

COMMITTEE OF THE WHOLE

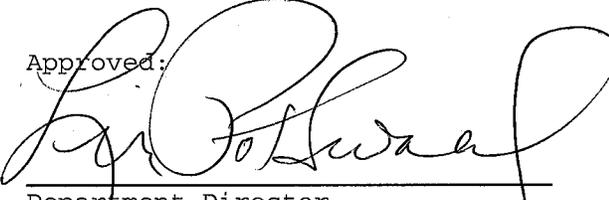
11-0275R

RESOLUTION AUTHORIZING AN AGREEMENT FOR PROFESSIONAL SERVICES WITH GREAT NORTHERN SERVICES, INC., FOR TECHNOLOGY PROFESSIONAL SERVICES IN AN AMOUNT NOT TO EXCEED \$106,000.

CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to execute an agreement, substantially in the form of that on file in the office of the city clerk as Public Document No. _____, with Great Northern Services, Inc., for design, planning and project management services for the Novell to Microsoft migration project and the assessment and development of help desk services, in an amount not to exceed \$106,000, which shall be payable from Fund 110-117-1107-5319 (General, Management Information Services, MIS).

Approved:



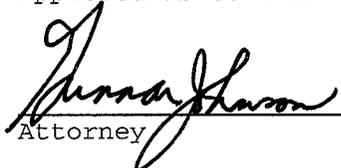
Department Director

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

MIS LP:dma 05/16/2011

STATEMENT OF PURPOSE: This resolution authorizes the proper city officials to execute an agreement with Great Northern Services, Inc., to provide design, planning and project management services for the city's migration from Novell to Microsoft and to assess and develop help desk services. The total cost for services under this agreement is not greater than \$106,000.

394 Lake Ave S, Suite 320A
Duluth, MN 55802
www.GNSconsulting.com



Office: (218) 722-8231
Fax: (218) 623-6192
Info@GNSconsulting.com

May 12, 2011

Lisa Potswald
City of Duluth
411 West First St #322
Duluth, MN. 55802

Project: IT Professional Services
Project #: 2011-132-01

Dear Lisa :

Per your request, Great Northern Services, Inc. is proud to submit the following estimate for the IT Professional Services project. Below is detailed information describing:

- Project Scope
- Expectations of Your Organization
- Expectations of Great Northern Services, Inc.
- Estimated Professional Services Investment
- Estimated Expenses
- Total Project Estimate
- Payment Terms
- Additional Terms

The "Acceptance of Proposal" section follows where an authorized signature and Purchase Order is required for any work to begin in 2011. Verbal Orders will not be accepted. This proposal is valid for 30 Calendar days. The rates stated below DO NOT apply to other projects/proposals that have been:

- Submitted and awaiting approval/acceptance (note that all quotations/proposals are valid for thirty (30) calendar days following the date of submittal).
- Any projects that have been previously accepted and are currently in-progress.
- Specifically negated on a long term contract basis or per project basis.

Thank you for the opportunity of providing you with this proposal. If you should have any questions regarding this document, feel free to contact me via phone, 218-590-3534; or email, GaryH@GNSconsulting.com. We hope to build a quality relationship with you that will continue far into the future!

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Hopp", is written over a horizontal line.

Gary Hopp
Account Representative



Project Scope

Assist the client with various project management services, Novel to Microsoft project design/planning, and MIS Helpdesk consultation. The tasks for this project will include the following items addressed in priority order:

- 1) Act as the client's project manager for the Novel to Microsoft Migration (up to 600 man-hours depending on the approved project scope).
 - a) Project envisioning (05/31/2011 thru 07/08/2011).
 - b) Manage the solution design and planning (07/11/2011 thru TBD based on envisioned scope).
 - c) RFP preparation and bid selection for remaining phases, if needed.
 - d) Manage the solution development and build.
 - e) Manage the solution testing and stabilization.
 - f) Manage the solution deployment and hand off to MIS operations.
 - g) Project close-out including post-mortem review.

- 2) Provide infrastructure architects for the Novel to Microsoft Migration project (up to 160 man-hours depending on the approved project scope).
 - a) Execution and delivery of the solution design and planning phase only (item 1b from above) (07/11/2011 thru TBD - based on envisioned scope).
 - b) Project architecture oversight and/or change order consultation as needed to assist the project manager in project phases D, E, F, and G defined above.

