements as set forth in the Statement of Work (as such specifications, and requirements and Statement of Work may be changed from time to time by mutual agreement in writing) and Contractor's representations and warranties. The City's acceptance criteria will be based on reliance on Contractor's experience and

expertise. City and Contractor agree to establish the Acceptance Criteria in writing for the purpose of conducting Acceptance Testing.

"Acceptance Date" means the date on which the City issues a Certificate of Acceptance for a Deliverable. In regard to a particular Task Order without a requirement for an Acceptance Test, the Acceptance Date is the date when the City certifies to Contractor in writing that the Service or installation is complete.

"Acceptance Test" means the evaluation and testing method, procedures, or both, that are used to determine whether or not a Deliverable requiring Acceptance Testing operates in accordance with the Acceptance Criteria. Acceptance Testing may occur in one or more phases, depending on the integration of contingent products, scalability, performance tuning or other measurable features or milestones.

"Amendment" means a written document required to be signed by both Parties when in any way altering the terms and conditions, term, or cost provisions of the Contract or changing, adding to, or substantially altering a Statement of Work.

"Certificate of Acceptance" means a written instrument by which the City notifies Contractor either that in its sole discretion the Acceptance Criteria have been met or waived, in whole or in part.

"Change Order" means a written request to document a change to an existing Task Order that the City and Contractor may execute from time to time under this Contract.

"City Confidential Information" means any information, in any form or media, including verbal discussions, whether or not marked or identified by the City, which is reasonably described by one or more of the following categories of information: (1) financial, statistical, personnel, human resources data or Personally Identifiable Information as described in the Oregon Consumer Identity Theft Protection Act of 2007; (2) business plans, negotiations, or strategies; (3) unannounced pending or future products, services, designs, projects or internal public relations information; (4) trade secrets, as such term is defined by ORS 192.501(2) and the Uniform Trade Secrets Act ORS 646.461 to 646.475; (5) Exempt per ORS 192.501 and/or ORS 192.502 (6) attorney/client privileged communications, (7) exempt per federal laws (including but not limited to Copyright, HIPPA) and (8) information relating to or embodied by designs, plans, configurations, specifications, programs, or systems developed for the benefit of the City including without limitation, data and information systems, any software code and related materials licensed or provided to the City by third parties; processes; applications; codes, modifications and enhancements thereto; and any work products produced for the City.

"Confidential Information" means any information that is disclosed in written, graphic, verbal, or machine-recognizable form, and is marked, designated, labeled or identified at the time of disclosure as being confidential or its equivalent; or if the information is in verbal form, it is identified as confidential or proprietary at the time of disclosure and is confirmed in writing within thirty (30) days of the disclosure. Confidential Information does not include any information that: is or becomes publicly known through no wrongful or negligent act of the receiving party; is already known to the receiving party without restriction when it is disclosed; is, or subsequently becomes, rightfully and without breach of this Contract or any other agreement between the Parties or of any applicable protective or similar order, in the receiving party's possession without any obligation restricting disclosure; is independently developed by the receiving party without breach of this Contract; or is explicitly approved for release by written authorization of the disclosing party.

"Coverage Hours" means those hours specified in this Contract or subsequent Task Order during which period Contractor shall provide Services.

"Customization" means (a) any modification to or adaptation of the Software, or (b) any new component or accessory or new code, whether prepared, created, or developed (1) by Contractor at the City's request as a work for hire, (2) by the City, or (3) by the City in conjunction with Contractor.

"Day" means a calendar day of twenty four (24) hours unless otherwise stated in the Contract.

"Deliverable(s)" means the means the goods or services or documents or other tangible work products described in the Statement of Work or a Task Order, to be provided to the City by Contractor

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"Documentation" means user manuals and other written materials in any form that describe the features or functions of the Software or Deliverables, including but not limited to published specifications, marketing materials, technical manuals, and operating instructions provided by Contractor to the City, or readily available to the public, or as required to be produced by Contractor subject to the terms of this Contract.

"Error" means any defect, problem, condition, bug, or other partial or complete inability of the Software to operate either (a) in accordance with the applicable Specifications and Documentation or (b) as to the Software, in the same manner in which the Software operated as of the Acceptance Date.

"Fix" means a correction to Software that does not function or operate in accordance with the Documentation. A Fix is not a Modification, Upgrade or Software Enhancement.

"Maintenance" means services provided by Contractor to the City designed to keep Software operating in optimum condition, including Updates and Upgrades and application development to accommodate changes in the business requirements of the City.

"Material Breach" means any breach of this Contract that (a) causes or may cause substantial harm to the non-breaching party; or (b) substantially deprives the non-breaching party of the benefit it reasonably expected under this Contract.

"Product(s)" means Software, Equipment, Documentation and supplies, Services including warranty services, installation and Maintenance and professional services, which may include Upgrades, Customization and training.

"Project" means the overall collection of activities required for delivery and support of the Software including, without limitation, design, development, integration, testing, support and Maintenance, any of which Contractor may be providing in whole or in part.

"Repair" means to fix, patch, reprogram, or replace the Software component thereof so as to eliminate Errors or failure to the City's satisfaction.

"Services" means both ordinary and professional services as required to be performed by Contractor under this Contract for the City. Services include, but are not limited to, Maintenance, consulting, training, analysis, programming, testing, installation, needs assessment, or technology review.

"Software" means the, including, without limitation, the applications and programs set forth in Exhibit B developed by Contractor for the City as well as any customization, diagnostic software, Updates, Upgrades and any related Documentation delivered to the City by Contractor.

"Source Code" means a complete copy, expressed in high-level (i.e., human readable; not machine language or object code) computer language, of the Software which, when assembled or compiled, becomes the executable object code of the Software. Source Code shall include all material including but not limited to design documentation, Software documentation, reference manuals and documentation, libraries for the Software, and interface software (patch or whole programs), in any form (printed, electronic, or magnetic) and any other information necessary that a reasonably skilled programmer or analyst can understand and maintain the Software.

"Statement of Work" (SOW) means the written detailed specifications of the Deliverables or Services(s) to be delivered to the City by Contractor subject to the terms and conditions of this Contract.

"Subcontractor" means any person or business entity employed to perform all or part of an obligation of this Contract under the control of Contractor.

"Task Order" means any written request or document issued by the City and signed by both Parties for additional Product(s) or Service(s) to be provided under this Contract. Task Orders shall document the description of goods and/or services, price, payment schedule, project and performance schedule, due dates, milestones and deliverables...

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"Third Party Software" means software other than Contractor Software provided to City by Contractor under this Contract and that Contractor is authorized to license to the City subject to the original manufacturer's standard provisions.

"Update" means a change, modification, or enhancement to the Software, and related Documentation, which improves its performance or efficiency, but does not alter its core functionality.

"Upgrade" means a newer, better version, change, modification, or enhancement to the Software, and related Documentation, which Contractor makes available from time to time, which incorporates major new features or increases the core functionality of the Software and may be considered a new version. Software Upgrades may include error correction, bug fixes, additions to, or patches to the Software.

"User" means any person employed or working on behalf of the City, its Bureaus, Divisions, Offices, Directors, and any person or entity under contract or authorized by the City to provide it with services and to use the City's resources in whole or in part, in the course of assisting the City.

2. Order of Precedence
In the event there is a conflict between the terms and conditions of one portion of this Contract with another portion of this Contract, the conflict will be resolved by designating which portion of the Contract documents takes precedence over the other for purposes of interpretation, except where a clear statement of precedence other than that set forth in this section is included in the document. In this Contract the order of precedence shall be: a) Amendments to this Contract, b) this Contract's terms and conditions, c) Change Orders, d) Task Orders, e) Exhibit B, Statement of Work, f) Exhibit C, Contractor's Proposal.

3. Task Orders
(a) The City and Contractor agree that if the City requires additional Services or Products, it may submit a Task Order to Contractor. Task Orders are subject to the terms of this Contract. Agreed-upon changes shall not be retroactive and shall apply as of the effective date of the respective Task Order. Changes to a Task Order shall be done via the Change Order process, outlined below.
(b) Change Orders to a Task Order. The City reserves the right to make changes, at any time to a Task Order in the form of a Change Order agreed to in writing by the Parties. Contractor agrees to timely alter the delivery of Products or Services accordingly. If such changes materially increase or decrease Contractor's obligations, the Parties shall execute an Amendment to the Contract as needed or adjust the fee accordingly, and if the amount of such adjustment is not calculable as a function of hours or tasks, the Parties shall negotiate in good faith a modified fee.
(c) Survival of Orders. In the event that a Task Order/Change Order is not completed prior to the expiration of this Contract, the Task Order/Change Order shall survive the expiration of such until completion and all provisions of this Contract shall be considered active and in full force until the Task Order/Change Order reaches conclusion. In no case shall a new Task Order/Change Order be placed by the City or be accepted by Contractor after the expiration date of this Contract.

4. Access to Records
Contractor shall maintain, and the City of Portland ("City") and its duly authorized representatives shall have access to the books, documents, papers, and records of Contractor which are directly pertinent to the specific contract for the purpose of making audit, examination, excerpts, and transcripts for a period of three years after final payment. Copies of applicable records shall be made available upon request. Payment for cost of copies is reimbursable by the City.

5. Audits
(a) The City, either directly or through a designated representative, may conduct financial and performance audits of the billings and services specified in this agreement at any time in the course of the agreement and during the three (3) year period established by section 1, **Access to Records**. Audits will be conducted in accordance with generally accepted auditing standards as promulgated in Government Auditing Standards by the Comptroller General of the United States General Accounting Office.
(b) If an audit discloses that payments to Contractor were in excess of the amount to which Contractor was entitled, then Contractor shall repay the amount of the excess to the City.
(c) If any audit shows performance of services is not efficient in accordance with Government Auditing Standards, or that the program is not effective in accordance with Government Auditing Standards, the

City may pursue remedies provided under section 7, **Early Termination of Agreement** and section 9, **Remedies**.

6. Effective Date and Duration

The passage of the contract expiration date shall not extinguish, prejudice, or limit either party's right to enforce this contract with respect to any default or defect in performance that has not been cured.

7. Early Termination of Agreement

(a) The City and Contractor, by mutual written agreement, may terminate this Agreement at any time.

(b) The City, on thirty (30) days written notice to Contractor, may terminate this Agreement for any reason deemed appropriate in its sole discretion.

(c) Either the City or Contractor may terminate this Agreement in the event of a breach of the Agreement by the other. Prior to such termination, however, the party seeking the termination shall give to the other party written notice of the breach and of the party's intent to terminate. If the party has not entirely cured the breach within fifteen (15) days of the notice, then the party giving the notice may terminate the Agreement at any time thereafter by giving a written notice of termination.

8. Payment on Early Termination

(a) In the event of termination under subsection 7(a) or 7(b), **Early Termination of Agreement** hereof, the City shall pay Contractor for work performed in accordance with the Agreement prior to the termination date.

(b) In the event of termination under subsection 7(c), **Early Termination of Agreement** hereof, by Contractor due to a breach by the City, then the City shall pay Contractor as provided in subsection (a) of this section.

(c) In the event of termination under subsection 7(c), **Early Termination of Agreement** hereof, by the City due to a breach by Contractor, then the City shall pay Contractor as provided in subsection (a) of this section, subject to set off of excess costs, as provided for in section 9(a), **Remedies**.

(d) In the event of early termination all of Contractor's work product will become and remain property of the City.

9. Remedies

(a) In the event of termination under subsection 7(c), **Early Termination of Agreement,** hereof, by the City due to a breach by Contractor, then the City may complete the work either itself, by agreement with another contractor or by a combination thereof. In the event the cost of completing the work exceeds the remaining unpaid balance of the total compensation provided under this contract, then Contractor shall pay to the City the amount of the reasonable excess.

(b) The remedies provided to the City under section 7, **Early Termination of Agreement** and section 9, **Remedies** for a breach by Contractor shall not be exclusive. The City also shall be entitled to any other equitable and legal remedies that are available.

(c) In the event of breach of this Agreement by the City, then Contractor's remedy shall be limited to termination of the Agreement and receipt of payment as provided in section 7(c), **Early Termination of Agreement** and section 8(b), **Payment on Early Termination** hereof.

