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A G R E E M E N T

30799

THIS AGREEMENT is made and entered, in duplicate, as of July 16, 2008 for reference purposes only, pursuant to a minute order adopted by the City Council of the City of Long Beach at its meeting held on July 22, 2008, by and between LANGHAM CONSULTING SERVICES, INC., a Louisiana corporation, with a place of business at 2240 Monroe Street, Mandeville, Louisiana ("Consultant"), and the CITY OF LONG BEACH, a municipal corporation ("City").

WHEREAS, the City requires specialized services requiring unique skills to be performed in connection with the selection of a new customer information system ("CIS") in the City of Long Beach ("Project"), as described more fully in the attached Scope of Work; and

WHEREAS, City has selected Consultant in accordance with City's administrative procedures and City has ascertained that Consultant and its employees are qualified, licensed, if so required, and experienced in performing such specialized services; and

WHEREAS, City desires to have Consultant perform said specialized services, and Consultant is willing and able to do so on the terms herein;

NOW, THEREFORE, in consideration of the mutual terms, covenants, and conditions in this Agreement, the parties agree as follows:

1. SCOPE OF WORK OR SERVICES.

1.1 Consultant shall furnish specialized services more particularly set forth in the Scope of Work attached hereto as Exhibit "A", incorporated herein by this reference, in accordance with the standards of the profession, and City shall pay for said services in the manner described below, not to exceed \$200,000, at the rates or charges described in Exhibit "B". The parties may agree to revise the amount of a given task or shift funds allocated between tasks, provided that no such change shall occur before Consultant requests such change in writing and City consents thereto.

1 1.2 Consultant may select the time and place of performance
2 hereunder provided, however, that access to City documents, records, and the like, if
3 needed by Consultant, shall be available only during City's normal business hours and
4 provided that milestones for performance, if any, are met.

5 1.3 Consultant has requested to receive regular payments. City
6 shall pay Consultant within thirty (30) days following receipt from Consultant and approval
7 by City of invoices showing the services or task performed, the time expended (if billing is
8 hourly), and the name of the Project. Consultant shall certify on the invoices that
9 Consultant has performed the services in full conformance with this Agreement and is
10 entitled to receive payment. Each invoice shall be accompanied by a progress report
11 indicating the progress to date of services performed and covered by said invoice,
12 including a brief statement of any Project problems and potential causes of delay in
13 performance, and listing those services that are projected for performance by Consultant
14 during the next invoice cycle. Where billing is done and payment is made on an hourly
15 basis, the parties acknowledge that such arrangement is either customary practice for
16 Consultant's profession, industry, or business, or is necessary to satisfy audit and legal
17 requirements which may arise due to the fact that City is a municipality.

18 1.4 Consultant represents that City has obtained all necessary
19 information on conditions and circumstances that may affect performance hereunder and
20 has conducted site visits, if necessary.

21 2. TERM. The term of this Agreement shall commence on August 1,
22 2008, and shall terminate on July 31, 2009, unless sooner terminated as provided in this
23 Agreement, or unless the services to be performed hereunder or the Project is completed
24 sooner.

25 3. COORDINATION AND ORGANIZATION.

26 3.1 The parties acknowledge that a substantial inducement to City
27 for entering this Agreement was and is the reputation and skill of Consultant's key
28 employees. City shall have the right to approve any person proposed by Consultant to

1 replace the originally designated key employees.

2 4. INDEPENDENT CONTRACTOR. In performing services hereunder,
3 Consultant is and shall act as an independent contractor and not an employee,
4 representative, or agent of City. Consultant shall have control of Consultant's work and
5 the manner in which it is performed. Consultant shall be free to contract for similar
6 services to be performed for others during this Agreement provided, however, that
7 Consultant acts in accordance with Section 9 and Section 11 of this Agreement.
8 Consultant acknowledges and agrees that a) City will not withhold taxes of any kind from
9 Consultant's compensation, b) City will not secure workers' compensation or pay
10 unemployment insurance to, for or on Consultant's behalf, and c) City will not provide and
11 Consultant is not entitled to any of the usual and customary rights, benefits or privileges
12 of City employees. Consultant expressly warrants that neither Consultant nor any of
13 Consultant's employees or agents shall represent themselves to be employees or agents
14 of City.

15 5. INSURANCE. As a condition precedent to the effectiveness of this
16 Agreement, Consultant shall procure and maintain at Consultant's expense for the
17 duration of this Agreement from insurance companies that are admitted to write
18 insurance in California or from authorized non-admitted insurance companies that have
19 ratings of or equivalent to A:VIII by A.M. Best Company the following insurance:

20 5.1 Commercial general liability insurance (equivalent in scope to
21 ISO form CG 00 01 11 85 or CG 00 01 11 88) in an amount not less than One Million
22 Dollars (\$1,000,000) per each occurrence and Two Million Dollars (\$2,000,000) general
23 aggregate. Such coverage shall include but not be limited to broad form contractual
24 liability, cross liability, independent contractors liability, and products and completed
25 operations liability. The City, its officials, employees and agents shall be named as
26 additional insureds by endorsement (on City's endorsement form or on an endorsement
27 equivalent in scope to ISO form CG 20 10 11 85 or CG 20 26 11 85), and this insurance
28 shall contain no special limitations on the scope of protection given to the City, its

1 officials, employees and agents.