- 3) Provide the client MIS Helpdesk team guidance and management to improve customer service and service request response times (up to 60 man-hours).
 - a) Assess the current state of the MIS Helpdesk including existing policies, procedures, metrics, and staff skills, and make recommendations on requested items (08/01/2011 thru 08/12/2011).
 - b) Assist with the selection and implementation of an ITIL compliant helpdesk, change, and configuration management applications (dates TBD).
 - c) Develop new policies, procedures, and metrics necessary to meet customer service objectives as requested by the client (dates TBD).



Project Deliverables

The following items will be delivered to the client during the course of the project or at project completion:

- Successful completion of all previously defined tasks identified in the project scope.
- Electronic documentation for all aspects of this project in Microsoft Office or Adobe PDF format.
- Novel to Microsoft Migration Project Management.
 - Bi-weekly project summary reports detailing the work on this project.
 - Facilitation of project meetings, presentations, and problem/incident investigations.
 - Management and oversight of the entire project from envisioning thru close-out.
 - Key project documents: charter, risk assessment, structure (roles/teams, communications plan, and phase deliverables), schedules, budgets, change control procedures, test plan, training plan, Issue logs, and project closeout.
 - The project successfully completed within plus or minus 10% of the Master Project Schedule and Master Project Budget developed in the Solution Design and Planning phase.
- Novel to Microsoft Migration Solution Design and Planning.
 - Solution Function Specifications.
 - Microsoft Licensing Requirements and Recommendations.
 - Bill of Materials.
 - Work Breakdown Structure.
 - Master Project Schedule.
 - Master Project Budget.
- IT Helpdesk.
 - Recommendations based on a review of the existing policies, procedures, metrics, staff skills and software product review/selection.
 - New policies, procedures, and metrics as requested.



Expectations

City of Duluth :

- Understands this proposal is a best estimate and that actual costs may vary due to the complexities and variables of this project.
- To provide a single point of contact to act as the client's project manager during the course of this project.
- Understands that Great Northern Services, Inc. may utilize anyone from our staff during this project, with one individual acting as the Project Manager, to maximize the client's benefit of using our services and help minimize the total project cost to the client. Great Northern Services, Inc. will assign the most appropriate individual to each task.
- To assist Great Northern Services, Inc. in defining roles, priorities, deadlines, risks, and specific project task items.
- To provide the recommended hardware, software, and facilities to allow for successful completion of all tasks defined by the client or within the scope of this document.
- Understands that Great Northern Services, Inc. and its employees and/or sub-contractors will treat all client information as company confidential.
- Understands that all Great Northern Services, Inc. employees and/or sub-contractors will follow the Great Northern Services, Inc. code of ethics, consulting standards and practices, and standards of conduct.

Great Northern Services, Inc.:

- To provide the appropriate personnel for Services requested. For instance, an Enterprise Consultant would not replace hard drives, fix monitors, etc.
- To provide Services remotely and on-site in a timely fashion to meet the client's business needs and requirements.
- Work closely with your organization to control costs. Great Northern Services, Inc. will alert you if and when we anticipate and/or recognize any cost adjustments. This shall include but is not limited to: software requirements, hardware requirements and service requirements.
- Fulfill the tasks outlined in the Project Scope. If any tasks are added and/or subtracted, a "Change of Scope Document" (See Appendix "A", below) must be completed. After which, a new proposal will be submitted to you for acceptance.



Estimated Professional Services Investment

Great Northern Services, Inc., having over 50+ years of combined experience, possesses the expertise to complete this project in a timely, efficient, and professional manner. The estimated Professional Services investment for this project is as follows:

Professional Service Descriptions	MN 902TS Max Rate	Project Rate	Estimated Hours	Total
Project Management (Enterprise Consultants)	\$240	\$ 117.12	600	\$70,272.00
Architecture, Planning, and Assessment – Technical (Enterprise Consultants)	\$240	\$ 117.12	160	\$18,739.20
Architecture, Planning, and Assessment – Info/Data (Enterprise Consultants)	\$240	\$ 117.12	60	\$7,027.20
Estimated Total - Professional Services			820	\$96,038.40

Note: Because multiple Great Northern Services, Inc. Professionals may be engaged in this project, all invoices will show actual hours of service by Professional and corresponding rate.