10. Subcontracts and Assignment

Contractor shall not subcontract, assign or transfer any of the work scheduled under this agreement, without the prior written consent of the City. Notwithstanding City approval of a subcontractor, Contractor shall remain obligated for full performance hereunder, and the City shall incur no obligation other than its obligations to Contractor hereunder. Contractor agrees that if subcontractors are employed in the performance of this Agreement, Contractor and its subcontractors are subject to the requirements and sanctions of ORS Chapter 656, Workers' Compensation.

11. Compliance with Applicable Law

In connection with its activities under this Agreement, Contractor shall comply with all applicable federal, state and local laws and regulations including the City's Equal Benefits Ordinance and its administrative rules, all of which are incorporated by this reference. Failure to comply with the Ordinance permits the City to impose sanctions or require remedial actions as stated in Section 13.1 of the administrative rules. Contractor shall complete the INDEPENDENT CONTRACTOR CERTIFICATION STATEMENT, which is attached hereto and by this reference made a part hereof.

(a)   Indemnity - Claims for Other than Professional Liability

Exhibit A

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Contractor shall defend, save, and hold harmless the City of Portland, its officers, agents, and employees, from all claims, suits, or actions of whatsoever nature, including intentional acts, resulting from or arising out of the activities of Contractor or its subcontractors, agents or employees under this Agreement. Nothing in this section requires Contractor or its insurer to indemnify the City for any claims or losses arising out of death, or bodily injury to persons, or property damage caused by the negligence of the City.

(b)   Indemnity - Claims for Professional Liability
Contractor shall defend, save, and hold harmless the City of Portland, its officers, agents, and employees, from all claims, suits, or actions arising out of the professional negligent acts, errors or omissions of Contractor or its subcontractors and sub-consultants, agents or employees in performance of professional services under this Agreement. Nothing in this section requires Contractor or its insurer to indemnify the City for any claims or losses caused by the negligence of the City.

(c)   Indemnity - Standard of Care
If Contractor's services involve engineering or consulting, the standard of care applicable to Contractor's service will be the degree of skill and diligence normally employed by professional engineers or consultants performing the same or similar services at the time such services are performed. Contractor will re-perform any services not meeting this standard without additional compensation.

(d)   Indemnity – Infringement of Intellectual Property Rights
Contractor shall, at its own expense, hold harmless, indemnify, and defend the City, its directors, officers, employees, agents and affiliates from and against any and all claims, demands, damages, liabilities, losses, and expenses (including reasonable attorney fees, whether or not at trial and/or on appeal), arising out of or in connection with any actual or alleged violation or infringement by the Software of any proprietary right of any person whosoever, including any copyright, patent, trade name, trademark, or misappropriation of the trade secrets of any third party. The City agrees to notify Contractor of the claim and gives Contractor sole control of the defense of the claim and negotiations for its settlement or compromise. No settlement that prevents the City's continuing use of the Software/Products shall be made without the City's prior written consent. If any third party claim causes the City's use of the Software to be endangered, restricted or disrupted, Contractor shall (i) cause the Software to be replaced, at no additional charge, with a compatible functionally equivalent and non-infringing product; (ii) cause the Software to be modified to avoid the infringement; (iii) obtain a license for the City to continue using the Software and pay any additional fee required for such license; or (iv) if, after Contractor uses all due diligence or standard of care none of the foregoing alternatives is possible, Contractor will terminate the license and refund to the City fees actually paid by the City and any direct damages documented by City for the affected Software and Documentation.

12.   Insurance
During the term of this contract Contractor shall maintain in force at its own expense, each insurance noted below:

(a) **Workers' Compensation Insurance** in compliance with ORS 656.017, which requires subject employers to provide Oregon workers' compensation coverage for all their subject workers (contractors with one or more employees, unless exempt under ORS 656.027).

(b) __X___ Required and attached   or   Waived by City Attorney:_____

General Liability Insurance with a combined single limit of not less than $1,000,000 per occurrence for Bodily Injury and Property Damage. It shall include contractual liability coverage for the indemnity provided under this contract, and shall provide that City of Portland, and its agents, officers, and employees are Additional Insured but only with respect to Contractor's services to be provided under this Contract.

(c) __X___ Required and attached   or   Waived by City Attorney: _____

Automobile Liability Insurance with a combined single limit of not less than $1,000,000 per occurrence for Bodily Injury and Property Damage, including coverage for owned, hired, or nonowned vehicles, as applicable:

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(d) __X___ Required and attached   or   Waived by City Attorney: _____

Professional Liability Insurance covering acts, errors or omissions arising out of the performance or failure to perform professional services related to the Services under this Agreement will be maintained. The coverage shall be placed with an insurer with an AM Best Rating of A-VII or better and shall include the following coverage parts:

Technology Products & Services E&O -Information Security & Privacy Liability for Service Provided to Others

Such insurance shall cover any and all errors, omissions or negligent acts in the delivery of Products, Services and Licensed Programs under this Agreement. Such errors and omissions insurance shall include coverage for claims and losses with respect to network risks (such as data breaches, unauthorized access/use, ID theft, invasion of privacy, damage/loss/theft of data, degradation, downtime, etc.) and intellectual property infringement, such as copyrights, trademarks, service marks and trade dress.

Such insurance shall include limits of coverage of the local currency equivalent of not less than USD $1,000.000 (one Million U.S. dollars) and shall remain in effect for not less than three (3) years following the date of termination of this Agreement. Evidence of coverage must be sent to the City for three years following termination of this agreement.

(e) On all types of insurance. There shall be no cancellation, material change, reduction of limits, or intent not to renew the insurance coverage(s) without 30-days written notice from Contractor or its insurer(s) to the City.

(f) Certificates of insurance. As evidence of the insurance coverages required by this contract, Contractor shall furnish acceptable insurance certificates to the City at the time contractor returns signed contracts. The certificate will specify all of the parties who are Additional Insured and will include the 30-day cancellation clause that provides that the insurance shall not terminate or be cancelled without 30 days written notice first being given to the City Auditor. Insuring companies or entities are subject to City acceptance. If requested, complete policy copies shall be provided to the City. Contractor shall be financially responsible for all pertinent deductibles, self-insured retentions, and/or self-insurance.

13. Ownership of Work Product

All work products produced by Contractor under this contract will be the exclusive property of the City. "Work product" shall include but not be limited to research, reports, computer programs, manuals, drawings, recordings, photographs, artwork and any data or information in any form; Contractor and the City intend that such work product shall be deemed "work made for hire" of which the City shall be deemed the author. If for any reason a work product is deemed not to be a "work made for hire," Contractor hereby irrevocably assigns and transfers to the City all right, title and interest in such work product, whether arising from copyright, patent, trademark, trade secret, or any other state or federal intellectual property law or doctrines. Contractor shall obtain such interests and execute all documents necessary to fully vest such rights in the City. Contractor waives all rights relating to work product, including any rights arising under 17 USC 106A, or any other rights of authorship, identification or approval, restriction or limitation on use or subsequent modifications. If Contractor is an architect, the work product is the property of Contractor-Architect, and by execution of this contract, Contractor-Architect grants the City an exclusive and irrevocable license to use that work product.

14. Nondiscrimination

Contractor agrees to comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules, and regulations. Contractor also shall comply with the Americans With Disabilities Act of 1990 (Pub I. No. 101-336) including Title II of that Act, ORS 659.425, and all regulations and administrative rules established pursuant to those laws.

15. Successors in Interest

The provisions of this contract shall be binding upon and shall inure to the benefit of the parties hereto, and their respective successors and approved assigns.

16. Severability

Exhibit A

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The parties agree that if any term or provision of this contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the particular term or provision held to be invalid.

17.   Waiver
The failure of the City to enforce any provision of this contract shall not constitute a waiver by the City of that or any other provision.

18.   Warranties
(a) Contractor warrants that the work performed under this Contract will meet the standards of skill and diligence normally employed by professional engineers or consultants performing the same or similar services, that work will be free from errors and from defects in workmanship and materials, and that deliverables shall conform to the performance standards, specifications, functions and other descriptions and standards applicable thereto as set forth in the Statement of Work. Contractor shall perform such additional work as may be necessary to correct errors in the work required under this contract without undue delays and without additional cost.

(b) Contractor warrants it has complied and shall comply with all applicable law in connection with the execution, delivery, and performance of this Contract; that the execution, delivery, and performance of this Contract and any Task/Change Order subject to this Contract shall not contravene the terms of any contracts with third parties, or any third-party rights in any patent, trademark, copyright, trade secret, or similar right; and, as of the date of this Agreement, there are no actual or threatened legal actions with respect to the matters in this Agreement.

(c) Contractor warrants and represents the following:

(1)   Software, including all components and Upgrades supplied by Contractor, shall operate in accordance with Acceptance Criteria and all Documentation.

(2)   Software is compatible with the City's existing data files and systems as may be applicable and identified at the time of this Contract or a Task/Change Order, and shall run in accordance with the Documentation.

(3)   No Material Defects or Viruses/Illicit Code. Software is free of any defect in material of the media in which it is delivered and is free of any virus, Trojan horse, spyware, malware, or other program routine designed to erase, disable or otherwise harm the City's hardware, data or other programs that Contractor knew or should have known was contained in the Software or other code or program.

(4) Software shall not:
    A) contain any hidden files that Contractor or any Subcontractor to Contractor knew or should have known were contained in the Software or programming;
    B) replicate, transmit, or activate itself without the control of an authorized person operating computing equipment on which it resides, unless requested or authorized by the City;
    C) alter, damage, or erase any data or computer programs without the control of an authorized person operating the computing equipment on which it resides;
    D) contain any key, node lock, time-out or other function, whether implemented by electronic, mechanical or other means, which restricts or may restrict use or access to any programs or data developed under this contract, based on residency on a specific hardware configuration, frequency of duration of use or other limiting criteria (any of the foregoing shall constitute "illicit code").

(d)   Documentation Explains Use. Contractor warrants that the Documentation shall explain the operation of the Software in terms understandable by City Users of reasonable technical competence.

19.   Governing Law
The provisions of this contract shall be construed in accordance with the provisions of the laws of the State of Oregon, without reference to its conflict of laws provisions. Any action or suits involving any question arising under this contract shall occur, if in the state courts, in the Multnomah County Circuit Court, and if in the federal courts, in the United States District Court for the District of Oregon.

20.   Dispute Resolution

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Contractor shall cooperate with the City to assure that all claims and controversies which arise during Contractor's performance of Services under this Contract or a Task/Change Order subject to this Contract and which might affect the quality of such Services will be resolved as expeditiously as possible in accordance with the following resolution procedure:

(a) Any dispute between the City and Contractor arising prior to completion of Contractor's services or the earlier termination of the Contract shall be resolved, if possible by the Contract Manager or their designee on behalf of the City and Johan Pretorius on behalf of Contractor.

(b) If the Contract Manager or the Contract Manager's designee and Contractor are unable to resolve any dispute within three (3) business days after notice of such dispute is given by either Party to the other, the matter shall be submitted to Bureau of Technology Services Chief Technology Officer on behalf of the City and Johan Pretorius   on behalf of Contractor for resolution, if possible.

(c) Should any dispute arise between the Parties concerning this Contract that is not resolved by mutual agreement above, it is agreed that such dispute will be submitted to mandatory mediated negotiation prior to any Party's commencing arbitration or litigation. In such an event, the Parties to this Contract agree to participate in good faith in a non-binding mediation process. The mediator shall be selected by mutual agreement of the Parties, but in the absence of such agreement each Party shall select a temporary mediator and those mediators shall jointly select the permanent mediator. All costs of mediation shall be borne equally by the Parties.

(d) Should an equitable solution not result from the foregoing, the City and Contractor shall be free to pursue other remedies allowed under this Contract.

(e) Unless ordered by the City to suspend all or any portion of Contractor's Services, Contractor shall proceed with the performance of such Services or delivery of Products without any interruption or delay during the pendency of any of the foregoing dispute resolution procedures and shall comply with any mutually agreed upon Task/Change Orders that the City may issue regarding the acceleration of all or any portion of the Products or Services. During the pendency of any of the foregoing dispute resolution procedures, the City shall continue to make all payments that are not in dispute, in accordance with the provisions of the Contract or Task/Change Order.

