



CITY of NOVI CITY COUNCIL

Agenda Item Q
March 10, 2014

SUBJECT: Approval to award ImageSoft, Inc., the City's current document imaging system support provider, a contract in the amount of \$21,450 to enhance the Human Resources document imaging solution.

SUBMITTING DEPARTMENT: Information Technology *AW*

CITY MANAGER APPROVAL: *[Signature]*

EXPENDITURE REQUIRED	\$21,450
AMOUNT BUDGETED	\$21,450
APPROPRIATION REQUIRED	
LINE ITEM NUMBER	101-270.00-802.000

BACKGROUND INFORMATION: In 2009, the Human Resources and Finance Departments partnered to implement the OnBase Records Management digital imaging system to automate some of the human resources and payroll functions. The system was designed to capture an employee Human Resources record from job application to employee separation. The documents include applications, cover letters W2, 19, performance reviews, training, employment physicals and much more. Employee documents are entered into the system, automatically creating an employee record and assigning the necessary retention for each document in that record. Workflows were created so that the human resources and payroll staff are automatically notified of documents that need to be managed according to the set retention periods established by the State of Michigan. Upon employee separation, the record is closed and locked and the retention to purge period is initiated. The documents and record are not purged until approved by staff. This provides an option to retain records for a longer period of time should there be a specific reason, legal or otherwise, to do so. With the implementation of the proposed configuration, the records retention process can be automated to the point where manual tasks are limited, improving record accuracy and reducing the physical space (file cabinets, etc.) required. It has been five years since the introduction of OnBase Records Management, the Human Resources Department has recognized the need to make changes to the current configuration to better accommodate the needs of the department and application users. They have recently met with the professional services staff of ImageSoft, the vendor that conducted the initial implementation, and developed a gap analysis to highlight the improvements that could be made to the system to accommodate changes to the human resources and payroll processes. Digital document imaging is used widely throughout our organization and these enhancements build upon that foundation.

RECOMMENDED ACTION: Approval to award ImageSoft, Inc., the City's current document imaging system support provider, a contract in the amount of \$21,450 to enhance the Human Resources document imaging solution.

	1	2	Y	N
Mayor Gatt				
Mayor Pro Tem Staudt				
Council Member Casey				
Council Member Fischer				

	1	2	Y	N
Council Member Markham				
Council Member Mutch				
Council Member Wrobel				

ImageSoft Statement of Work (SOW)

Statement of Work No.	14906
Revision No.	0
Customer Name:	City of Novi, Michigan
Project Name:	HR/Payroll Consulting - Additional Hours
ImageSoft Contact:	Kevin Kowalkowski
Contract Type	Time and Materials
Submitted Date:	November 18, 2013

This Statement of Work is made and entered into by and between ImageSoft, Inc., a Michigan Corporation with its principal offices at 25900 W. 11 Mile Rd, Suite 100 Southfield, MI 48034 ("ImageSoft"), and City of Novi, Michigan with its principal offices at 45175 W. Ten Mile Rd, Novi, MI 48375 ("Customer"):

This Statement of Work ("SOW") is to be attached to and is hereby made a part of the Professional Services Agreement ("PSA" or "Master") entered into by and between Customer and ImageSoft dated July 30, 2007.

Unless otherwise specified, the products and services provided within this SOW are hereby added to and covered for the duration and under the terms of the System Maintenance Agreement (SMA) entered into by and between Customer and ImageSoft dated July 30, 2007.

Capitalized terms are as defined in the PSA or herein. To the extent that any terms and conditions contained in the related PSA or SMA are in conflict with, or in addition to the terms and conditions of this Statement of Work, the terms and conditions of this Statement of Work shall control, except as noted in Section 1.1 of the Master.