2 5.2 Professional liability or errors and omissions insurance in an
3 amount not less than One Million Dollars (\$1,000,000) per claim.

4 5.3 Commercial automobile liability insurance (equivalent in scope
5 to ISO form CA 00 01 06 92), covering Auto Symbol 1 (Any Auto) in an amount not less
6 than Five Hundred Thousand Dollars (\$500,000) combined single limit per accident.

7 Any self-insurance program, self-insured retention, or deductible must be
8 separately approved in writing by City's Risk Manager or designee and shall protect City,
9 its officials, employees and agents in the same manner and to the same extent as they
10 would have been protected had the policy or policies not contained retention or
11 deductible provisions. Each insurance policy shall be endorsed to state that coverage
12 shall not be reduced, non-renewed, or canceled except after thirty (30) days prior written
13 notice to City, and shall be primary and not contributing to any other insurance or self-
14 insurance maintained by City. Consultant shall notify the City in writing within five (5)
15 days after any insurance required herein has been voided by the insurer or cancelled by
16 the insured. If this coverage is written on a "claims made" basis, it must provide for an
17 extended reporting period of not less than one year, commencing on the date this
18 Agreement expires or is terminated, unless Consultant guarantees that Consultant will
19 provide to the City evidence of uninterrupted, continuing coverage for a period of not less
20 than three (3) years, commencing on the date this Agreement expires or is terminated.

21 Consultant shall require that all contractors and subcontractors which
22 Consultant uses in the performance of services hereunder maintain insurance in
23 compliance with this Section unless otherwise agreed in writing by City's Risk Manager or
24 designee. Prior to the start of performance, Consultant shall deliver to City certificates of
25 insurance and required endorsements for approval as to sufficiency and form. In
26 addition, Consultant, shall, within thirty (30) days prior to expiration of the insurance
27 required herein, furnish to City certificates of insurance and endorsements evidencing
28 renewal of such insurance. City reserves the right to require complete certified copies of

1 all policies of Consultant and Consultant's contractors and subcontractors, at any time.
2 Consultant shall make available to City's Risk Manager or designee all books, records
3 and other information relating to the insurance coverage required herein, during normal
4 business hours.

5 Any modification or waiver of the insurance requirements herein shall only
6 be made with the approval of City's Risk Manager or designee. Not more frequently than
7 once a year, the City's Risk Manager or designee may require that Consultant,
8 Consultant's contractors and subcontractors change the amount, scope or types of
9 coverages required herein if, in his or her sole opinion, the amount, scope, or types of
10 coverages herein are not adequate. The procuring or existence of insurance shall not be
11 construed or deemed as a limitation on liability relating to Consultant's performance or as
12 full performance of or compliance with the indemnification provisions of this Agreement.

13 6. ASSIGNMENT AND SUBCONTRACTING. This Agreement
14 contemplates the personal services of Consultant and Consultant's employees, and the
15 parties acknowledge that a substantial inducement to City for entering this Agreement
16 was and is the professional reputation and competence of Consultant and Consultant's
17 employees. Consultant shall not assign its rights or delegate its duties hereunder, or any
18 interest herein, or any portion hereof, without the prior approval of City, except that
19 Consultant may with the prior approval of the City Manager of City, assign any moneys
20 due or to become due the Consultant hereunder. Any attempted assignment or
21 delegation shall be void, and any assignee or delegate shall acquire no right or interest
22 by reason of such attempted assignment or delegation. Furthermore, Consultant shall
23 not subcontract any portion of the performance required hereunder without the prior
24 approval of the City Manager or designee, nor substitute an approved subcontractor
25 without said prior approval to the substitution. Nothing stated in this Section 6 shall
26 prevent Consultant from employing as many employees as Consultant deems necessary
27 for performance of this Agreement.

28 7. CONFLICT OF INTEREST. Consultant, by executing this

1 Agreement, certifies and shall obtain similar certifications from Consultant's employees
2 and approved subcontractors that, at the time Consultant executes this Agreement and
3 for its duration, Consultant does not and will not perform services for any other client
4 which would create a conflict, whether monetary or otherwise, as between the interests of
5 City hereunder and the interests of such other client.

6 8. **MATERIALS.** Consultant shall furnish all labor and supervision,
7 supplies, materials, tools, machinery, equipment, appliances, transportation, and services
8 necessary to or used in the performance of Consultant's obligations hereunder

9 9. **OWNERSHIP OF DATA.** All materials, information and data
10 prepared, developed, or assembled by Consultant or furnished to Consultant in
11 connection with this Agreement, including but not limited to documents, estimates,
12 calculations, studies, maps, graphs, charts, computer disks, computer source
13 documentation, samples, models, reports, summaries, drawings, designs, notes, plans,
14 information, material, and memorandum ("Data") shall be the exclusive property of City.
15 Data shall be given to City, and City shall have the unrestricted right to use and disclose
16 the Data in any manner and for any purpose without payment of further compensation to
17 Consultant. Copies of Data may be retained by Consultant but Consultant warrants that
18 Data shall not be made available to any person or entity for use without the prior approval
19 of City. Said warranty shall survive termination of this Agreement for five (5) years.