21.   Amendments

No provision of this Contract may be amended or modified unless such Amendment or modification is approved as to form by the City Attorney and executed in writing by authorized representatives of the Parties. All changes that would permanently change any provisions of this Contract shall be memorialized in the form of an Amendment. If the requirements for Amendment or modification of this Contract as described in this section are not satisfied in full, then such Amendments or modifications automatically will be deemed null, void, invalid, non-binding, and of no legal force or effect.

22.   Business License

Contractor shall obtain a City of Portland business license as required by PCC 7.02 prior to beginning work under this Agreement. Additionally, Contractor shall pay all fees or taxes due under the Business License Law and the Multnomah County Business Income Tax (MCC Chapter 12) during the full term of this contract. Failure to be in compliance may result in payments due under this contract to be withheld to satisfy amount due under the Business License Law and the Multnomah County Business Income Tax Law.

23.   Prohibited Interest

(a) No City officer or employee during his or her tenure or for one year thereafter shall have any interest, direct or indirect, in this Agreement or the proceeds thereof.
(b) No City officer or employee who participated in the award of this Agreement shall be employed by Contractor during the period of the Agreement.

24.   Payment to Vendors and Subcontractors

Contractor shall timely pay all suppliers, lessors and contractors providing it services, materials or equipment for carrying out its obligations under this Agreement. Contractor shall not take or fail to take any action in a manner that causes the City or any materials that Contractor provides hereunder to be subject to any claim or lien of any person without the City's prior written consent.

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25.   Written Notifications

All notices to, and other written communication between, the Parties to this Agreement shall be deemed received five (5) days after being sent by first class mail, or upon receipt when sent by courier services or by fax transmission with telephone confirmation of receipt. All notices and written communications shall be sent to the Parties set forth below, or to such other places as they may designate by like notice from time to time:

For City:	**For Contractor:**
Name: Kevin Campbell	Name: _____
Title: Business Operations Supervisor	Title: _____
Address: 1120 SW Fifth Ave. Suite 1435	Address: _____
Kevin.Campbell@portlandoregon.gov	_____
	_____

Copy to:
Technology Contracts Management
Procurement Services
Address: 1120 Southwest Fifth Avenue
City, State: Portland, OR 97204

26.   Conflict of Interest

Contractor warrants it has no present interest and shall not acquire any interest that would conflict in any manner with its duties and obligations under the Agreement.

27.   Return of Parties' Property

When the Agreement or any Task/Change Order placed pursuant to the Agreement is terminated or expired, each Party shall return to the other all papers, materials, and properties of the other Party then in its possession. The City will retain one (1) copy of the documentation for the express purposes of public record archiving.

28.   Notice of Change in Financial Condition.

Contractor must maintain a financial condition commensurate with the requirements of the Agreement. If, during the Agreement, Contractor experiences a change in its financial condition which may adversely affect its ability to perform, or changes the ownership or control, the City shall be immediately notified in writing. Failure to notify the City of such a change in financial condition or change in ownership or control is sufficient grounds for terminating the Agreement.

29.   Confidentiality

(a) "City Confidential Information" means any information, in any form or media, including verbal discussions, whether or not marked or identified by the City, which is reasonably described by one or more of the following categories of information: (1) financial, statistical, personnel, human resources data or Personally Identifiable Information as described in the Oregon Consumer Identity Theft Protection Act of 2007; (2) business plans, negotiations, or strategies; (3) unannounced pending or future products, services, designs, projects or internal public relations information; (4) trade secrets, as such term is defined by ORS 192.501(2) and the Uniform Trade Secrets Act ORS 646.461 to 646.475; (5) Exempt per ORS 192.501 and/or ORS 192.502 (6) attorney/client privileged communications, (7) exempt per federal laws (including but not limited to Copyright, HIPPA) and (7) information relating to or embodied by designs, plans, configurations, specifications, programs, or systems developed for the benefit of the City including without limitation, data and information systems, any software code and related materials licensed or provided to the City by third parties; processes; applications; codes, modifications and enhancements thereto; and any work products produced for the City.

(b)   Maintenance of Confidentiality.   Contractor shall treat as confidential any City Confidential Information that has been made known or available to Contractor or that Contractor has received, learned, heard or observed; or to which Contractor has had access. Contractor shall use Confidential Information exclusively for the City's benefit and in furtherance of the goods and/or services provided by Contractor. Except as may be expressly authorized in writing by the City, in no event shall Contractor publish, use, discuss or cause or permit to be disclosed to any other person such Confidential Information. Contractor shall (1) limit disclosure of the Confidential Information to those directors, officers, employees and agents of Contractor who need to know the Confidential Information in connection with the City Project/Network, (2) exercise reasonable care with respect to the Confidential Information, at least to the

same degree of care as Contractor employs with respect to protecting its own proprietary and confidential information, and (3) return immediately to the City, upon its request, all materials containing Confidential Information, in whatever form, that are in Contractor's possession or custody or under its control. Contractor is expressly restricted from and shall not use Confidential intellectual property of the City without the City's prior written consent.

(c) Scope. This Agreement shall apply to all City Confidential Information previously received, learned, observed, known by or made available to Contractor. This Agreement shall not apply to Confidential Information which (1) is or later becomes part of the public domain without breach of this Agreement and through no wrongful act of Contractor, (2) Contractor rightly receives from a third party, or (3) was developed independently by and was reduced to writing by Contractor prior to the earlier of the date of this Agreement or the date of any access or exposure to any Confidential Information. Contractor's obligations under this Agreement shall survive termination.

(d) Equitable Remedies. Contractor acknowledges that unauthorized disclosure of City Confidential Information or misuse of a City system or network will result in irreparable harm to the City. In the event of a breach or threatened breach of this Agreement, the City may obtain equitable relief prohibiting the breach, in addition to any other appropriate legal or equitable relief.

(e) Contractor's Confidential Information. During the term of the Agreement, Contractor may disclose to the City, certain confidential information pertaining to Contractor's business ("Confidential Information"). Contractor shall be required to mark "CONFIDENTIAL" with a restrictive legend or similar marking. If CONFIDENTIAL is not clearly marked or cannot be marked with a restrictive legend or similar marking or is disclosed either orally or by visual presentation, Contractor shall identify the Confidential Information at the time of disclosure or within a reasonable time thereafter. The City shall not be deemed to have breached this Section if (a) Confidential Information later becomes part of the public domain through no act or omission of the City; (b) is required to be disclosed under operation of law; or (c) the City lawfully receives Confidential Information from a third party with no breach of any duty of confidentiality.

30.   Public Records Request
Contractor acknowledges that the City of Portland is subject to the Oregon Public Records Act and Federal law. Third persons may claim that the Confidential Information Contractor submits to the City hereunder may be, by virtue of its possession by the City, a public record and subject to disclosure pursuant to the Oregon Public Records Law. Subject to the following conditions, the City agrees not to disclose any information Contractor submits to the City that includes a written request for confidentiality and as described above, specifically identifies the information to be treated as Confidential. The City's commitments to maintain certain information confidential under this agreement are all subject to the constraints of Oregon and federal laws. Within the limits and discretion allowed by those laws, the City will maintain the confidentiality of information.

31.   Survival
All obligations relating to confidentiality; indemnification; publicity; proprietary rights; limitation of liability; and obligations to make payments of amounts that become due under this Agreement prior to termination (except that payments for services not performed by the date of termination shall be prorated) shall survive the termination or expiration of this Agreement and shall, to the extent applicable, remain binding and in full force and effect for the purposes of the ongoing business relationship by and between Contractor and the City. Nothing in this Agreement shall alter, modify, or supersede the content and survival of such provisions, except as otherwise expressly agreed to in writing by the Parties and with the prior written approval of the City Attorney's office.

32.   Progress Reports
Contractor shall provide progress reports to the Project Manager as requested. If applicable, the Statement of Work should list what information Contractor must include in monthly progress reports.

33.   Task Orders
(a) The City may assign additional individual projects on a Task Order, time-and-materials basis as project needs are identified. The scope of work, schedule, deliverables, and compensation for each project will be defined in the Task Order , similar in content to the work outlined in the Statement of Work, prior to commencement of the work. Any changes to the scope of work, schedule, deliverables,

and compensation in a Task Order must be agreed upon by Contractor and the City in writing as a Change Order to the Task Order.

(b) Following each executed Task Order, the City's Project Manager will work directly with Contractor for the duration of the project, unless otherwise noted on the Task Order.

34.   Acceptance Testing
(a)   Prior to Accepting Software, Updates, Upgrades, modifications to the Software, or other Deliverables, the City shall have the right to perform Acceptance Testing. Contractor shall cooperate with the City in the development of Acceptance Criteria and the Acceptance Test Plan that shall codify and set forth the location, date, and other specifications of the test.

(b) . Procedure and Timetable. Unless otherwise specified, the City shall commence the Acceptance Test no later than ten (10) days after receipt of a Deliverable. Contractor shall provide, at no additional cost, reasonable and appropriate support, assistance, and consultation regarding the Deliverable in order to facilitate Acceptance Testing. Acceptance Testing shall not exceed thirty (30) days; and The City will make all reasonable efforts to complete the Acceptance Test within the time period specified. If the Acceptance Test is successful the City shall issue a written Certificate of Acceptance.

(c) Failure of Acceptance Test. The City will notify Contractor if a Deliverable or a portion of a Deliverable, fails to pass an Acceptance Test and will specify in reasonable detail the identified failures and possible reasons for failure. After City's notification, Contractor shall correct the Deliverable, or the affected portion, within ten (10) days and notify the City that the Correction has been completed. After Contractor's Correction notification, the City shall perform a second Acceptance Test. If the Deliverable, or portion of the Deliverable, fails to pass the second Acceptance Test, the City shall notify Contractor in writing, and the City may, in its sole discretion: (a) terminate the Contract or Task/Change Order with no further liability; (b) request Contractor to replace the Deliverable or defective portion of the Deliverable at no additional cost to the City, c) request Contractor make further corrections to prepare for retesting again; (d) accept the Deliverable at a reduced cost to be negotiated between the Parties; or (e) issue an Acceptance Certificate entitled "Acceptance with Exception(s)."

(d) If the City issues an "Acceptance with Exception(s)" the City will list the exception(s) and the date for Contractor's correction.   If exceptions are corrected by the listed date(s) the City agrees to commence further Acceptance Testing of the Deliverable or affected portion(s). If the Deliverable passes the Acceptance Tests, the City will issue a Certificate of Acceptance. If a Deliverable fails a second Acceptance Test (or in the event of a single Acceptance Test, the Acceptance Test) in no event shall there be an increase to the original price agreed to by the Parties for the Deliverable.

(e) If the City elects to accept the Deliverable even with the failure(s), then the City may request that Contractor issue a refund to the City in an amount equal to a percentage of the full fee value of the Deliverable that the Parties mutually determine represents the loss of functionality of the Deliverable.

(f) The City shall have the right to revoke "Acceptance with Exception(s)" if the City granted an "Acceptance with Exception(s)" based on Contractor's commitment to correct the defect within a reasonable period of time, but the defect has not been so corrected. The City shall also have the right to revoke Acceptance if the City accepted the Deliverable without discovery of the defect, and the Acceptance was reasonably induced by Contractor's assurances or by the difficulty of discovery of the defect before Acceptance. Revocation is effective only if it occurs within a reasonable time after the City discovers or should have discovered the reasons for revocation.

35.   Security. (10/08) Contractors providing or having access to data containing City confidential or personally identifiable information (as defined in the Oregon Consumer Identity Theft Protection Act, ORS 646A.600 to 646A.628) must maintain and demonstrate compliance with the following:

(a) (10/08) Oregon Consumer Identity Theft Protection Act, ORS 646A.600 to 646A.628. Specifically Contractors must develop, implement and maintain reasonable safeguards to protect the security, confidentiality and integrity of the personal information, including disposal of the data. Contractors must also provide immediate notification to the City of a data security breach (as defined) and in cooperation with the City, provide notice to affected consumers. Any costs or fees incurred by the City due to Contractor's data breach, including but not limited to notification, consumer credit

DRAFT CONTRACT

reports or fines by the Department of Consumer and Business Services, shall be reimbursed to the City by Contractor.