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1. Executive Summary

The City of Novi has requested this Statement of Work to make changes to the current configuration of the City of Novi's HR/Payroll OnBase system to better work for the needs of the department. Recently, ImageSoft Professional Services staff met with the City to reassess where the current configuration is and make some suggestions on what improvements could be made to improve the system for those users. From those meetings, ImageSoft recommends the following changes:

1. Synch up the Test Environment with Production
2. Complete the Document and Keyword Type configuration changes in Test
3. Complete Folder Configuration changes
4. Modify Workflow and Records Management as a result of Document Type Changes
5. Migration to Production

As part of this Statement of Work, ImageSoft will provide Business Analysis Services to further refine the above requirements into a 1-2 page Gap Analysis Specification document that defines the specific requirements. Upon approval of that Gap Analysis Specification document, ImageSoft will build, test, and deploy those changes in the production environment.

The implementation services proposed within this SOW were defined and estimated without the benefit of detailed requirements, architecture, and design that are required to accurately define solution customization effort, approach, and integration priorities. As such, the estimated Deliverable and Service fees will be confirmed, subject to assumptions obligations identified in the Agreement, during the 2.2.3 Business Analysis and Design activity identified in this SOW.

Any changes that arise during the Business Design and Analysis activity will be managed through the procedure described in Appendix C-1: Project Change Authorization Procedure. If this occurs, ImageSoft will present to Customer the reasoning for the additional scope and an estimate of the additional effort. Customer can then decide whether to add the work to the scope, through a change order, or to reduce the project scope to its original size.

2. ImageSoft Statement of Work

Described within this SOW is the project, which consists of Services and the Deliverables to be provided by ImageSoft, and ImageSoft responsibilities and Customer responsibilities to be provided in accordance with the terms of the Agreement.

The following are incorporated in and made part of this SOW:

- Appendix A: Deliverable Guidelines
- Appendix B: Software
- Appendix C: Project Procedures

2.1 Statement of Work Dependencies

The following assumptions were made by ImageSoft while preparing this SOW for Customer. These assumptions were directly or indirectly derived based on all initial conversations for this proposed project. A significant change in any of the below assumptions may directly affect the work, schedule, and cost of this project.

1. *The scope of the changes is largely based off the bulleted list of items defined in the above section of this document. Work estimates for this work were previously provided to the City of Novi for ImageSoft to implement the changes. These estimates were based on an "hourly assist"/"no contractual deliverables" basis. The new contractual structure is based on solution deliverables and thus, will require a full project engagement to ensure deliverable success. However, the scope of the solution product remains the same.*

2.2 ImageSoft Responsibilities

2.2.1 ImageSoft Project Management

ImageSoft will provide a specific amount of project management services to manage ImageSoft project responsibilities defined in this SOW. The purpose of this activity is to provide technical direction and control of ImageSoft project personnel and to provide a framework for project planning, communications, and contractual activity. This activity includes the following tasks:

- Review the SOW and the contractual responsibilities of both parties with the Customer Project Manager.
- Maintain project communications through the Customer Project Manager.
- Coordinate with Customer Project Manager the establishment of the project environment.
- Establish documentation and procedural standards for Deliverables outlined in Appendix A of this SOW.
- Prepare and maintain the ImageSoft project plan for performance of this SOW which lists the activities, tasks, assignments, milestones, and estimates.
- Review with Customer Project Manager project tasks, schedules, and resources and make changes or additions, as appropriate. Measure and evaluate progress against the ImageSoft project plan with the Customer Project Manager.
- Work with the Customer Project Manager to address and resolve deviations from the ImageSoft project plan.
- Conduct *bi-weekly* project status meeting with the Customer Project Manager and key project stakeholders.
- Prepare and submit *bi-weekly* status reports to the Customer Project Manager.
- Administer the Project Change Authorization Procedure with the Customer Project Manager.
- Coordinate and manage the technical activities of ImageSoft project personnel.

Completion Criteria: The Project Management activity will be ongoing through the completion of the project.

Deliverable Material: *Bi-weekly* project status report.

2.2.2 Business Analysis and Design

The objective of this activity is to define the functional and technical requirements for the solution and to create the system design for the solution. As required the Customer's business and IT Subject Matter Experts will participate in discovery and design sessions.