Estimated Expenses

Expense Description	Rate	Estimated Quantity	Total
Travel Time (per hour)	\$ 85.00	0	\$ 0.00
Mileage (per mile)	\$0.50	0	\$ 0.00
Meals & Incidentals Per Diems (per day)	\$ 46.00	0	\$ 0.00
Hotel/Motel (per night)	\$ 85.00	0	\$ 0.00
Air Travel	\$ 990.00	0	\$ 0.00
Car Rental (per day)	\$ 75.00	0	\$ 0.00
Estimated Total - Expenses			\$ 0.00

Total Project Estimate

Estimated Total - Professional Services	\$96,038.40
Estimated Total - Expenses	\$ 0.00
10% Project Overrun Allowance	\$9,603.84
Estimated Total – Entire Project	\$105,642.24



Contractual Agreement

This Independent Contractor Agreement (“Agreement”) is made by and between Great Northern Services, Inc., a Minnesota corporation, (“GNS”), and City of Duluth (“CLIENT”). By signing this agreement, the client agrees to the payment and additional terms stated herein.

1. **SERVICES.** GNS agrees to perform only the professional services and support tasks requested and authorized by the CLIENT.
2. **TERM.** GNS’s work on this Agreement will begin on the date of contract acceptance and shall continue until the CLIENT returns a signed Project Completion document to GNS.
3. **TERMS OF PAYMENT.** Invoices will be based on actual time and expenses including but not limited to the following: hours worked, travel time, applicable meal and incidental per diem expenses, and any other expenses incurred.
 - a. **RATES.** CLIENT agrees to pay GNS for services at the rates listed above in the Estimated Professional Services Investment for any services performed.
 - i. For all on-site services, there shall be a one-hour minimum charge. If the services rendered exceeds one hour in duration, the CLIENT will be charged in .10 hour (six-minute) increments following the one-hour minimum.
 - ii. All remote and telephone support will be billed in 0.10 hour (six-minute) increments after a 0.10 hour (six-minute) minimum charge. This includes but is not limited to: consulting, technical services, email, discussions, questions/answers, research and/or documentation.
 - iii. There shall be a one-hour minimum charge for any remote or telephone support beyond Great Northern Services, Inc.’s normal business hours (Monday through Friday, 8am to 5pm, Central Standard Time). If services rendered exceeds one hour in duration, your account will be charged in 0.10 hour (six-minute) increments following the one-hour minimum.
 - iv. This includes but is not limited to: consulting, technical services, email, discussions, questions/answers, research and/or documentation.
 - b. **EXPENSES.** CLIENT will reimburse GNS for reasonable out-of-pocket travel expenses, including transportation, lodging, mileage, and meals incurred by GNS in performing the services described in this Agreement. GNS shall obtain CLIENT’s prior authorization before incurring any individual expense or cost in excess of two hundred fifty dollars (\$250.00).
 - i. Travel regardless of location, shall be billed in 0.10 (six-minute) increments with a 0.10 hour (six-minute) minimum charge. Travel time shall be billed at 50% of the professional’s rate per hour. The only exception to billable travel is when any individual Great Northern Services, Inc. professional provides at least 5-consecutive 8-hour days of service at the Client site. Under this circumstance, no travel time will be charged.
 - ii. Mileage charges will not be applied if travel time charges are applicable. All other mileage will be billed at IRS’s standard mileage rate.
 - iii. Meals and Incidentals: Billed at IRS per diem rates.
 - iv. Hotel/Motel Expenses: Actual amount billed with documentation included.
 - v. Air Travel: Amount based on actual “Coach Class” rates billed with documentation included.
 - vi. Car Rental: Amount based on actual “Mid-Sized” rates billed with documentation included.
 - c. **PAYMENT OF INVOICES.** Invoices will be submitted to the CLIENT semi-monthly. All undisputed invoices shall be paid by the CLIENT within thirty (30) days of the date of the