(b) (10/08) City of Portland, Bureau of Technology Services Security Standards. Specifically Contractors must comply with Technology Services, Information Security Administrative Rules 2.01, 2.02, 2.08, 2.12 and 2.15. These rules are located at: **http://www.portlandonline.com/auditor/index.cfm?c=26821**.

(c) (1/09) Additionally, any Contractor who provides or has access to Software which process and /or interacts with credit/debit card information must also be compliant with the Payment Card Industry-Data Security Standard (PCI-DSS). The most current version is 1.2. These standards are maintained at www.pcisecuritystandards.org

This Contract, together with all Exhibits, Attachments and those documents which by their reference have been incorporated herein, constitutes the entire Contract between the City and Contractor and supersedes all proposals, oral and written agreements, between the Parties on this subject.

The Parties agree the City and Contractor may conduct this transaction, including any Contract amendments, by electronic means, including the use of electronic signatures.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed.

CITY OF PORTLAND   **CONTRACTOR**

Chief Procurement Officer	Date	Authorized Signature	Date
Christine Moody			
Printed Name		Printed Name and Title	
Approved as to Form		Address: _____	
		Phone: _____	
		Fax: _____	
Office of the City Attorney	Date		

185567

DRAFT CONTRACT

EXHIBIT A
CONTRACT NO. _____

CONTRACTOR PERSONNEL
AND PAYMENT SCHEDULE

1.   CONTRACTOR PERSONNEL

The Contractor shall assign the following personnel to do the work in the capacities designated:

NAME	ROLE ON PROJECT
Rob Levy	EPI-USE Engagement Manager
Francois Botha	Solution Architect
John Waters	EPI-USE Project Manager
Rafael Wang	Time Management Consultant
Vijay Thang	Time Management and Payroll Consultant
Maureen Frost	Testing Manager

2.   SUBCONTRACTORS

Contractor shall assign the following subcontractors to perform work in the capacities designated:

NAME	ROLE ON PROJECT
NONE	

3.   PRICE AND PAYMENT

3.1   Prices

3.2   Payment

Contractor may submit bimonthly invoices for work performed; otherwise Contractor shall submit monthly invoices. Unless subject to successful completion of an Acceptance Test or other payment milestone specified in any respective Task/Change Order, payment shall be issued by the City net thirty (30) days from receipt and acceptance of a proper invoice from Contractor. Contractor invoices must contain Contractor's name and address; invoice number; date of invoice; Contract number and date; description of Deliverables and/or Services; and the name of the individual, labor category, direct labor rate, hours worked during the period, and tasks performed; and the title and phone number of the responsible official to whom payment is to be sent. The City may stipulate how line items are entered on an invoice to ensure compatibility with the City's accounting and financial systems and to facilitate payment to vendor. Contractor shall also attach photocopies of any claimed reimbursable expenses.

Payment of any bill does not preclude the City from later determining that an error in payment was made and from withholding the disputed sum from the next progress payment until the dispute is resolved.

CONTRACT NO. _____

STATEMENT OF WORK

DRAFT EPI-USE Contractual Paperwork

Paperwork

Statement of Work

Source and destination

Sender	
From:	EPI-USE America, Inc.
Author:	Rob Levy
Capacity:	Project Sponsor
Email:	Rob.Levy@us.epiuse.com
Address:	2002 Summit Blvd, Suite 825
	Atlanta, Georgia 30319

Receiver	
Client:	City of Portland
Contact:	Scott Schneider
Capacity:	Procurement Services
Contact details:	scott.schneider@portlandoregon.gov
Address:	1120 SW Fifth Ave., Room 750
	Portland, OR 97204

Document history

Version	Author	Date	Revision
0.01	Willem Spies	July 17, 2012	Document creation
0.05	Willem Spies	July 19, 2012	Draft document
0.10	Willem Spies	July 24, 2012	Draft submitted to client
1.00	<Reviewer>	<dd Month 2012>	Final signed

Legal notice

Subject to the terms of this Contract, and except as otherwise required by law, the information in this document is confidential and may not be disclosed outside of the City of Portland. The document and its contents may not be duplicated, used, or disclosed in whole or in part. Provided that a written contract exists between EPI-USE America, Inc. and the City of Portland, the City of Portland will have the right to duplicate, use, or disclose the information to the extent provided by the contract. EPI-USE America, Inc. retains ownership of this document, unless explicitly stated otherwise in this document or in a written contract.

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Data contained in this document serves information purposes only, unless explicitly mentioned otherwise. National product specifications may vary.

TABLE OF CONTENTS

1. INTRODUCTION

This Statement of Work ("SOW") describes the work to be undertaken by EPI-USE America, Inc. ("EPI-USE") and the City of Portland ("City" or "Client") and is issued under and governed by Contract #_____ dated DATE, 2012 between the City and EPI-USE.

The scope of work is focused on re-engineering SAP Time Management ("Project").

The scope of work, project team and level of effort, implementation responsibilities to be performed by the City and EPI-USE, estimated schedule and timeline, deliverables and fees are defined within this SOW.

Changes to this SOW will be processed in accordance with the procedure described in the Project Change Control Procedure of this SOW. The investigation and the implementation of changes to this SOW may result in modifications to the estimated schedule, total charges under this SOW, and other terms of this SOW, as agreed upon by both parties.

2. GOALS AND OBJECTIVES

The City wants to achieve the following objectives and goals as part of this Project:

a)   re-engineer the City's implementation of SAP Time Management to ensure that the time schema conforms to best practices, and facilitates ease of use for end users accessing the ERP system through standard SAP transactions, ESS and MSS applications, and/or time-capture applications.

b)   creation of a time schema that ensures that all City employees are paid correctly and on time, the pay statements provided to employees are sufficiently detailed, the ERP system can be maintained by the EBS functional staff, and future changes to the City's various union and labor contracts can be efficiently configured within the time schema in a reasonable timeframe;

c)   re-engineer the City's payroll schema and wage type configuration as necessary to re-align payroll processing with the new time evaluation configuration and processing, including changes to wage types and the payroll schema to ensure that overtime rates of pay are correctly calculated according to FLSA regulations,

d)   transfer knowledge to EBS team members throughout the Project, such that after the conclusion of the Project, the ongoing system support can be performed by regular City employees.

e)   Resolve Help Desk Tickets created by SAP Users in the City, as it pertains to the already documented and prioritized requirements

f) Project completion to include minimum of three full live payroll runs.

Time re-engineering will necessarily need to accommodate the contracts between the City and its collective bargaining units.
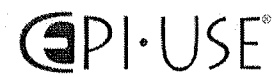
3. SCOPE OF WORK

3.1 Geographic Scope

The geographic scope of this Project is defined as City of Portland (includes all City locations within Oregon).

3.2 Organizational Scope

The organizational scope of this Project is defined as fixing the time rules and requirements for the City of Portland in order to pay the following employee populations correctly:

Table 1a: Organizational Scope – Employees per Subarea (Union)

Personnel Subarea (Union)	Number of Employees
Non-Represented	4789
PFFA: Portland Firefighters' Association	671
PPA: Portland Police Association	899
PPCOA: Portland Police Commanding Officers Association	48
AFSCME Local 189-2: Bureau Of Emergency Communications	101
Recreation: Laborers' - Local 483	84
COPPEA: City of Portland Professional Employees Association	707
Seasonal Maintenance Workers: Laborers' - Local 483	101
DCTU: AFSCME - Local 189 (District Council of Trade Unions) (American Federation of State, County, and Municipal Employees)	831
DCTU: Laborers' - Local 483	564
DCTU: IBEW - Local 48	86
DCTU: Machinists - District Lodge 24	1
DCTU: Auto Mechanics - District Lodge 24	62

DCTU: Operating Engineers - Local 701	32
DCTU: Plumbers - Local 290	8
DCTU: Painters and Allied Trades - District Council 5	5
AFSCME Local 189-3: Portland Housing Bureau	32
Total as of 8/1/2012	**9,021**

Table 1b: Organizational Scope – Timekeepers per Personnel Area (Bureau)

Personnel Area (Bureau)	Number of Timekeepers
Environmental Services	5
Fire and Rescue	3
Government Relations	2
Housing	7
Comm #1	1
Comm #2	3
Comm #3	1
Comm #4	2
Attorney	3
City Auditor	1
Sustainable Development	2
Transportation	10
Water	27
Planning and Sustainability	3
Police	7
Parks	115

Neighborhood Involvement	4
Mayor	1
Emergency Management	2
Emergency Communications	2
Development Services	3
Community Technology	3
FPDR	2
OMF-Human Resources	2
OMF-BTS	5
OMF-Purchases	3
OMF-Financial Services	4
OMF-Revenue	2
OMF-CAO	9
Equity & Human Rights Office	1
Total as of 8/1/2012	**235**

3.3   Project Sites

Work will take place at the following locations:

1.   Portland, OR, and

2.   Other locations as mutually agreed by both parties.

Work will be performed on-site and remote (as mutually agreed by the City and EPI-USE); physical access to all the above sites will be required. The City will provide access to the work sites, as reasonable and necessary, at the City's sole discretion.

Each consultant will be on-site 4 days per week. EPI-USE will endeavor to schedule the consultants so that there is on-site EPI-USE consulting coverage from Monday to Friday.

3.4   Scope of Project

The table below summarizes the high-level tasks for this Project and the sections below describe the scope for each task in detail.

Work stream	Description
SAP services	Re-engineer the City's current implementation of SAP Time Management. This includes: • Optimizing the CATS time entry process, including changes to absence and attendance types, work schedules, and the use of additional fields (for example overtime compensation field) • Creating a new time schema that will correctly generate City payroll and accommodate all of the variables affecting City payroll processes. • Making any necessary changes to the payroll schema and wage type configuration to align payroll processing with the new time processing. The re-engineered SAP system will necessarily need to accommodate the contracts between the City and its collective bargaining units. It is recognized that some collective bargaining units will be re-negotiated with an effective date which is before the go-live date of the new time evaluation schema. In these cases the EPI-USE team will work with the City to devise a solution to ensure that any re-negotiated changes to pay back-dated before the go-live date of the new schema are calculated and paid in the most efficient cost effective manner. The actual solution will be dependant upon the type of change which needs to be implemented. To this end, the City will provide EPI_USE with a list of all collective bargaining agreements and their current expiry date on the first day of the

project.

The re-engineered SAP system must work with the City's present FILO and HCM functions.

SAP services   Resolve pre-existing issues. All pre-existing tickets will be fixed by the implementation of the new time schema and the associated changes to the payroll schema and wage type configuration. However it is recognized that once the new time schema is implemented there will still be some employees who have been incorrectly paid from the period of the original SAP go-live up to the point the new time schema goes live. The analysis and fixing of any pre-existing tickets for this period is outside of the scope of the new time schema implementation, and should be the subject of a separate work order if the City would like EPI-USE to do this specific work. EPI-USE will analyze the already documented requirements for these pre-existing issues and will incorporate as many as possible into the new solution. However these pre-existing issues (+-529) will need to be analyzed, researched and prioritized.

Advisory services   Recommend best/standard time management business practices, including the use of CATS User Exits to validate time entry.

Advisory services   Assist the City in implementing recommended business practices.

Knowledge transfer   Transfer knowledge to EBS team members throughout the Project such that after the conclusion of the Project wherever possible ongoing system support can be performed by the EBS team.