This activity consists of the following subtasks:

- Conduct up to one (1) half-day discovery meeting (onsite or remote). From there, ImageSoft will further define the specific solution deliverables.
- Document specifications into Gap Analysis Specification Document.
- Review & refine Gap Analysis Specification Document.
- Deliver and received sign-off for Gap Analysis Specification Document.
- Re-validate scope and estimates. Any changes that arise will be managed through the procedure described in Appendix C-1: Project Change Authorization Procedure.

Completion Criteria: This activity will be complete when the Gap Analysis Specification Document has been delivered and approved by the Customer.

Deliverable Material: Gap Analysis Specification Document.

2.2.3 Build & Unit Test

The objective of this activity is to install and configure the base system software and to develop custom code as defined in the Gap Analysis Specification Document. This activity includes the following subtasks:

2.2.3.1 Installation and Configuration

The objective of this activity is to install and configure the software required for this scope of work. Customer resources will be available as needed to support this activity.

This activity consists of the following subtasks:

- Synchronize the Test Environment with Production
- Complete the Document and Keyword Type configuration changes in Test
- Complete Folder Configuration changes and get User sign off in Test
- Workflow and Records Management modifications as a result of Document Type Changes for HR related workflow and RM plans.

Completion Criteria: This activity will be complete when the configuration of the software has been verified.

Deliverable Material: None.

2.2.4 System Testing

The objective of this activity is to test that the system components and interfaces work together as a whole.

This activity consists of the following subtasks:

- Conduct system testing.
- Fix identified problems.
- Retest as required.

Completion Criteria: This activity will be complete when the tasks above have been completed.

Deliverable Material: None.

2.2.5 Training & Documentation

There is no training provided as part of this Statement of Work. Additionally, there are no training materials or documentation provided as part of this Statement of Work.

Completion Criteria: None.

Deliverable Material: None.

2.2.6 Assist User Acceptance Testing

ImageSoft will not be conducting a full User Acceptance Training session for this project. The City of Novi will perform all acceptance testing and report any deviations from the approved Gap Analysis Specification document to ImageSoft. ImageSoft will correct the configuration and present to the City to retest.

Completion Criteria: This activity will be complete when up to 8 hours of UAT assistance has been provided.

Deliverable Material: Solution configuration changes for HR/Payroll

2.2.7 Assist Production Cutover (Go-live)

ImageSoft will provide up to 8 hours to assist Customer in the rollout of the final system into production. Production Rollout is a joint effort, and will require significant effort from Customer.

This activity consists of the following subtasks:

- Assist Customer in Production cutover activities.
- Assist Customer with any go-live issues

Completion Criteria: This activity will be complete when 8 hours of Production Rollout assistance have been provided.

Deliverable Material: None

2.3 Customer Responsibilities

The successful completion of the proposed scope of work depends on the full commitment and participation of Customer management and personnel. The responsibilities listed in this section are in addition to those responsibilities specified in the Agreement, and are to be provided at no charge to ImageSoft.

2.3.1 Project Management

Prior to the start of this SOW, Customer will designate a person, called the Customer Project Manager, identified at the beginning of this SOW, who will be the focal point for ImageSoft communications relative to this project and who will have the authority to act on behalf of Customer in all matters regarding this project.

The Customer Project Manager's responsibilities include:

- Manage the Customer personnel and responsibilities for this project across all customer locations
- Serve as the interface between ImageSoft and all Customer departments participating in this project.
- Administer the Project Change Authorization Procedure with the ImageSoft Project Manager.
- Review with the ImageSoft Project Manager Customer invoice or billing requirements.
- In conjunction with the ImageSoft Project Manager, develop the project plan and maintain overall project schedules.
- Provide sign-off on project deliverables
- Participate in Project Status Meetings.
- Resolve deviations from the project plan that may be caused by Customer personnel.
- Help resolve project issues and escalate issues within Customer's organization, as necessary.
- Provide existing project pertinent documentation.
- Provide access to Customer's existing repositories, applicable to this SOW, to the ImageSoft project team during the development and testing of the system and other deliverables, as required.
- Obtain and provide information, data, decisions and approvals, including problem resolution with base software, within two working days of ImageSoft's request unless Customer and ImageSoft agree to an extended response time.
- Monitor and report project status on a regular basis to Customer management.