20 10. **TERMINATION.** Either party shall have the right to terminate this
21 Agreement for any reason or no reason at any time by giving fifteen (15) calendar days
22 prior notice to the other party. In the event of termination under this Section, City shall
23 pay Consultant for services satisfactorily performed and costs incurred up to the effective
24 date of termination for which Consultant has not been previously paid. The procedures
25 for payment in Section 1.3 with regard to invoices shall apply. On the effective date of
26 termination, Consultant shall deliver to City all Data developed or accumulated in the
27 performance of this Agreement, whether in draft or final form, or in process. And,
28 Consultant acknowledges and agrees that City's obligation to make final payment is

1 conditioned on Consultant's delivery of the Data to the City.

2 11. CONFIDENTIALITY. Consultant shall keep the Data confidential
3 and shall not disclose the Data or use the Data directly or indirectly other than in the
4 course of services provided hereunder during the term of this Agreement and for five (5)
5 years following expiration or termination of this Agreement. In addition, Consultant shall
6 keep confidential all information, whether written, oral, or visual, obtained by any means
7 whatsoever in the course of Consultant's performance hereunder for the same period of
8 time. Consultant shall not disclose any or all of the Data to any third party, nor use it for
9 Consultant's own benefit or the benefit of others except for the purpose of this
10 Agreement.

11 12. BREACH OF CONFIDENTIALITY. Consultant shall not be liable for
12 a breach of confidentiality with respect to Data that: (a) Consultant demonstrates
13 Consultant knew prior to the time City disclosed it; or (b) Is or becomes publicly available
14 without breach of this Agreement by Consultant; or (c) A third party who has a right to
15 disclose does so to Consultant without restrictions on further disclosure; or (d) Must be
16 disclosed pursuant to subpoena or court order.

17 13. ADDITIONAL COSTS AND REDESIGN.

18 13.1 Any costs incurred by the City due to Consultant's failure to
19 meet the standards required by the Scope of Work or Consultant's failure to perform fully
20 the tasks described in the Scope of Work which, in either case, causes the City to
21 request that Consultant perform again all or a part of the Scope of Work shall be at the
22 sole cost of Consultant and City shall not pay any additional compensation to Consultant
23 for such re-performance.

24 13.2 If the Project involves construction and the scope of work or
25 services requires Consultant to prepare plans and specifications with an estimate of the
26 cost of construction, then Consultant may be required to modify the plans and
27 specifications, any construction documents relating thereto, and Consultant's estimate, at
28 no cost to City, when the lowest bid for construction received by City exceeds by more

1 than ten percent (10%) Consultant's estimate. Said modification shall be submitted in a
2 timely fashion to allow City to receive new bids within four (4) months of the date on
3 which the original plans and specifications were submitted by Consultant.

4 14. AMENDMENT. This Agreement, including all Exhibits, shall not be
5 amended, nor any provision or breach hereof waived, except in writing signed by the
6 parties which expressly refers to this Agreement.

7 15. LAW. This Agreement shall be governed by and construed pursuant
8 to the laws of the State of California (except those provisions of California law pertaining
9 to conflicts of laws). Consultant shall comply with all laws, ordinances, rules and
10 regulations of and obtain such permits, licenses, and certificates required by all federal,
11 state and local governmental authorities.

12 16. ENTIRE AGREEMENT. This Agreement, including all Exhibits,
13 constitutes the entire understanding between the parties and supersedes all other
14 agreements, oral or written, with respect to the subject matter herein.

15 17. INDEMNITY. Consultant shall, with respect to services performed in
16 connection with this Agreement, indemnify and hold harmless the City, its Boards,
17 Commissions, and their officials, employees and agents (collectively in this Section,
18 "City") from and against any and all liability, claims, demands, damage, loss, causes of
19 action, proceedings, penalties, costs and expenses (including attorney's fees, court
20 costs, and expert and witness fees) (collectively "Claims" or individually "Claim"). Claims
21 include allegations and include by way of example but are not limited to: Claims for
22 property damage, personal injury or death arising in whole or in part from any negligent
23 act or omission of Consultant, its officers, employees, agents, sub-consultants, or anyone
24 under Consultant's control (collectively "Indemnitor"); Consultant's breach of this
25 Agreement; misrepresentation; willful misconduct; and Claims by any employee of
26 Indemnitor relating in any way to worker's compensation. Independent of the duty to
27 indemnify and as a free-standing duty on the part of Consultant, Consultant shall defend
28 City and shall continue such defense until the Claim is resolved, whether by settlement,

1 judgment or otherwise. No finding or judgment of negligence, fault, breach, or the like on
2 the part of Indemnitor shall be required for the duty to defend to arise. Consultant shall
3 notify the City of any claim within ten (10) days. Likewise, City shall notify Consultant of
4 any claim, shall tender the defense of such claim to Consultant, and shall assist
5 Consultant, as may be reasonably requested, in such defense.

6 18. AMBIGUITY. In the event of any conflict or ambiguity between this
7 Agreement and any Exhibit, the provisions of this Agreement shall govern.

8 19. COSTS. If there is any legal proceeding between the parties to
9 enforce or interpret this Agreement or to protect or establish any rights or remedies
10 hereunder, the prevailing party shall be entitled to its costs and expenses, including
11 reasonable attorneys' fees and court costs (including appeals).