Warranty   EPI-USE will provide a warranty for all work performed but these details will be discussed and agreed with the City once the finalized scope has been set early on in the project.
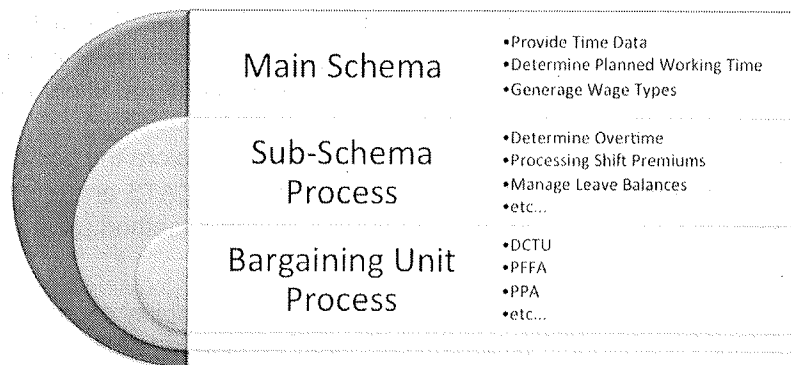
Table 2: Scope

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3.4.1 Detailed Functional Scope

3.4.1.1 Re-engineer current SAP Time Management implementation

EPI-USE and the City will confirm the detailed scope requirements for this component during the Impact Analysis/ Requirements Confirmation phase. EPI-USE has done an initial assessment and identified the following areas for re-engineering:

Area	Description
Organize Time Schema by Collective Bargaining Agreement	Re-design the schema to divide and organize sub-schema processing according to specific business processes in a logical order, using best practice functionality (current solution contains 6 sub-schemas in ZPRT). In addition, the sub-schema and rules processing will be organized by collective agreement (conceptual figure below) to lessen the risk of configuration users overwriting each other's work as they maintain the system.

Main Schema
•Provide Time Data
•Determine Planned Working Time
•Generage Wage Types

Sub-Schema Process
•Determine Overtime
•Processing Shift Premiums
•Manage Leave Balances
•etc...

Bargaining Unit Process
•DCTU
•PFFA
•PPA
•etc...

Area	Description
Leverage Time Types and Processing Types more appropriately	The City's time types are not optimized or organized in a manner that makes debugging or reporting user-friendly. Leveraging Processing types to identify time as regular time, overtime, absence time, or any other category will allow a cleaner solution for linking wage types and/or groups of wage types.
	EPI-USE and the City will leverage table T555Y to properly define the use of Processing types, reduce the dependency on additional time types, and create a solution that is easier to maintain and support.
Wage type generation	EPI-USE and the City will implement wage type generation using SAP best practices, which includes time wage types being generated in a single schema location using basic information about the day (i.e. weekday, weekend, holiday, etc.), about the employee (i.e. employee group/subgroup, personnel area/subarea, etc.), and the processing

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Area	Description
	type (mentioned in the previous recommendation).
	Further, the solution will carry the start and end time information when being imported by the payroll driver. Wage type start and end times are needed by payroll FLSA calculations to determine which workweek they should be applied too.
Time entry validation	EPI-USE and the City will redesign the time entry user interface to optimally use the time entry codes and attributes such as overtime type and premium codes to reduce the key entry strokes when completing time. Adding additional information such as the current payroll period dates, if the payroll control record is locked, on the time entry user interfaces will also optimize the end-user experience. The eventual goal is to capture as much time information is a single line as possible, within CATS and avoid transaction PA30.
	Furthermore, EPI-USE proposes a change in time recording strategy to move as much of the data entry validation rules out of Time Evaluation into up-front validations in CATS. SAP delivers several standard up-front validation enhancements to perform custom validations requirements when data is entered into the system.
Streamline the use of absence and attendance types and reduce 'switches'	EPI-USE and the City will explore the possibility of using the Overtime Compensation Type field in CATS and eliminate duplicate attendance types to determine payment method (paid versus compensated as time off).
	We will also explore the possibility of capturing premium information differently such that working out of class premiums and special work premiums (i.e. DCTU specialty premiums) attendance codes and switches can be eliminated. This approach may also resolve issues when employees should be paid multiple premiums at the same time and eliminate the need to access PA30 during time entry.
Advisory services	EPI-USE and the City will aim to improve business process simplification. In the current system, and in many cases, the City relies on the system to automate time data processing for business rules that are extremely complex or rarely used. This complexity results in system configuration that is too difficult to support with such a high risk of error.
	EPI-USE and the City will identify policies that can be changed to cut support and administration costs without harming employee satisfaction and benefits. Furthermore, for policies that cannot be changed, we will propose simpler processes in SAP to produce correct

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Area	Description
	results with less system complexity.

3.4.1.2   Pre-existing issues

The City has identified the pre-existing issues with the current Time Management solution (summarized in the table below). EPI-USE and the City will confirm the detailed scope requirements for these issues during the Impact Analysis/ Requirements Confirmation phase so that they can be addressed and resolved in the new time schema implementation

However, the analysis and fixing of any pre-existing issues which will remain in the current time schema from the date of the original SAP go-live up to the date of the new time schema implementation is outside of the scope of this project, and should be the subject of a separate work order if the City would like EPI-USE to do this specific work.

Area	Description
Comp time	Issues include overtime being paid instead of generating requested comp time, inaccurate calculations on comp time when an employee is called to return to work, inaccurate accrual rates, comp time going negative in error, and comp time not being paid out when the accrual limit is reached.
Banking hours	The number of hours firefighters work varies over the two-week pay period. Firefighters "bank" hours during the high-hour week and use those hours to balance the low- hour week so that their pay remains consistent. There are some problems with the distribution of those hours.
Shift differential	Issues include problems when a shift crosses midnight (especially if overtime is generated in the new day). Issues also exist when an employee is called to appear in court, and when (due to labor agreement) overtime is posted more than three hours before a regularly scheduled shift.
Holiday	Issues include partial absences before or after a holiday, incorrect portioning for job- share holidays, holiday pay not being generated when the holiday was actually worked, vacation over a holiday generating additional vacation, and inconsistent identification of employee eligibility for holiday compensation.
Vacation	Issues include carryover for potential retirees, pre-eligible to eligible transfers, accrual and counting errors, and the order in which leave is removed from quotas.
Premium pay	Issues include inconsistent application of working-out-of-class premiums, multiple premiums causing overpayment, and the need to process multiple premiums on the same day.

Area	Description
Sick leave	Issues include incorrect proration of sick leave quota on employee termination, problems with retroactive changes, duplicate records, and inconsistent identification of employee eligibility.
Dependent sick leave	Issues with dependent sick leave quotas include limit checks and schedule-change conversions.
Additional issues	There are additional issues with incorrect catastrophic leave accruals, an infrequent rounding error for normally worked hours, and minimum compensation when an employee is called to work on short notice.

3.4.1.3 Knowledge transfer

Knowledge transfer will be a key focus on all phases of the Project. The knowledge transfer process will be planned and managed using a multi-faceted approach, focused on individualized learning paths for the City project team members. The five key areas where this knowledge transfer is planned are set out in the table below.

#	Description
1	City team members with suitable skill sets configure the application, perform technical development, and document the system in close collaboration with the EPI-USE consultants during the Project. This maximizes the participation in the learning process and serves as "on-the-project reinforcement and training". This is a proven approach for ensuring better understanding of the implementation and a higher confidence level for support of the system after going live.
2	Throughout the course of the implementation, the City will face decisions that affect the Project as well as the functional outcome of the system. We will educate all parties on the options available for the decision as well as the anticipated outcome associated with each alternative. Based on our experience, we will advise the team of all the possibilities and work together to provide ample information to make the best decision for the City. This is an important form of knowledge transfer and highlights the experience our team brings to the implementation.
3	EPI-USE will document our work. This documentation is the longest lasting forms of knowledge transfer; as it stays with the City after go-live. This documentation will serve as a reference for all personnel administering the system in the future.
4	We provide specific project team and end-user training, which is outcome-, process-, report-, content-, role and context-centric.

3.4.2 Technical Scope

The City is solely responsible for all development, which includes, but is not limited to, the creation of technical specifications, code development, testing, and documenting, for this Project. If functional specifications are required EPI-USE will identify and document these technical specifications. If the City does require additional technical and/or development support EPI-USE will be able to support the City in this regard.

3.4.3 Infrastructure Scope

The infrastructure scope of this Project will be focused on maintaining the existing landscape and systems (e.g., Sandbox, Development, Quality Assurance, Training, and Production) as-is. Frequent client copies and data refreshes will be required and the City's Basis team will provide this support to the functional team. This maintenance and support of the various environments again will be the responsibility of the City. It is expected that the City will be using the EPI-USE tools Data Sync Manager to accomplish this task. Data Sync Manager will be required to copy employee data to the development and test environments in order properly analyze and resolve the existing problems with the Cities current schema design.

3.4.4 Training Scope

The City is solely responsible for the training content development, delivery, and related activities for this Project.

3.4.5 Organizational Change Management Scope

The City is solely responsible for the Organizational Change Management (OCM) and related activities for this Project.

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3.4.6 Testing Scope

The various tests that will be performed during the Project, the test descriptions, type of test and responsibility of each party is mentioned in the table below.

Test Type	Short Description	Functional Test	Technical Test	EPI-USE	City
Unit	Self-contained, component-level functional testing of configuration and development.	✓	✓	Lead	Assist
Integration	Process-oriented testing of end-to-end business functions.	✓		Assist	Lead
Parallel	Comparison testing between legacy and SAP or SAP and SAP.	✓	✓	Assist	Lead
Security	Security access testing.	✓	✓	Assist	Lead
Regression	Non-change testing.	✓	✓	Assist	Lead
User Acceptance	Process-oriented testing of end-to-end business functions performed by end users.	✓		Assist	Lead
Volume/ Stress	Performance / Load testing.		✓	Assist	Lead
System	Disaster / Recovery testing.		✓	Assist	Lead
Live	Production testing.	✓	✓	Assist	Lead

Table 3: Testing Scope

The tests above include functional, technical, and system related tests. Each of the test types will be approached similarly with the following phases as described in detail in the Test approach documented during Blueprinting: Planning → Preparation → Execution → Evaluation & Conclusion

The extent to which each phase will be formulated for each test type, depends on the complexity and nature of each of the test types.

All Functional scope items (configuration and processes) as well as Technical scope items (custom developed WRICEF objects) mentioned in the earlier sections of this SOW, will undergo Unit and Integration Testing. Relevant Time/ HR/ Payroll configurations will further undergo Parallel testing

as well. Security, User Acceptance, and Live Testing will occur for the Functional and Technical scope items where relevant and applicable.

Regression Testing will be part of the Integration Test cycle. Volume/Stress and System tests are mostly applicable to the underlying SAP and Portal systems that will host the SAP applications. The City will leverage existing automated testing methods to perform volume, stress, and regression testing.

Stress Testing is subjecting a system to an unreasonable load while denying it the resources (e.g., RAM, disc, mips, interrupts, etc.) needed to process that load. The idea is to stress the system to the breaking point in order to find bugs that will make that break potentially harmful. The system is not expected to process the overload without adequate resources, but to behave (e.g., fail) in a decent manner (e.g., not corrupting or losing data).

Volume Testing is subjecting a system to a statistically representative (usually) load. The two main reasons for using such loads are in support of software reliability testing and in performance testing.

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4. ESTIMATED SCHEDULE AND TIMELINE

4.1 High-level Schedule

The table below indicates the Project Preparation, Business Blueprint, Realization, Final Preparation, and Go-Live and Support phases and their estimated durations for this Project.

As EPI-USE does not have all the detailed requirements, EPI-USE will throughout the project lifecycle, partner with the City on required adjustments to the plan, timeline or scope as required. Pragmatically after the completion of the Blueprint, an assessment of the scope, timeline and resources will be conducted to formalize the remaining aspects and required changes to the program.