invoice (NET/30). If the invoice has an error, then the parties shall work together to resolve such error. Payments not made within such period of time shall be subject to monthly late charges equal to one and one-half percent (1.5%) or annual charges equal eighteen percent (18%) of the overdue amount. On unpaid invoices exceeding thirty calendar days of the term, GNS may suspend all services (scheduled and/or non-scheduled) on seven (7) days' written notice until overdue amounts are paid in full. CLIENT agrees that it shall be liable for all collection costs, including reasonable attorney fees, incurred by GNS in collecting overdue amounts. The parties agree that the records for the services and the invoicing may be subject to audit by either party for quality assurance and for accuracy upon reasonable notice to the other party.

4. TERMINATION.

- a. **Termination Without Cause.** Either Party may terminate this Agreement without cause at any time upon 60 days' prior written notice to the other Party, or at any time by mutual agreement of the parties.
- b. **Termination With Cause.** This Agreement may be terminated by either Party upon written notice to the other in the event the other Party breaches this Agreement and fails to cure the breach within 10 days of having been notified of the breach.
- c. **Immediate Termination.** Notwithstanding the foregoing provisions of this Article, this Agreement may be terminated immediately upon written notice by either Party to the other Party upon the occurrence of any of the following events:
 - i. any court or governmental agency determines that this Agreement violates any law or regulation;
 - ii. any change in ownership or control of either Party (including but not limited to either Party merging or consolidating with or being acquired by a third party), excepting corporate reorganizations;
 - iii. the filing by or on behalf of either Party of any voluntary or involuntary petition in bankruptcy, dissolution or liquidation;
 - iv. the assignment of 50% or more of the assets of either Party for the benefit of its creditors;
 - v. the cancellation or termination of either Party's general or professional liability insurance;
 - vi. any intentional misrepresentation of material facts or material circumstances by one Party to the other.
- d. **Effect of Termination.** Nothing contained in this Article shall affect or impair any rights or obligations arising prior to or at the time the termination of this Agreement.

Following the date of termination, each Party shall remain liable for any obligations or liabilities arising from its performance of (or its failure to perform) its obligations and duties under this Agreement prior to the date of termination.

5. **INDEPENDENT CONTRACTOR STATUS.** The parties agree that GNS shall perform its duties under this agreement as an independent contractor. Personnel employed or retained by GNS who perform duties related to this Agreement shall remain under the supervision, management, and control of the GNS. In order to assist it in carrying out its duties and responsibilities pursuant to this agreement, GNS may subcontract with, or otherwise engage in the services of, one or more third parties.
6. **LIMITED PROFESSIONAL SERVICES WARRANTY.** GNS warrants that its professional services will be performed in a work-person like and professional manner by appropriately qualified personnel. GNS further warrants and represents that all services shall be performed in



accordance with any applicable federal, state and local laws and regulations. GNS makes no warranty of any kind, whether express or implied, with regard to any third party products, third party content, or any software, equipment, or hardware obtained from third parties. GNS makes no representation or warranty that the operations of the Project will be error free or uninterrupted in all circumstances.