12 20. NONDISCRIMINATION. In connection with performance of this
13 Agreement and subject to applicable rules and regulations, Consultant shall not
14 discriminate against any employee or applicant for employment because of race, religion,
15 national origin, color, age, sex, sexual orientation, gender identity, AIDS, HIV status,
16 handicap, or disability. Consultant shall ensure that applicants are employed, and that
17 employees are treated during their employment, without regard to these bases. Such
18 actions shall include, but not be limited to, the following: Employment, upgrading,
19 demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of
20 pay or other forms of compensation, and selection for training, including apprenticeship.
21 It is the policy of City to encourage the participation of Disadvantaged, Minority and
22 Women-owned Business Enterprises in City's procurement process, and Consultant
23 agrees to use its best efforts to carry out this policy in the award of all approved
24 subcontracts to the fullest extent consistent with the efficient performance of this
25 Agreement. Consultant may rely on written representations by subcontractors regarding
26 their status.

27 21. NOTICES. Any notice or approval required hereunder by either
28 party shall be in writing and personally delivered or deposited in the U.S. Postal Service,

1 first class, postage prepaid, addressed to Consultant at the address first stated herein,
2 and to the City at 333 West Ocean Boulevard, Long Beach, California 90802, Attention:
3 City Manager. Notice of change of address shall be given in the same manner as stated
4 herein for other notices. Notice shall be deemed given on the date deposited in the mail
5 or on the date personal delivery is made, whichever first occurs.

6 22. COVENANT AGAINST CONTINGENT FEES. Consultant warrants
7 that Consultant has not employed or retained any entity or person to solicit or obtain this
8 Agreement and that Consultant has not paid or agreed to pay any entity or person any
9 fee, commission, or other monies based on or from the award of this Agreement. If
10 Consultant breaches this warranty, City shall have the right to terminate this Agreement
11 immediately notwithstanding the provisions of Section 10 hereof or, in its discretion, to
12 deduct from payments due under this Agreement or otherwise recover the full amount of
13 such fee, commission, or other monies.

14 23. WAIVER. The acceptance of any services or the payment of any
15 money by City shall not operate as a waiver of any provision of this Agreement, or of any
16 right to damages or indemnity stated in this Agreement. The waiver of any breach of this
17 Agreement shall not constitute a waiver of any other or subsequent breach of this
18 Agreement.

19 24. CONTINUATION. Termination or expiration of this Agreement shall
20 not affect rights or liabilities of the parties which accrued pursuant to Sections 7, 10, 11,
21 17, 19 and 27 prior to termination or expiration of this Agreement.

22 25. TAX REPORTING. As required by federal and state law, City is
23 obligated to and will report the payment of compensation to Consultant on Form 1099-
24 Misc. Consultant shall be solely responsible for payment of all federal and state taxes
25 resulting from payments under this Agreement. Consultant's Employer Identification
26 Number is [REDACTED]

27 26. ADVERTISING. Consultant shall not use the name of City, its
28 officials or employees in any advertising or solicitation for business, nor as a reference,

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 without the prior approval of the City Manager or designee.

2 27. AUDIT. City shall have the right at all reasonable times during the
3 term of this Agreement and for a period of five (5) years after termination or expiration of
4 this Agreement to examine, audit, inspect, review, extract information from, and copy all
5 books, records, accounts, and other documents of Consultant relating to this Agreement.

6 28. THIRD PARTY BENEFICIARY. This Agreement is not intended or
7 designed to or entered for the purpose of creating any benefit or right for any person or
8 entity of any kind that is not a party to this Agreement.

9 IN WITNESS WHEREOF, the parties hereto have caused this document to
10 be duly executed with all formalities required by law as of the date first stated herein.

11 "Consultant"

12 LANGHAM CONSULTING SERVICES, a Louisiana
13 Corporation

14 July 29th, 2008

15 By: Gary Thorson
16 Name: GARY THORSON
17 Title: President

18 By: Celeste Thorson
19 Name: Celeste Thorson
20 Title: Secretary

21 "City"

22 CITY OF LONG BEACH, a municipal corporation

23 By: [Signature] Assistant City Manager
24 Name: Patrick H. West ADOPTED PURSUANT
25 Title: City Manager TO SECTION 301 OF
26 THE CITY CHARTER.

27 This Agreement is approved as to form on July 31,
28 2008.

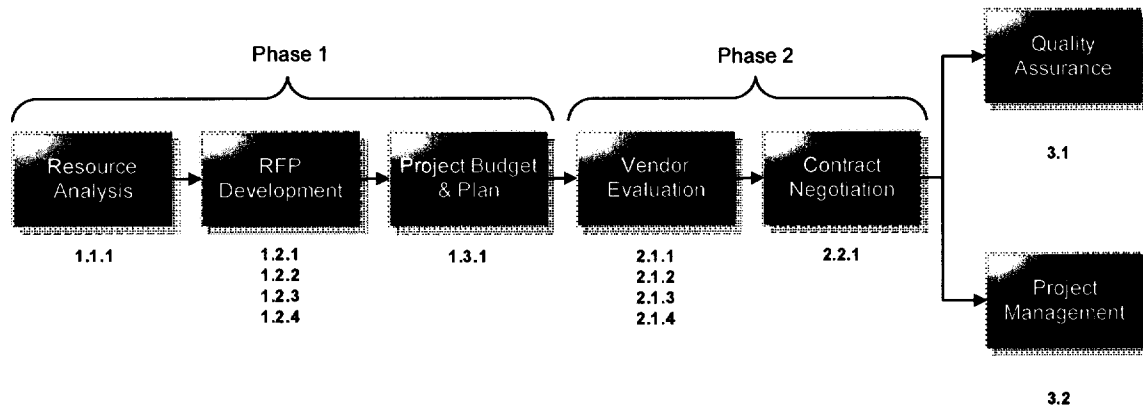
ROBERT E. SHANNON, City Attorney

By: Charles Park
Deputy

GJA:lkm A08-02107

Exhibit A – Statement of Work (SOW)

Langham Consulting's Mentor Methodology utilizes a 7 step project approach as outlined below and described in the following pages. Please note that we have indicated (in the graphic below) conceptual Phase numbers above the Mentor Task number(s) associated with each of the CLB proposed services. While it is not a part of the current CLB RFP or the services proposed by Langham, we have included, Step 3.1 and Step 3.2 for information purposes.