ASAP Phase	Estimated Duration (weeks)
Project Preparation	1
Impact Analysis/ Requirements Confirmation	6
Realization/ Build/ Testing	12
Final Preparation	8
Go-Live & Post Go-Live Support	8
Total	**35**

Table 4: High-level Schedule

The estimated start date for this Project is September 2012 and estimated completion date is April 2013. The figure below provides a high-level schedule for the different phases during this Project.
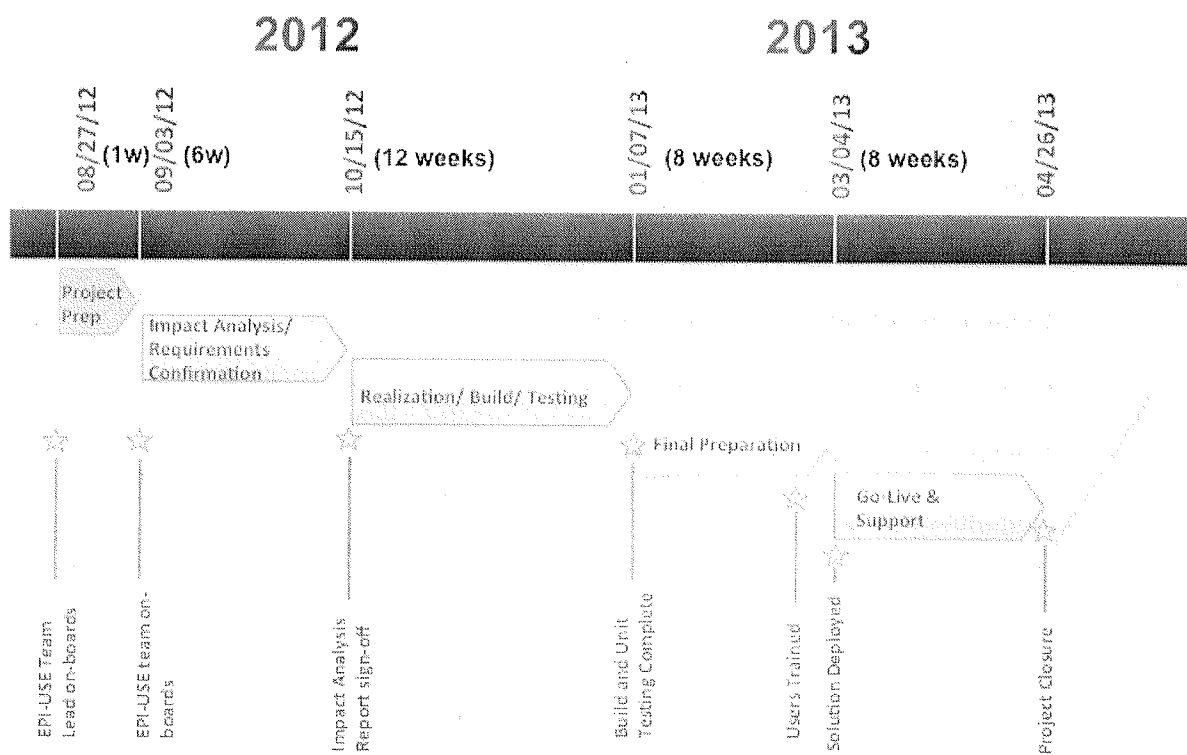

Figure 1: Estimated Timeline

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4.2 Deliverables

In order to keep the resources focused on the required tasks and meeting the targeted delivery dates, the deliverables will be kept to a minimum. However there are certain fundamental deliverables that are required and these will be listed below.

Throughout this project there will be strong project management and project governance and it is expected that the extended project management team/steering committee will meet at least weekly while the Project team will at least meet once a week with the appropriate status reporting.

The deliverables and associated milestones are:

Deliverable

1. Completion of Project Charter

2. Completion of Master Project Plan

3. Completion of Business Blueprint document

4. Completion of Baseline Configuration

5. Completion of Integration Test Plan

6. Completion of Configuration and Development

7. Completion of Integration Testing

8. Go-live Readiness Check

9. Go-live and Completion of Post-Implementation Support

It is imperative that the existing milestones are met and that both teams of EPI-USE and the City are in agreement to these said deliverables and what is expected of, and the associated acceptance criteria for each deliverable. This will allow either party to ensure the performance of the team is appropriate and if any said deliverable is lacking in quality it is known what aspects may be deficient and the appropriate actions can be initiated to resolve the issue.

Quality Gates

It is expected that three to four Quality Gates (Q-Gates) will be identified for this Project. The following Q-Gates have been identified (and are aligned with an associated Milestone) for purposes of this SOW. The final Q-Gates, and their expected acceptance criteria, will be identified during the completion of the Master Project Plan (Milestone #2).

Q-Gate	Associated Milestone
Requirements Gathered	#3 – Completion of Business Blueprint document
Configuration and Development Completed	#6 – Completion of Configuration and Development
Code Freeze	#7 – Completion of Integration Testing 2
Go-live Check	#8 – Go-live Readiness Check

Milestone Description and Acceptance Criteria

The sections below provide a summary description and the Acceptance Criteria for each Milestone. Mutual, written agreement by both parties are required if the Acceptance Criteria has to be changed for a Milestone.

These Milestones require commitment and execution by all parties and many of the Milestones have dependencies between the work that the City will do and the work that EPI-USE will do.

Completion of Project Charter

The Project Charter defines the implementation Project and provides a coherent and comprehensive document from which the Project team and other interested parties may understand the goals and objectives, critical success factors, risks, scope, schedule and organization of the Project.

Key Section	Description	Pass	Fail
Project Vision, Mission and Goals	Adequately presents an executive summary of the project and describes the Project's mission and goals.		
Project Scope	Adequately describes the functional scope that will be implemented, the assumptions		

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	associated with completing the Project within scope, on-time, and on-budget.			
Implementation Strategy	Adequately provides the Project timeline and phasing of scope and functionality associated with the implementation.			
Project Success Factors	Adequately describes the critical success factors associated with successfully implementing the Project phases on-time and on-budget.			
Project Organization Chart and description of Roles and Responsibilities	Adequately describes the Project Organization, the key roles and responsibilities of the project team members.			
Issue & Risk Management Plan	Adequately describes the Issue and Risk Management Plan, the risk and issues types, probabilities, and processes.			
Project Standards & Procedures	Adequately describes the project standards and procedures, including version management, naming conventions, products, and templates.			

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Completion of Master Project Plan

The Master Project Plan ultimately outlines the Project schedule in one plan and highlights the identified inter-dependencies between projects and the integration of the multiple activities, tasks, and teams. The initial Master Project Plan will include the entire phased schedule for the Project Preparation and Business Blueprint phases.

The Master Project Plan will be developed using Microsoft Project and will include the following:

Phases,

Activities/Tasks,

Duration,

Level of Effort (work),

Predecessors and dependencies,

Resource allocation and level loading, and

The Master Project Plan will be available on the shared drive and will be centrally maintained by the Project Managers or designated resource.

Key Section	Pass	Fail
Adequately includes all critical activities/tasks and projected completion dates.		
Gives proper consideration to the inter-relationships and logical sequence of activities/tasks.		
Identifies the project milestones along with projected dates.		
Identifies resources and allocates responsibilities appropriately.		
Includes appropriate estimated start and finish dates that are in-line with the Project scope and Project phases.		
Adequately identifies the critical path.		

Completion of Business Blueprint document

The Business Blueprint document serves as the conceptual master plan, and will be assembled into a detailed written document. This document will include the detailed business requirements and will serve as the basis for organization, configuration, and development activities. This must be completed and signed off by the City staff

Key Section	Description	Pass	Fail
Business Blueprint document	This document details the functional requirements, design and concepts of the solution. It gives an adequate description of the functionality that will be used to support the solution. The Business Blueprint document is a key result from the Business Blueprint phase as it provides the guidance for the development and configuration activities that will occur during the remaining Projects. BPML (Business Process Master List) and WRICEF list will be included as part of the Business Blueprint document.		

Completion of Baseline Configuration

The purpose of this Milestone is to configure settings in the Project Implementation Guide (IMG) sufficient to be able to conduct the key business processes in the SAP HCM system. Typically, Baseline configuration will cover 50-80% of total requirements for this Project. During baseline configuration, the project team will configure standard processes as defined in Cycle 1 that can be configured without custom programming, enhancements, Workflow or Forms. Requirements associated with exceptional processes are not part of Baseline configuration. There will therefore be additional configuration within the Realization phase, after acceptance of this Milestone.

Key Section	Description	Pass	Fail
General Settings	General Settings have been configured and documented to enable use of the application components required.		

Configuration and Documentation of Baseline Settings for Master Data	Baseline Settings have been configured and documented for master data creation and maintenance.		
Configuration and Documentation of Settings for Business Processes	Configuration Settings associated with Baseline Processes have been configured and documented.		
Baseline Confirmation	Unit Testing has been completed and documented for validating that Baseline Master Data can be created and baseline processes can be executed.		

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Completion of Integration Test Plan

The Integration Test Plan identifies the tasks and activities required to support the preparation, execution, and review of Integration Testing. It identifies the environments and clients to be used for integration testing, steps required to transfer configuration and custom-developed objects into test environments, data conversions required to migrate baseline test data, the testing cycles planned, and the steps required to document test scenarios, results and issue resolution.

Key Section	Description	Pass	Fail
Test Scope	The plan identifies the test scope to be used for integration testing as well as entry and exit criteria.		
Test Environments	The plan identifies the test environments and clients to be used for integration testing.		
Test Tools	The plan identifies the test tools to be used for integration testing.		
Migration of Transports and WRICEF Development into Test Environments	The plan identifies the steps required to transport configuration and custom programs (WRICEF) items into the test environment.		
Data Conversion	The plan identifies the conversion tasks required to migrate baseline test data into the test environment.		
Testing Cycles	The plan identifies the number of required test cycles with the test environments and clients to be used.		
Scenario Testing	The plan includes steps required to document test scenarios, expected outcomes, success criteria (entry and exit criteria), and the steps required to document actual results and issues.		

Issue Resolution	The plan documents the process for resolving issues arising out of testing.		

Completion of Configuration and Development

The purpose of this Milestone is to confirm the completion of system configuration and custom development. The documentation and unit testing serve as input for this Milestone and sign-off ensures that the team can proceed with additional testing in the Test systems (e.g., Integration Testing, User Acceptance Testing, etc.)

Key Section	Description	Pass	Fail
Configuration and Documentation Confirmation	Unit Testing has been completed and documented for the Business Processes (identified in the Business Process Master List). Configuration settings have been documented.		
WRICEF Development and Documentation Confirmation (City owned)	Functional and Technical Specifications have been signed off. Unit Testing has been completed and document for WRICEF objects.		

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Completion of Integration Testing

The aim of Integration Testing is to demonstrate that a collection of components, which are integrated interact and/or interface with each other correctly. The tests are structured to cover the business process scenarios that require integration between the various functional SAP modules and/or sub-modules or sub-systems and external systems. In addition, integration testing incorporates external interface testing. Overall, the goal is to make sure the transactional events to support the business processes work as expected and that communication with interfaced systems is happening correctly.

This Milestone will consist of the execution, fixing, and documentation demonstrating successful completion of each test case associated with the Integration Testing. The test report is the executive summary of the test result data and an analysis of result information, which will allow the PMO to decide, based on defects and risk, whether to proceed to the next phase or to re-execute the testing efforts (e.g., PMO may agree to proceed even though severe and/or high defects remain).

Key Section	Description	Pass	Fail
Scenario Testing	Includes test scenarios, expected outcomes, success criteria (entry and exit criteria), executed test scenarios, with actual results and issues.		
Defect Management	Defects are identified and managed by Status (i.e., Open, Closed, in Analysis, in Repair, In Retest) and Severity Level (Critical, High, Medium, Low). Defect trending is accomplished as well by tracking the arrival and closure rates, defect areas, and defect volumes.		

Go-live Readiness Check

The Go-live Readiness Check serves as a key decision point in the Project, which requires the Project Team, PMO, Steering Committee, and Stakeholders to confirm that the systems, users, and applications are ready for go-live.

| Key Section	Description	Pass	Fail
User Support Readiness	Confirmation that super-users are trained and prepared to support the system and users, and technical and business		

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		resources are prepared to support the system.		
Workforce Readiness (City Owned)		Confirmation that users have/ are in the process of being trained and stakeholders have received sufficient communications.		
Application Readiness		Confirmation that the application has been configured to meet the requirements, performs with satisfactory test results, and security has been established and tested.		

Go-live and Completion of Post-Implementation Support

Go–Live will be considered to have occurred when the necessary steps in the Cutover Plan have been executed, the cutover process has been launched successfully, and the SAP Systems are live in production environment and operational for the processes that are in scope for this Project. Further, this Milestone confirms that the Post-Implementation Support has been completed and approved by The City.

It is expected that this Project will be complete with the sign-off of this Milestone and can be closed from a project planning/ management perspective.