- Verify that all tasks assigned to Customer are performed according to the agreed upon project plan.
- Verify that all Customer resources are available to the ImageSoft project team.
- Verify that all invoices are paid in a timely manner.

2.3.2 General Customer Responsibilities

- During Business Analysis and Design process, ImageSoft may utilize and provide customer surveys for data collection (i.e. volumes/doc inventory) Customer is responsible for distributing the survey questionnaire to the repository owners and collecting the completed questionnaires. It is assumed the questionnaires will be completed and returned within (5) business days from the time delivered to Customer.
- Customer is responsible for ensuring that data is secure and protected at all times on Customer computers. ImageSoft is not responsible for and cannot be held liable for inadvertent data disclosure or theft from Customer computers.
- Technical assistance from Customer's Information Technology staff will be provided during the performance of the Work. In particular, Customer will provide:
 - i. Network connectivity and troubleshooting assistance.
 - ii. Ability to monitor network traffic and isolate bottlenecks.
 - iii. Technical assistance concerning the integration with existing Customer systems (if applicable).
- Customer, at all times, during and after the performance of the Work, is responsible for maintaining adequate data backups to protect against loss of data on Customer computers.
- Customer will provide all relevant documentation of their existing IT architecture and technical infrastructure that integrate with the line of business application components.
- Customer will be responsible for any programming in legacy systems necessary to provide data to any application(s) provided by ImageSoft under this SOW.
- Customer will be responsible for obtaining and installing the required hardware and software infrastructure in a timeframe consistent with the deployment schedule established jointly by Customer and ImageSoft.
- Customer will be responsible for the setup, installation, and configuration of the servers, base operating system, storage devices and network for the proposed ImageSoft Solution in this SOW.
- Customer will be responsible for developing UAT Test Plan, planning and conducting all UAT activities. Additionally, Customer is responsible for providing test data in a format that is ready to use by ImageSoft for their internal solution test phase.
 - i. Customer will provide the development and testing tools.



- Customer will be responsible for all services or third party software for implementing or managing customer's disaster recovery activities. SOW does not include these items.
- The solution will be implemented at Customer's facility in Novi, MI.
- ImageSoft's professional services will be performed both onsite, at the customer's facility, and remotely from ImageSoft's offices. Customer may be required to supervise remote access to servers and/or workstation computers during implementation and for support purposes once in production use.
- Customer is responsible to select and provide knowledgeable personnel to manage the system after rollout. This includes both IT and business process skills transfer. Customer understands and accepts that no activities will be repeated or delayed to reinforce the on the job skill transfer.
- Customer will provide adequate access to all systems (servers and workstations) that are required by the project. This may include but is not limited to on-site and remote via the Internet.
- Customer will ensure that its staff is available to provide such assistance as ImageSoft reasonably requires and that ImageSoft is given reasonable access to Customer's Senior Management team, as well as any members of its staff to enable ImageSoft to provide the Services. Customer will ensure that its staffs have the appropriate skills and experience. If any Customer staff fails to perform as required, Customer will make suitable additional or alternative staff available.
- Customer will provide relevant information and documentation required for the engagement. Customer agrees that all information disclosed or to be disclosed to ImageSoft is and will be true, accurate and not misleading in any material respect. ImageSoft will not be liable for any loss, damage or deficiencies in the services arising from inaccurate, incomplete, or otherwise defective information and materials supplied by Customer.
- Customer expertise to handle issues with printers, cabling, and PCs before, during, and after rollout is expected. The system being provided runs in a Local Area Network and Web environment. As such, the performance of the system is directly related to, among other things: available network bandwidth, network segmenting, and the performance of other applications. For this reason, ImageSoft can make no guarantees as to system response time.
- Customer will ensure it has appropriate agreements in place with third parties to enable ImageSoft to perform the services under this SOW. This includes Customer using or providing ImageSoft with third party information, software, support or materials for the project including but not limited to, where Customer is employing other suppliers whose work may affect ImageSoft's ability to provide the services. Unless specifically agreed to otherwise in writing, Customer will be responsible for the management of the third parties and the quality of their input and work. Except to the extent ImageSoft specifically agrees otherwise in this SOW, Customer is solely responsible for any third party hardware, software or communications equipment used in connection with the services.
- Customer will provide the necessary software and licenses that ImageSoft will use for developing custom components and applications.