Langham Consulting will also provide Project Tools including but not limited to:

- Acquisition Project Plan (two approaches to choose from)
- RFP Response Scoring Methodology and Summary Formats
- Baseline CIS RFP specifications including RFP boilerplate and sample contract(s)
- Scope of Work Templates & samples (two to choose from)
- Demonstration Outline(s), schedules, and sample demo scripts
- Demonstration Evaluation Forms
- Reference Check Questionnaire
- Vendor Cost Comparison/Analysis Template
- Independent Validation & Verification (IV & V) Quality Assurance Process
- Incident Reporting & Tracking Process
- Change Order Control Process
- CIS Product Generic Test Plans and Sample Test Scripts
- Project Budget Tracking Tool
- Cutover Plan (template and samples)

Phase 1, Step 1, Resource Analysis

Task 1.1.1 Project Management

Langham staff will serve as the primary project manager for the CIS RFP selection project and will perform all necessary project management functions.

Task 1.1.2 Project Charter

The project will start with the development of a Project Charter. The Project Charter will identify the key goals and outcomes expected from the project. The document will address the following considerations of the CLB CIS project:

- Business drivers and background
- Potential benefits
- Team roles and responsibilities
- Project objectives
- Project constraints

Deliverable: Project Charter

Task 1.1.3 Resource Analysis

This analysis will evaluate organizational structure and possible division of labor in light of the project's internal staffing requirements. Many organizations under estimate the resources (full and part-time) needed to adequately staff a CIS project. This analysis will identify projected needs, project scope, current staff's skills and areas of expertise, along with any gaps. Together we will identify the necessary resources, both technical and functional; to successfully complete all necessary tasks for each phase of the project. We will help determine which the most cost effective resourcing approach and ensure a "best practices" methodology is used.

Deliverable: Resource Analysis and a Recommended Resource Plan

Task 1.1.4 Executive Workshop

In order to ensure that the project approach aligns with the goals of the city's leadership, a one-day Executive Workshop will be conducted with CLB's key management. It is important that CLB management set parameters that will be used to determine the direction of the RFP and the selection process. During this workshop the following areas will be discussed:

- Current trends, industry standards, and emerging technologies in the CIS marketplace
- Key CIS vendors and their attributes/considerations (e.g. Tier, cost, flexibility, cost of operate/maintain/upgrade, etc.)
- Implementation alternatives (e.g. In-house, hosted, SAAS, hybrid, "Vanilla system" vs. "Highly configured", pros/cons etc.)
- Project costs: Vendor costs, CLB costs
- Budget restrictions

- Contract negotiation strategy
- Project expectations (e.g. Staffing, facilities, timeline, etc.)
- Key factors for project success: Strategies that have been used to help ensure successful rollout of new software applications (e.g. Executive sponsorship, organizational change management, strict change control procedures, etc.)
- Project risks

Deliverable: Executive Direction and Assumptions

Phase 1, Step 2, RFP Development

Task 1.2.1 Develop Acquisition Project Plan

A critical element of success is setting expectations through proper planning. Once all resources are identified and the associated risks are understood the Project Team members must come to a common project understanding. Together we will define the timeline and expected results for each of the following phases. Roles and responsibilities will be defined with an understanding of the deliverables from each role. Once all elements of the vendor/product selection project are understood, the project plan will be finalized and used to manage and track progress. Project plans are typically living documents and may change as various project factors change.

Deliverable: Acquisition Project Plan

Task 1.2.2 Structured Risk Analysis

We will focus on the evaluation and selection of a Customer Information System (and ancillary modules) that is state of the art, off the shelf technology, which will meet all or most of the business functions of the department.

During this phase the Langham staff members will:

- Review CLB's project approach and implementation plans and provide recommendations
- Meet with both business and technical staff to better understand the operational characteristics and requirements
- Review the following environments and document recommendations; Server, Software and Services, Network, Desktop, and other Products.
- Additionally we will review the current status and needs in the areas of; Bill Print, Application Services, Product Modifications, and Product Interfaces.
- All of the above items will be considered and included in the development of the Functional and Technical Requirements as well as the Scope of Work produced in the following tasks.

Deliverable: A List of Identified Risks and how they will be addressed in the RFP Document.

Task 1.2.3 Develop Detailed CIS Requirements Document

During this task Langham staff will meet with CLB's Subject Matter Expert (SMEs) to critically analyze the business requirements, current processes, desired future processes, and determine the associated functional and technical requirements. Langham Consulting facilitates this process by delivering our based set of CIS & Mobile Workforce Management (MWM) Functional Specifications.