Key Section	Description	Pass	Fail
Confirmation of the migration of Transports and WRICEF development into Production Environments	The cutover plan steps required to transport configuration and custom programs (WRICEF) into Production environments and verify settings in the environments, including the establishment of document number ranges, have been properly completed.		
Confirmation of preparation for Go-Live Support	Provide guidance to the The City team in creation of help desk procedures needed to provide three payroll cycles of Go-Live Support.		
SAP Systems Operational	The necessary steps in the cutover plan have been executed, the cutover process has been launched successfully, and the SAP systems are operational for the processes that are in scope for this		

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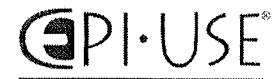
	Project.			
Post Implementation Support	The post Go-Live steps in the cutover plan have been executed. Knowledge transfer and assistance with post-implementation have occurred.			

5. PROJECT TEAM AND RESPONSIBILITIES

5.1 Project Personnel

The City and EPI-USE will develop a resource plan, including staffing levels, skills, etc., during the Project Preparation phase. A resource roster, which will include the team member name, their role, contact details, project schedule, and other details, will also be created and maintained throughout the Project.

The following resources will form part of the Governance and Project Management Office:

Party	Role	Named Resource	Assignment
City of Portland	Project Sponsor	Anna Kanwit (Director BHR)	Part-time
		Rich Goward (CFO)	
		Satish Nath (EBS Manager)	
City of Portland	Project Manager	Satish Nath	Part-time
EPI-USE	Advisory and QA	Rob Levy	Part-time
EPI-USE	Project Manager/ Time Lead	John Waters	Full-time
City of Portland	Project Lead	Steven Brown	Full-time

Table 5: Project Management Office

5.2 Implementation Responsibilities

The sections below describe the applicable activities, work packages, tasks, and responsibility of each party by ASAP phase.

5.2.1 Project Preparation

The key activities, tasks, and responsibilities associated with the Project Preparation phase are outlined in the table below. The length of time devoted to each task will be defined in the Project Work plan.

Activity / Task	EPI-USE	City
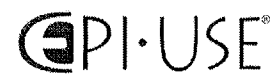
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Activity / Task	EPI-USE	City
Develop Project Charter	Lead	Assist
Finalize Project Organization Structure	Lead	Lead
Define Project Management Standards / Procedures (leverage existing templates and procedures from City as applicable)	Lead	Assist
Develop Project Team Training Plan	Assist	Lead
Develop and create required System Landscape Desig	Assist	Lead
Prepare Sandbox systems	Assist	Lead
Prioritize & Document existing ticket and functional requirements	Informed	Lead
Install Software on Sandbox system	Assist	Lead
Create City Staffing Plan where individuals have not been identified, TBD is acceptable.	Assist	Lead
Prepare facilities and infrastructure	Assist	Lead
Prepare initial Project Plan	Lead	Assist
Document Organizational Change Management strategy. The OCM Strategy will include: Communication Plan, User Readiness Assessment Plan, Organizational Impact Analysis Plan	Assist	Lead
Provide all AS-IS documentation that exists as well as all policy and procedure documents	Informed	Lead
Project Risk Assessment	Lead	Assist
Schedule Blueprint Design Workshops	Lead	Assist
Document current IT landscape	Informed	Lead
Perform Project Kickoff / Presentation	Assist	Lead
Document all requirements(assumed this has occurred prior to project start)	Informed	Lead

Activity / Task	EPI-USE	City
Sign off Project Preparation phase	Assist	Approve

5.2.2 Impact Analysis/ Requirements Confirmation

The key activities, tasks, and responsibilities associated with the Impact Analysis/ Requirements Confirmation phase are outlined in the table below. The length of time devoted to each task will be defined in the Project Work plan.

Activity / Task	EPI-USE	City
Conduct Requirements Analysis and confirmation workshops	Lead	Assist
Analyze Documented to-be process requirements	Lead	Assist
Perform Gap analysis, summary and recommendations report	Lead	Assist
Revise WRICEF List (if required)	Lead	Assist
Document data conversion requirements(if required)	Lead	Assist
Revise already created Business Process Master List (BPML)	Lead	Assist
Create Organizational Change Management Plan: strategic and tactical approach, including Stakeholder Analysis, Risk Assessment Processes and Tools, Risk Profiles, OCM Risk Mitigation and Action Planning Workshops, Updated OCM Plan and Aligned Activities to Project Plan	Assist	Lead
Revise Project Plan	Lead	Lead
Sign off Business Blueprint phase	Assist	Approve

5.2.3 Realization/ Build/ Testing

The key activities, tasks, and responsibilities associated with this phase are outlined in the table below. The length of time devoted to each task will be defined in the Project Work plan.

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Activity / Task	EPI-USE	City
Update Project Plan	Lead	Assist
Perform baseline configuration	Lead	Assist
Create functional specifications for workflow, reports, interfaces, enhancements, conversions, and forms	Lead	Lead
Oversee and manage the development of WRICEF objects	Co-Lead	Co-Lead
Develop Workflow, Reports, Interfaces, Conversion, Enhancement, Form (WRICEF) objects as per specifications and as assigned by Development Leads	N/A	Lead
Perform data cleansing	Informed	Lead
Create unit test plan	Lead	Assist
Develop plans for final scope configuration	Lead	Assist
Perform final scope configuration	Lead	Assist
Perform steps in Organizational Change Management	Assist	Lead
Develop Business Process Procedures	Assist	Lead
Create training data	Assist	Lead
Create, revise and update Training Scope	Assist	Lead
Create End-User Training Strategy	Assist	Lead
Create and deliver End-User Training Plans	Assist	Lead
Deliver a detailed End-User Curriculum Design (Role Based, Blended) and Role Matrix – details roles, all transactions for security, courses, jobs	Assist	Lead
Develop end-user training materials	Assist	Lead
Prepare for end-user training	Assist	Lead

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Task	EPI-USE	City
Build transactional data in training environment to support classroom exercises	Assist	Lead
Deliver Train-the-Trainer program	Assist	Lead
Develop Power-User strategy	Assist	Lead
Deliver on-going communications	Assist	Lead
Create test scripts	Assist	Lead
Perform integration testing	Lead	Assist
Develop cutover plan	Lead	Lead
Develop post production support strategy	Assist	Lead
Plan for system stress and load tests	Assist	Lead
Perform payroll comparison	Assist	Lead
Perform payroll parallel process testing	Assist	Lead

5.2.4   Final Preparation and Go-Live & Post Go-Live Support

The key activities, tasks, and responsibilities associated with this phase are outlined in the table below. The length of time devoted to each task will be defined in the Project Work plan.

Activity / Task	EPI-USE	City
Finalize cutover plan	Lead	Lead
Finalize operations and administration procedures	Assist	Lead
Finalize system maintenance plan	Assist	Lead
Finalize post production support strategy and plan	Assist	Lead
Perform user acceptance test (UAT)	Assist	Lead
Perform system stress and load tests	Assist	Lead

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Activity / Task	EPI-USE	City
Deliver train-the-trainer workshops	Assist	Lead
Deliver end-user training	Assist	Lead
Deliver final assessment for Organizational Readiness	Assist	Lead
Perform Go/No-go meeting	Lead	Lead
Deliver No-go contingency plan for revised Go-Live date	Lead	Lead
Perform cutover	Lead	Lead
Perform data validations	Assist	Lead
Provide Post Go-Live Implementation support	Lead	Assist
Deliver ongoing communications	Assist	Lead
Document and Resolve Go-Live issues	Lead	Assist
Perform handover to support staff	Lead	Assist
Sign-Off on Go-Live	Assist	Approve
Execute the Post Go-Live support plan	Assist	Lead
Complete Post Go-Live Implementation support and formally Close Project	Assist	Approve

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6. FEES

6.1 Fees

The fees for this Project are based on time and material services. The table below lists the estimated hours and rates for this Project.

Role	Estimated Hours	Rate	Estimated Total
Advisory/ QA	128	$0	$0
Solution Architect	184	$185	$34,040
Project Manager/ Team Lead	1,304	$160	$208,640
Time and Payroll Expert	1,344	$170	$228,480
Time and Payroll Expert	1,344	$160	$215,040
Business Requirements and Testing	1,024	$145	$148,480
Estimated Total	**5,328**		**$834,680**

Table 6: Estimated fees

Notes on the fees:

1. All amounts are in US Dollars and exclude applicable taxes.

2. Travel expenses are not included in the above rates and will be billed according to the travel expense guidelines listed below.

3. Travel expenses can be estimated at 15% of Services.

4. It is assumed that the City adds a 10-15% contingency in their budget to be able to manage overruns. Overruns will be managed through the project management change control process.

6.2 Travel Expenses

Travel Expenses are not included in the above fees and EPI-USE shall bill actual, necessary and allowable expenses in accordance with the following guidelines. Receipts for any costs exceeding $25.00 will be submitted with the invoice.

Type   Rate/ Specification

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Type	Rate/ Specification
Mileage	Mileage can only be claimed when the consultant uses his personal vehicle to travel for work purposes.
	The actual mileage driven must be recorded and will be reimbursed at the rate of 55.5 cents per U.S. mile (during 2012) or the applicable rate as defined by the IRS (go to http://www.irs.gov and enter "mileage rates 2012" under Search Forms and Publications).
Meals	A daily meal per diem of $WS:TBC for out-of-town consultants. Maximums for day of arrival and departure are pro-rated.
Airfare	Lowest available coach fare with fourteen (14) day advance purchase; however, in the event of an emergency or if consultant is unable to schedule travel by air fourteen (14) days in advance, EPI-USE will use its best efforts to obtain the lowest price air fare.
	Bag check fees charged by airlines are reimbursable.
	Change fees are reimbursable, if the requirement to change is the result of project related activities.
Lodging	Actual expenses for hotel accommodation. EPI-USE will leverage the City's negotiated hotel rates for the area.
Rental car	Consultants will use best effort to obtain lowest price for a mid-sized car.
Gas	Actual expenses for rental cars only.
Public/ Ground transportation	Cab fares and/ or public transportation will be reimbursed at actual expense.
	Public / Ground Transportation costs will be periodically reviewed for reasonableness.
Tolls	Actual expenses
Parking	Actual expenses
Other	Approval from EPI-USE Engagement Manager is required.

Table 7: Travel Expense guidelines

6.3 Payment Terms

EPI-USE will invoice and be paid according to the payment terms defined in the Contract in conjunction with the Fees detailed in section 6.1 above.

EPI-USE will invoice services and actual travel expenses on a monthly basis. The invoice will include a summary of the expenses incurred by the consultant(s).

7. ASSUMPTIONS

All assumptions and commitments from the MSA are hereby included by reference and assumptions and commitments that are specifically applicable to this SOW are listed below:

Certain assumptions were taken into account to determine the level of effort to perform the scope of Services included in this SOW. Several of these assumptions are as follows:

Implementation Assumptions

- The City is committed to implementing SAP "Best Practices" in order to minimize the need for FRICE-W customizations.

- The City is responsible to make all non-Time Management configuration and testing

- Detailed project scope will be finalized at Blueprint sign-off.

- The City will implement the design of the business processes, procedures, policies, and practices to fit within a non-modified SAP installation. The Project will be limited to configuring standard SAP business processes without any modification to SAP's source code.

- The City recognizes that co-existing initiatives may be a risk and a challenge to the Project team and the implementation. The City will be responsible to ensure that the appropriate actions are taken to avoid any impact to the Project schedule, staffing, and costs related to any co-existing projects. Current staffing does not include time to satisfy any restrictions imposed by competing initiatives and thereby could be subject to change control procedures.

- The City time and pay requirements and existing tickets as they relate to this project will be analysed, prioritized and documented by the City staff. A gap analysis of these requirements and the completeness of the documentation will be conducted by the City staff prior to the project start. Any new requirements that do not form part of this baseline will be assessed and will flow into the change management process and governance.

- The City understands the Project scope and Project timelines and agrees to communicate and adhere to those objectives internally; thus, helping to set the proper expectation level.

- Prompt decision-making and problem resolution will be required to achieve an on-time, on-budget Project completion. It is expected most decisions and/or problems will be resolved within a two(2) day time period for any one process decision/validation. The City agrees there is a one (1) week maximum timeframe or a timeframe otherwise agreed to by both parties. EPI-USE will efficiently deliver items for the City review and decision making.