- Customer will provide adequate user workstations, monitors, operating system software, suitable office space, including office supplies, furniture, telephones, voice mail, analog lines and other facilities for the ImageSoft Project Team while working on Customer premises. Facilities should be comparable to those provided to Customer personnel performing similar work.

2.4 Completion Criteria

ImageSoft will have fulfilled its obligations under this SOW when one of the following first occurs:

- ImageSoft provides the number of professional services hours as specified in this SOW and/or in any mutually agreed upon subsequent project change request; or
- ImageSoft satisfies the Completion Criteria set forth in Section 2.2 ImageSoft Responsibilities and delivers the items described in the Appendix A Deliverable Materials; or
- Customer or ImageSoft terminates the project in accordance with the provisions of the Agreement.

2.5 Estimated Schedule

The Services in this SOW are estimated to be performed over a period of 5-6 weeks from the agreed upon start date, according to the schedule shown below.

A draft project plan will be delivered to the customer early in the project planning phase, and a final plan will be delivered upon completion and customer confirmation of the Functional Specification document. Deviation from the finalized project plan by Customer might represent a change in the scope of the project. Deviations that arise will be managed through the procedure described in Appendix C-1: Project Change Authorization Procedure.

Note: ImageSoft's professional service team typically has a lead time of six (6) weeks to start any new customer project. During this time, ImageSoft may perform the following Project Planning and Initiation activities: identify customer project manager, conduct project kick-off call with Customer and setup project communication environment.

2.6 Investment

The professional services fees for this engagement are \$21,450, based on 130 hours at an hourly rate of \$165 per hour.

2.6.1 Payment Schedule

This project will commence upon a signed Statement of Work (SOW). Services will be billed bi-weekly as incurred.

All payments will be due on a Net-30 day basis.

2.6.2 Time and Materials Services

ImageSoft has provided an estimate of the required services hours to complete the tasks described herein and will provide services on a time and materials basis. ImageSoft will only bill for the actual hours expended on behalf of the Customer and has made a best-estimate based on current available information. Estimates may require updating after the Analysis and Design process is complete.

A purchase order or signed agreement is required to be in place to cover all ImageSoft estimated hours. The Standard Hourly Rate is \$165 per hour.

2.6.3 Out-Of-Pocket Expenses

As Novi is local to ImageSoft headquarters, there will be no billable travel associated with this engagement.

3. Approval

Signature is required to accept this SOW. By signing below each party agrees to the proposed project scope and authorizes work to begin.

Agreed to: City of Novi, Michigan 45175 W. Ten Mile Rd, Novi, MI 48375	Agreed to: ImageSoft, Inc. 25900 W. 11 Mile Rd., Suite 100 Southfield, MI 48034
By: _____ Authorized Signature	By: _____ Authorized Signature
Date: _____	Date: _____
Name (type or print): _____	Name (type or print): Scott Bade
Title (type or print): _____	Title (type or print): President
Project name: HR/Payroll Consulting - Additional Hours	

<i>Internal Use:</i> Opportunity #: <u>14906</u>
Sales Order #: _____

Appendix A: Deliverable Guidelines

The Deliverable Guidelines define the structure and content of the materials defined as "Deliverables" in the Statement of Work. Unless otherwise noted, ImageSoft will provide one copy of each of the following Deliverables to the Customer Project Manager.