These specifications have been developed and revised through our work with utility organizations throughout the United States and will provide the basis for our functional discussions with CLB SMEs. The over 1800 functional, technical, interface, and reporting requirements represent state of the art system functionality available in today's market. These requirements are then enhanced, deleted, or modified to represent the current and future needs of CLB. Each requirement will be assigned a priority as it is defined to ensure that the final document communicates accurately both the actual functional requirement and its importance to CLB.

Deliverable:

- (1) Detailed Requirements Document (CIS and MWM);*
- (2) Vendor Scoring/Evaluation Methodology;*
- (3) Reference Check Questionnaire;*
- (4) Vendor Demonstration Instructions and Schedule;*
- (5) Site Visit Agenda and Evaluation Form*
- (6) RFP Exhibits (as required)*

Task 1.2.4 Provide a complete "Scope of Work" for the development of a Request for Proposal (RFP) in the format required by CLB

Langham staff will deliver to CLB a sample "Scope of Work". Langham currently has two preferred Scope of Work formats that we will provide. Based on CLB's staff review and discussions of each format, CLB will pick the desired Scope format. The selected format will be used as a starting point to develop a final Scope of Work for the CLB's CIS Replacement RFP. We should mention that the formats we offer are not just outlines. They come complete with suggested deliverables and acceptance criteria. Based on generic implementation review workshops, Langham will development a draft Scope document for CLB's review and suggestions. Once finalized, Langham Consulting will work with CLB's Purchasing and Legal departments to finalize and incorporate the Scope document, the Functional Specifications (including interface & reporting requirements), and scoring procedures into a comprehensive RFP complete with a calendar of events, vendor requirements, insurance requirements and all legal requirements. If desired, we can even provide a sample contract for your consideration and possible inclusion in the RFP.

Deliverable: "Scope of Work" and a Complete RFP including a vendor list for RFP distribution.

Phase 1, Step 3, Project Budget & Preliminary Implementation Plan

Task 1.3.1 Prepare Project Summary and Estimated Costs

Based on the aforementioned Resource Analysis, Functional Requirements, Technical Requirements, and Scope of Work, Langham and the Project Team will build a detailed project budget. This budget will consider staffing requirements, infrastructure requirements and the current CIS product and implementation market place.

The prepared Project Budget will provide a brief history of the acquisition process and summarize findings along the way. Langham Consulting will utilize peer project comparisons to help validate the recommendations, time line and costs associated with the project. While this will be a detailed budget analysis, Langham will also provide a high level summary in order that all parties understand the short term and long term financial impact of this project.

Deliverable: Project Summary & Projected Project Budget

Phase 2, Step 1, Vendor Evaluation

Task 2.1.1 Vendor Proposals and Evaluations

First, Langham will assist the CIS Project Team and Purchasing in addressing any and all vendor questions. In the previous phase together we identified the priorities and scoring criteria within the RFP. In this task the vendor RFP responses are scored utilizing this criterion. Langham Consulting will score the object sections of vendor responses (functional & cost sections) and assist CLB in the team's consensus scoring of the subjective portions of the RFP. This will result in a short list of at least 3 vendors. Langham will then conduct reference checks for the short listed vendors assessing the vendor/product strength (including financial strength), position in the market, implementation quality, and post-implementation support quality. Finally, we will apply the agreed-upon evaluation procedures to the proposals and other information gathered to this point. These results will be delivered in both detail and summary form to you.

Deliverable: Completed Vendor Evaluation Document

Task 2.1.2 Organize the top (short-listed) Vendors Demo at CLB

Langham Consulting has a demo evaluation form that has been successfully used by many of our clients. However, Langham and CLB staff will work together to develop and define the goals of the vendor demos. Once the goals are agreed upon, we will develop a demo outline & demo schedule to guide the vendor's presentations including specific demo scripts as needed. If necessary, Langham Consulting will modify the existing demo evaluation form to accurately reflect the defined goals for CLB. Langham Consulting will attend and manage the vendor demonstrations including acting as facilitator, ensuring that the vendor covers the required materials; stays within the time allocated to each functional area, document questions and facilitate obtaining any additional information needed after the demos.

Deliverable: Detailed Vendor Demo Instructions and Sample Data (as needed)

Task 2.1.3 Develop the Ranking of the Vendors from Demos

Langham Consulting will provide a demonstration evaluation template. Langham and the CLB's Project team can customize this template based on the goals of the Team. Langham Consulting will be responsible for distributing and collecting all scoring sheets for each vendor demo. We will consolidate those demo scores into a spreadsheet format which will compare the scores from the participants for all demo vendors. Additionally, Langham will conduct vendor reference checks and provide both detail and vendor reference check scoring summary. The vendor's demonstration scores & reference check scores will be added to their RFP scores to provide a Total Score for each vendor. The vendors will be ranked based on this additional scoring information. CLB will be provided with all the details from the analysis, a summary written report and PowerPoint Presentation which could be used for CLB's Management review.

Deliverable: Vendor Reference Checks & Ranking Document with supporting detail

Task 2.1.4 Participate in Vendor and Reference Site Visits

Vendor reference sites will be selected based on the client list provided by each vendor. Langham Consulting will identify user sites that are most similar in size and complexity to CLB and provide a list of site visit candidates to the Project Team. Once the desired site visit locations are identified, Langham Consulting will arrange and schedule those visits. In addition, Langham Consulting and the Project Team will once again meet to identify the goals of each visit. Once detailed, Langham will develop a site visit agenda and evaluation/scoring form for Project Team review and approval. During the site visits,

Langham Consulting will be responsible for the distribution and collection of the completed evaluation forms as well as consolidating the information into a trip report.