Staffing and Organization Assumptions

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- The City and EPI-USE Project teams will be located onsite within the designated facility located in Portland . EPI-USE will have access to the Cities environments remotely if required but any such off-site work will require City's EBS Manager approval.

- The Cities executive team is supportive of the Project and will establish a Project Steering Committee for overseeing the Project which will include EPI-USE's Engagement Director.

- The City will assign a Project Manager to the implementation Project team on a part-time basis and a full-time project lead for the duration of the Project.

- EPI-USE personnel will work a forty (40) hour week at a minimum schedule. After go Live, and as necessary, resources will alternate travel on Monday and Friday so an EPI-USE presence is always onsite in Portland.

- The City will take the lead and be responsible for the development of FRICE-W. Should any additional development resources become necessary, The City will either provide qualified resources to perform this activity or invoke the process in for additional EPI-USE resources.

- The City will staff the Project with qualified resources that are familiar with the City's business processes and practices. These resources must possess the necessary competencies, capabilities, and dedication to complete the solution on time.

- Both parties agree to work overtime (when required) to help complete Project deliverables and to make Project timelines.

- All City and EPI-USE Project team members are expected to take normal vacation and holiday days throughout the course of the Project except during stages of the Project where their presence is critical. The Project Managers will review any requests for vacation before approval is granted.

The Application

- EPI-USE is responsible for the configuration of the base software required for the time re-write.
- There are no plans for new version upgrades during the implementation process.
- The City is responsible for training technical personnel on the application software environment and tools.

Project Management
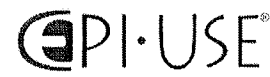
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- EPI-USE will assume overall responsibility for the successful installation and completion of this Project including the management of all consultants, subcontracted resources and related Project activities.

- EPI-USE will assume overall responsibility for conducting all Project related administration activities including the development and administration of an MS Project based work program.

- Project status reporting will be conducted as agreed by the parties during the project preparation phase.

- EPI-USE will work with the City to establish the electronic Project office including: Project directories, calendars, work program, time and expense reporting, status reporting and other items as agreed to.

Security

- The City will assume responsibility for establishing user security in the SAP system for all users.

Business Process

- The City will draft changes to regulatory requirements and major policies in support of the business activities, workflows, and new system processing.

- As required The City will obtain approval from the appropriate regulatory body or executive to implement the required changes.

Conversion

- If any Conversion or cleansing of data is required the City will be responsible for this task.

Environments

- The City will be responsible for establishing and maintaining the various SAP development, test and production instances.

- The City will be responsible for migration of delivered components across the various instances.

Infrastructure

- The City will assume responsibility for ongoing operation and support of the development and production infrastructure including the server, network, and desktop environments

Development

- The City will provide resources to perform any required development activities.

- EPI-USE will provide the City with templates, instructions and samples of specification documents required to build interfaces.

System Testing

- EPI-USE will develop a test plan outlining the testing approach, methods, data, and participants.

- EPI-USE will assume responsibility for conducting a product integration test to insure the delivered product enhancements work to specification and do not adversely impact the system as a whole.
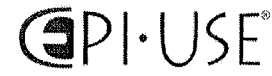
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- The City will assume responsibility for conducting a business test focusing on how well the business scripts flow with the new solution.

- The City will provide resources to participate in testing activities under the direction of EPI-USE.

- EPI-USE will provide resources for product fixes resulting from errors identified during the system testing process.

- EPI-USE will deliver the completed system to the City for review and acceptance.

Training

- It is the responsibility of the City for all aspects of end user and project team training.

User Acceptance

- The City will be responsible for developing an acceptance test plan.

- The City will be responsible for conducting an acceptance test of the completed system as delivered by EPI-USE at the completion of system testing activities.

- The City will formally accept the system in writing and declare it ready for production installation.

Production Cutover

- The City with assistance of EPI-USE will stage all aspects of the system in preparation for production cutover.

- The City with assistance of EPI-USE will conduct production cutover activities.

- The City will conduct manual conversion activities as required following production cutover(if required).

Post Implementation Support

- EPI-USE will facilitate the City in developing a post Go-Live support strategy.

- The City will be responsible for establishing a support organization with the appropriate, processes policies and tools required to manage the production environment.

Note: Deviations that arise during the proposed project will be managed through the procedure described in the Project Change Control Procedure (Appendix A.1), and may result in adjustments to the project scope, estimated schedule, charges and other terms. If an assumption deviation is not resolved through the Project Change Control Procedure within thirty (30) days, then the issue will be resolved in accordance with the Escalation Procedure (Appendix A.3).
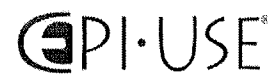
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8. CONTACT PERSONS

The contact persons for the City and EPI-USE on this SOW shall be:

Title	City of Portland	EPI-USE
Name	Satish Nath	Rob Levy, VP
Address	1120 SW 5th Avenue Portland, OR 97204	2002 Summit Blvd, Suite 825 Atlanta, GA 30319
Phone	(503) 823-7459	(858) 733-0952
Facsimile	(503) 823 7459	(770) 234-4029
E-mail	Satish.Nath@portlandoregon.gov	Rob.Levy@us.epiuse.com

The contact persons for the City and EPI-USE on this SOW for invoicing shall be:

Title	City of Portland	EPI-USE
Name	Kevin Campbell	Amanda Badenhorst
Address	1120 SW 5th Avenue Portland, OR 97204	2002 Summit Blvd, Suite 825 Atlanta, GA 30319
Phone	(503) 823 1336	(858) 733-0952
Facsimile	(503) 823 1336	(770) 234-4029
E-mail	Kevin.Campbell@portlandoregon.gov	Amanda.Badenhorst@us.epiuse.com

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9. ACCEPTANCE AND APPROVALS

IN WITNESS WHEREOF the parties hereto have executed this SOW on this _____ day of July, 2012.

City of Portland   **EPI-USE America, Inc.**

_____   _____
(signature)   (signature)

_____   _____
(print name)   (print name)

_____   _____
(title)   (title)

_____   _____
(date)   (date)

10. APPENDIX A – CHANGE CONTROL AND ESCALATION PROCEDURE

A.1 Project Change Control Procedure

The following process will be followed if a change to this SOW is required:

- A Project Change Request (PCR) will be the vehicle for communicating a change. The PCR must describe the change; the rationale for the change and the effect the change will have on the Project. EPI-USE will provide the form to be completed for this purpose.

- The designated Project/Engagement Manager of the requesting party will review the proposed change and determine whether to submit the request to the other party.

- The Project and Engagement Managers will review the proposed change and recommend it for further investigation or reject it. If the proposed change is recommended for further investigation, the Project and Engagement Managers will determine the scope of the investigation, the amount of investigation that will be done and what, if any, charges may apply. A PCR must be signed by authorized representatives from both parties to authorize investigation of the recommended changes. The investigation will determine the effect that the implementation of the PCR will have on price, schedule and other terms and conditions of the SOW.

- A written Change Authorization and/or PCR must be signed by authorized representatives from both parties to authorize implementation of the investigated changes. Until a change is agreed in writing, both parties will continue to act in accordance with the latest agreed version of the SOW.

A.2 Milestone Materials Acceptance Procedure

Except for status reports, project plan, and code, each Milestone Materials will be reviewed and accepted in accordance with the following procedure:

1. An electronic copy of the Milestone Materials will be submitted to the The City Project Manager. It is the The City Project Manager's responsibility to make and distribute additional copies to any other reviewers.
2. Within ten (10) business days the The City Project Manager will either accept the Milestone Material or provide the EPI-USE Team Lead a written list of reasons for rejection.
3. EPI-USE will modify the Milestone Material as necessary based on the reasons for rejection within five (5) business days, and the updated final version will be resubmitted to the The City Project Manager. If the updated final version is not accepted by The City, the foregoing process will be repeated. If, after a reasonable number of efforts, The City cannot accept a Milestone Materials, a resolution will be determined in accordance with the Project Escalation Procedure within five (5) business days.
4. The City's suggestions that are not agreed to by EPI-USE will be managed in accordance with the Project Escalation Procedure.

The City will guide EPI-USE with the requirements needed to complete and obtain approval for the Q-Gates. The City will lead the Q-Gate documentation and presentations, with EPI-USE as support.

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A.3 Project Escalation Procedure

The following procedure will be followed if resolution is required for a project-related conflict arising during the performance of this SOW:

1. **When a conflict arises between The City and EPI-USE, the project team member(s) will first strive to work out the problem internally.**
2. **Level 1:** If the project team cannot resolve the conflict within two (2) business days, the The City Project Manager and EPI-USE Project Manager will meet to resolve the issue.
3. **Level 2:** If the conflict is not resolved within three (3) working days after being escalated to Level 1, the The City Program Manager will meet with the EPI-USE Engagement Manager to resolve the issue.
4. **Level 3:** If the conflict is not resolved within three (3) working days after being escalated to Level 2, the Project Sponsors will meet to resolve the issue.
5. **Level 4:** If the conflict remains unresolved after Level 3 intervention, resolution will be addressed in accordance with Project Change Control Procedure or termination of this SOW under the terms of the Contract.
6. During any conflict resolution, EPI-USE agrees to provide services relating to items not in dispute, and The City agrees to pay invoices for items not in dispute.
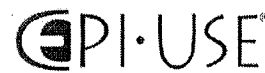
INDEPENDENT CONTRACTOR CERTIFICATION STATEMENT

SECTION A

CONTRACTOR CERTIFICATION I, undersigned, am authorized to act on behalf of entity designated below, hereby certify that entity has current Workers' Compensation Insurance.

Contractor Signature_____ Date_____ Entity_____

> **If entity does not have Workers' Compensation Insurance, City Project Manager and Contractor complete the remainder of this form.**

SECTION B

ORS 670.600 Independent contractor standards. As used in various provisions of ORS Chapters 316, 656, 657, and 701, an individual or business entity that performs labor or services for remuneration shall be considered to perform the labor or services as an "independent contractor" if the standards of this section are met. The contracted work meets the following standards:

1. The individual or business entity providing the labor or services is free from direction and control over the means and manner of providing the labor or services, subject only to the right of the person for whom the labor or services are provided to specify the desired results;

2. The individual or business entity providing labor or services is responsible for obtaining all assumed business registrations or professional occupation licenses required by state law or local government ordinances for the individual or business entity to conduct the business;

3. The individual or business entity providing labor or services furnishes the tools or equipment necessary for performance of the contracted labor or services;

4. The individual or business entity providing labor or services has the authority to hire and fire employees to perform the labor or services;

5. Payment for the labor or services is made upon completion of the performance of specific portions of the project or is made on the basis of an annual or periodic retainer.

City Project Manager Signature   Date

SECTION C

Independent contractor certifies he/she meets the following standards:

1. The individual or business entity providing labor or services is registered under ORS Chapter 701, if the individual or business entity provides labor or services for which such registration is required;

2. Federal and state income tax returns in the name of the business or a business Schedule C or form Schedule F as part of the personal income tax return were filed for the previous year if the individual or business entity performed labor or services as an independent contractor in the previous year; and

3. The individual or business entity represents to the public that the labor or services are to be provided by an independently established business. Except when an individual or business entity files a Schedule F as part of the personal income tax returns and the individual or business entity performs farm labor or services that are reportable on Schedule C, an individual or business entity is considered to be engaged in an independently established business when four or more of the following circumstances exist. Contractor check four or more of the following:

____ A. The labor or services are primarily carried out at a location that is separate from the residence of an individual who performs the labor or services, or are primarily carried out in a specific portion of the residence, which portion is set aside as the location of the business;

____ B. Commercial advertising or business cards as is customary in operating similar businesses are purchased for the business, or the individual or business entity has a trade association membership;

____ C. Telephone listing and service are used for the business that is separate from the personal residence listing and service used by an individual who performs the labor or services;

____ D. Labor or services are performed only pursuant to written contracts;

____ E. Labor or services are performed for two or more different persons within a period of one year; or

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F.   The individual or business entity assumes financial responsibility for defective workmanship or for service not provided as evidenced by the ownership of performance bonds, warranties, errors and omission insurance or liability insurance relating to the labor or services to be provided.

_____   _____
Contractor Signature   Date