Deliverable documents will be provided using the Microsoft Office tools (Word, PowerPoint or Excel) formats, unless indicated otherwise:

A - 1: Bi-Weekly Status Report

Purpose: ImageSoft will provide Bi-weekly Status Reports advising the Customer Project Manager of the progress and status of ImageSoft activities worked on during that period. Significant accomplishments, milestones, and problems will be identified.

Content: The report, estimated to be up to 2 pages long, will consist of the following, as appropriate:

- Complete the Document and Keyword Type configuration changes in Test
- Complete Folder Configuration changes
- Workflow and Records Management modifications as a result of Document Type Changes

Delivery: ImageSoft will deliver Bi-weekly copies of this document in electronic format.

A - 2: Gap Analysis Specification Document– ImageSoft will gather and document Specifications defined in conjunction with Customer. These requirements will be validated with the stakeholders and the user communities. This document will be approximately 1-2 pages and will include specifics about the

Appendix B: Hardware and Software Deliverables

None

Appendix C: Project Procedures

C-1: Project Change Authorization 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 change and will describe the change and the effect the change will have on the project.
- Proposed changes may be submitted by the Project Manager of either party.
- Both Project Managers will review the proposed change and recommend it for further investigation or reject it. ImageSoft will specify any charges for such investigation. A PCR must be signed by authorized representatives from both parties to authorize investigation of the recommended changes. ImageSoft will invoice Customer for any such charges. The investigation will determine the effect that the implementation of the PCR will have on price, schedule and other terms and conditions of this SOW and the Agreement.
- 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.

C-2: Deliverable Materials Acceptance Procedure

Each deliverable Material as defined in Appendix A - Deliverable Materials Guidelines will be reviewed and accepted in accordance with the following procedure:

1. One (1) printed or electronic copy (as specified in the Deliverable Materials Guidelines) of the deliverable Material will be submitted to the Customer Project Manager. It is the Customer Project Manager's responsibility to make and distribute additional copies to any other reviewers
2. Within five (5) business days of receipt, the Customer Project Manager will either accept the deliverable Material or provide the ImageSoft Project Manager a written list of requested revisions. If ImageSoft receives no response from the Customer Project Manager within five (5) business days, then the deliverable Material will be deemed accepted
3. The ImageSoft Project Manager will consider Customer's timely request for revisions, if any, within the context of ImageSoft's obligations as stated in Appendix A - Deliverable Materials Guidelines
4. Those Customer revisions agreed to by ImageSoft will be made and the deliverable Material will be resubmitted to the Customer Project Manager, at which time the deliverable Material will be deemed accepted
5. Those Customer revisions not agreed to by ImageSoft will be managed in accordance with Appendix C-1 Project Change Authorization Procedure
6. Any conflict arising from this deliverable Materials Acceptance Procedure will be addressed as specified in the Escalation Procedure set forth in Appendix C-3.

C-3: Escalation Procedure

The following procedure will be followed if resolution is required to a conflict arising during the performance of this SOW.

When a conflict arises between Customer and ImageSoft, the project team member(s) will first strive to work out the problem internally.

- Level 1: If the project team cannot resolve the conflict within two (2) working days, the Customer Project Manager and ImageSoft Project Manager will meet to resolve the issue.
- Level 2: If the conflict is not resolved within three (3) working days after being escalated to Level 1, the Customer Executive Sponsor will meet with the ImageSoft Project Executive to resolve the issue.
- If the conflict is resolved by either Level 1 or Level 2 intervention, the resolution will be addressed in accordance with Appendix C-1 Project Change Authorization Procedure.
- If the conflict remains unresolved after Level 2 intervention, then either party may terminate this SOW. If the conflict is addressed by termination, Customer agrees to pay ImageSoft for a) all Services ImageSoft provides and any Products and Materials ImageSoft delivers through termination, b) all expenses ImageSoft incurs through termination, and c) any charges ImageSoft incurs in terminating the Services.
- During any conflict resolution, ImageSoft agrees to provide Services relating to items not in dispute, to the extent practicable pending resolution of the conflict. Customer agrees to pay invoices per the Agreement.