Deliverable: Trip Reports with Evaluations

Phase 2, Step 2, Contract Negotiation

Task 2.2.1 Lead or Participate in Final Contract Negotiations

Langham Consulting will obtain the current contract/agreement from the selected vendor(s) for software license(s), implementation services, and annual maintenance and support. We will review each agreement and provide a “redlined” version to the Project Team and CLB’s designated Attorney with recommended changes, a recommended Statement of Work and a list of issues. Langham will then conduct a Contract Review & Negotiation Strategy meeting to obtain consensus on negotiation points, gain an understanding of CLB’s view on each point, and develop a negotiation plan including any “deal breakers.” Langham’s negotiation strategy is to develop and preserve a long-term mutually beneficial relationship between CLB and the vendor while ensuring quality vendor performance and minimizing the risks to CLB and the customers you serve. Langham’s chief negotiator, Gary Thorson, Ph.D. has over 24 years of experience doing just that and you cannot find a better CIS contract negotiator in the US.

Deliverable: Vendor Contract including detailed Statement of Work.

Task 2.2.2 Confirmation Tasks

Based on the selected proposal, Langham will update the project budget previously developed and develop a five-year total cost of ownership estimate. In addition, CIS project success criteria and assumptions that were agreed to during the selection process will be documented so that project success can be measured.

Langham will also identify project readiness criteria to ensure that CLB has allocated the appropriate resources prior to commencement of the CIS project.

Deliverable:

- (1) Five-Year projected program budget*
- (2) Project success criteria and assumptions*
- (3) Project readiness document*

Phase 3 - Quality Assurance and Project Implementation

Task 3.1 Quality Assurance and Review-Project Implementation

Langham Consulting utilizes a proven Independent Validation and Verification process for the Quality Assurance reviews and Risk Mitigation. This procedure involves independent & confidential meetings with specific groups of individuals (e.g., customer service, IS technical support (System Admin, & DBA’s), Field Services, Trainers, etc., involved in the implementation process. The information obtained from the monthly interviews is then analyzed to determine and document the status of the project in four analytical areas. The Langham Consultant will evaluate the project activities in the following four major risk areas: Scope, Schedule, Budget, & Quality. Langham Consulting will provide CLB’s Management with a verbal briefing while onsite and a written report of our findings within one week of the onsite visit.

We also review internal and vendor provided status reports and other project documentation to verify that the activities of the project are consistent and on track with the current project plan/schedule. Additionally, we review vendor invoicing/payments and compare this to the vendor contract and project

budget to evaluate any potential financial risks. Langham Consulting will also at times interview CLB's end users to verify that the project impact and staff expectations are being clearly communicated to the users and that the users are coming up to speed for production use of the product.

Based on our findings during each month's review we will provide a QA Status report with Risk Management Recommendations. Langham Consulting will provide this report to the Steering Committee and attend the monthly Steering Committee meeting if desired. Langham Consulting has provided this type of service for numerous clients and is currently under contract to provide these services to Las Vegas Valley Water District (Oracle CC&B), Orange County Utilities (PeopleSoft CIS), Pinellas County, Florida (SAP) and Martin County Utilities (undecided).

While onsite for each Independent Verification & Validation review, Langham Consulting will meet with CLB and vendor staff in an effort to:

- Evaluate project progress in reference to the project plan
- Evaluate vendor performance in reference to the contract
- Identify missed milestones or milestones at risk
- Identify impact of any missed milestones
- Identify current or potential project risk issues
- Provide Risk Mitigation recommendations

Deliverable: Written Quality Assurance review of the progress and direction of the Project after each monthly meeting

Task 3.2 Project Management Consulting

As Project or Co-Project Manager, Langham Staff will provide leadership, management, and industry/product expertise that will ensure a successful implementation process for CLB.

Implementation Activities will include but will not be limited to:

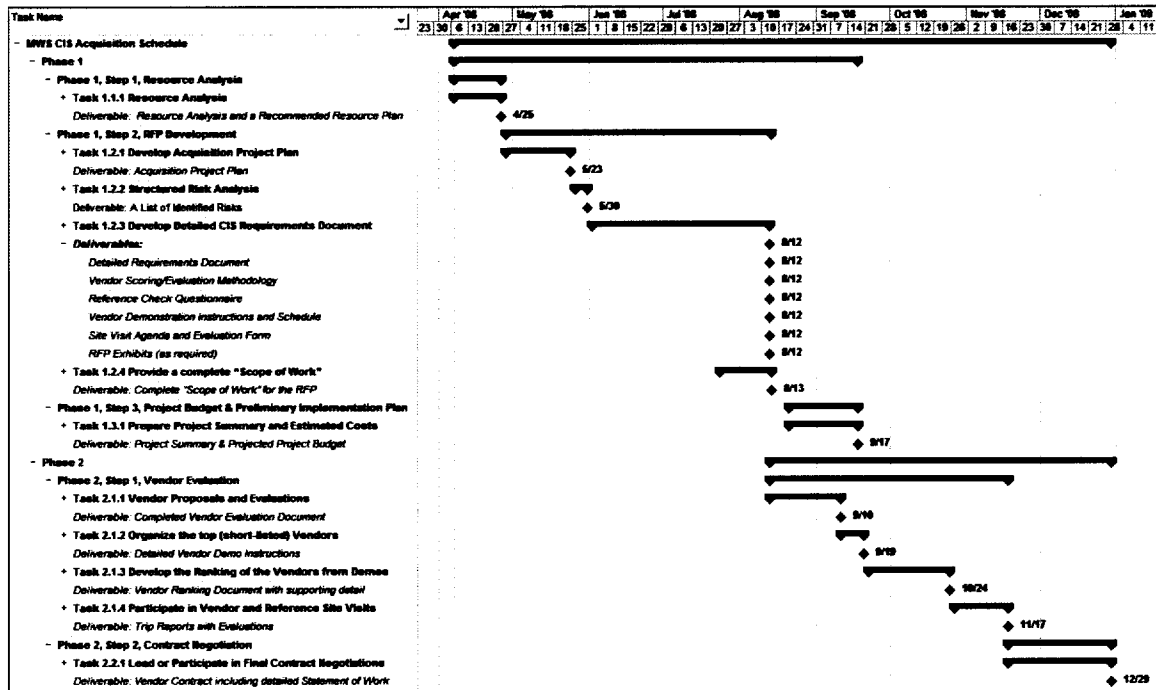
- On-site services 50% to 95 % of the time (at the option of CLB) for duration of project
- Detailed project planning and project auditing
- Monitoring progress against deliverables and milestones
- Managing the preparation of plans (e.g., training plan, conversion plan, cutover plan, etc)
- Scheduling
- Progress reports
- Meeting minutes
- Project team management
- Issue tracking between the software vendor and CLB
- Formal and informal communication on all relevant events
- Participation in staff meetings to insure information sharing, problem solving and decision making
- Manage system testing and determining acceptance criteria

Most importantly, Langham Consulting will provide project advice and recommendations based on our 20 plus years of CIS product and industry experience. The professional expertise of Langham Consulting ensured that Burbank Water and Power's CIS implementation was brought in ahead of schedule and under budget. Due to their outstanding project success they won the Utility ACE Award for 2004 CIS initiatives. This same award winning staff is being proposed for CLB.

Deliverable: Project Management during the "implementation stage" & a Successful Implementation.

Example Acquisition Schedule

Please refer to the example Acquisition Project Plan below for individual task assignments and estimated timeline.



Quality Assurance

First and foremost, the project will be continually tracked against the agreed upon Acquisition Plan and the Status Reports will reflect any concurrence or deviation from that plan. Additionally and throughout the aforementioned acquisition process, Langham Consulting utilizes a dual review process for Status Reporting, Issues Tracking, and Quality Control. This means that at all times two of Langham's Senior Consultants are reviewing/approving status reports, monitoring the Issues Tracking List and ensuring high quality services/work products through our peer reviews.

Exhibit B – Payment Schedule

All payments are due upon completion of a Task and acceptance of associated deliverables as identified in Exhibit A.

| Phase One Payment Milestones | Estimated Hours | Standard Hourly Rate | Quoted Hourly Rate* | Total Hours | Not to exceed Total Cost* |
|--|-----------------|----------------------|---------------------|-------------|---------------------------|
| Task 1.1.2 - Project Charter | 60 | \$175 | \$170 | 60 | \$10,200 |
| Task 1.1.3 - Resource Analysis | 60 | \$175 | \$170 | 60 | \$10,200 |
| Task 1.1.4 – Executive Workshop | 40 | \$175 | \$170 | 40 | \$6,800 |
| Task 1.2.1 – Acquisition Plan | 20 | \$175 | \$170 | 20 | \$3,400 |
| Task 1.2.2 - Structured Risk Analysis | 60 | \$175 | \$170 | 60 | \$10,200 |
| Task 1.2.3 - Detailed CIS Requirements | 200 | \$175 | \$170 | 200 | \$34,000 |
| Task 1.2.4 – Scope of Work | 120 | \$175 | \$170 | 120 | \$20,400 |
| Task 1.3.1 – Project Budget | 40 | \$175 | \$170 | 40 | \$6,800 |
| Task 1.1.1 Project Management | | | | | Included Above |
| Total Phase 1 Costs | | | | 600 | \$102,000 |
| Phase Two | Estimated Hours | Standard Hourly Rate | Quoted Hourly Rate* | Total Hours | Not to exceed Total Cost* |
| Task 2.1.1 – Vendor Proposal Evaluations | 120 | \$175 | \$170 | 120 | \$20,400 |
| Task 2.1.2 – Vendor Demonstrations | 120 | \$175 | \$170 | 120 | \$20,400 |
| Task 2.1.3 – Vendor Ranking | 60 | \$175 | \$170 | 60 | \$10,200 |

| | | | | | |
|------------------------------------|----|-------|-------|-----|-----------|
| Task 2.1.4 – Vendor Site Visits | 60 | \$175 | \$170 | 60 | \$10,200 |
| Task 2.2.1 – Contract Negotiations | 80 | \$175 | \$170 | 80 | \$13,600 |
| Task 2.2.2 – Confirmation Tasks | 20 | | | 20 | \$3,400 |
| Total Cost Phase Two | | | | 460 | \$78,200 |
| | | | | | |
| Total Project Cost | | | | | \$180,200 |

***Note: The costs quoted above are “all inclusive” of all travel and living expenses.**