7. **PROFESSIONAL PERFORMANCE.** The performance of all Great Northern Services, Inc. professionals is highly subjective, but ultimately determined by the client. If the client determines the performance of their assigned service professional(s) is less than expected, the client must request a replacement professional(s) in writing. Great Northern Services, Inc. will then provide the client with another qualified professional within two business days. If the client is not satisfied with the performance or billing rate of the replacement professional, the client can request in writing termination of the existing service contract at the end of the next business day or the client can request in writing their request to renegotiate the existing contract.
8. **INDEMNIFICATION.** Each party agrees to indemnify and hold harmless the other party for any and all claims, causes of action, and damages, including reasonable attorney fees and costs, arising from or related to the negligent performance of their respective duties described in this Agreement.
9. **LIMITATION ON LIABILITY.** In no event shall either party be liable for any lost profits, lost savings or other incidental or consequential damages, even if it has been advised of the possibility of such damages. CLIENT hereby agrees that, to the fullest extent permitted by law, the total liability of GNS to CLIENT for any claim or loss arising out of the subject matter of this Agreement, whether such liability shall arise by reason of negligence, breach of contract, breach of warranty or any other cause, will be limited to the actual amount of the fees paid for services under this Agreement or Ten Thousand dollars (\$10,000) whichever amount is higher.
10. **NON-ASSUMPTION OF LIABILITIES AND RISK.** GNS shall not, by entering into and performing this Agreement, assume, become liable for, or guarantee any of the existing or future obligations, liabilities, or debts of CLIENT. CLIENT shall not, by entering into and performing this Agreement, assume, become liable for, or guarantee any of the existing or future obligations, liabilities, or debts of GNS that are unrelated to its professional services and not included in this Agreement.
11. **COOPERATION.** Each Party agrees to cooperate with and assist the other Party with any claims, complaints, or investigations arising out of or in connection with the services provided under this Agreement. In addition, neither Party will voluntarily aid, assist or cooperate with any claims or plaintiffs or their attorneys or agents in claims or lawsuits against the other Party relating to this Agreement. Nothing in this Agreement shall be construed to prevent either Party from testifying at an administrative hearing, deposition or in court in response to a lawful subpoena in any litigation or proceeding involving the other Party.
12. **ASSIGNMENT.** The parties shall not assign or transfer any rights or obligations under this Agreement without the prior written approval of the other party.
13. **CONFIDENTIALITY.** The parties agree to hold each other's proprietary or confidential information in strict confidence. Each party agrees to take all reasonable steps to insure that proprietary or confidential information of either party is not disclosed or distributed by its employees, agents, or consultants in violation of the provision of this Agreement. Each party



acknowledges that any use or disclosure of the other party's proprietary or confidential information, other than as specifically provided for in this Agreement, may result in irreparable injury and damage to the non-using or non-disclosing party. Accordingly, each party hereby agrees that in the event of use or disclosure by the other party, other than as specifically provided for in this Agreement, the non-using or non-disclosing party may be entitled to equitable relief from a court of competent jurisdiction, in addition to any remedies at law. The Confidentiality provision of this Agreement will endure in perpetuity.

14. **NON-SOLICITATION.** The CLIENT agrees not to hire or solicit (nor attempt to hire or solicit), either directly or indirectly, through associates or third parties, any employee of GNS for a period of two (2) years from the date of completion of work under this Agreement. In the event of a breach, or threatened breach, of this provision, GNS shall be entitled to obtain equitable relief from a court of competent jurisdiction, in addition to any remedies at law. At the sole discretion of GNS management, a waiver of this non-solicitation clause can be negotiated with the CLIENT.
15. **FORCE MAJEURE.** Except with regard to payment obligations, GNS shall be excused from overruns or delays in performing or from failing to perform its obligations under this agreement to the extent the delays or failures result from causes beyond the reasonable control of GNS, including, but not limited to: hardware supplied by the CLIENT that is not on the software vendors hardware compatibility list, incomplete delivery of hardware or software supplied by other third parties, incomplete or incorrect equipment or software installation and/or setup when not performed by GNS, CLIENT changes in project scope or specifications, compatibility of hardware or software not specifically recommended by GNS, failures or defects in equipment malfunctions or manufacturer(s) software, default of subcontractors or suppliers, , default of third party vendors, acts of God or of the public enemy, U.S. or foreign government actions, labor shortages or strikes, communications or utility interruption or failure, fire, flood, epidemic, and freight cargos. However, to be excused from delay or failure to perform, the party must act diligently to remedy the cause of the delay or failure.
16. **BINDING EFFECT:** The covenants and conditions contained in the Agreement shall apply to and bind the parties and the heirs, legal representatives, successors and permitted assigns of the parties.
17. **WAIVER:** The failure of either party to enforce any provisions of this Agreement shall not be deemed a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.
18. **SEVERABILITY:** If any part or parts of this Agreement shall be held unenforceable for any reason, the remainder of this Agreement shall continue in full force and effect. If any provision of this Agreement is deemed invalid or unenforceable by any court of competent jurisdiction, and if limiting such provision would make the provision valid, then such provision shall be deemed to be construed as so limited.
19. **RESERVATION OF RIGHTS.** A delay or failure in enforcing any right or remedy afforded hereunder or by law shall not prejudice or operate to waive that right or remedy or any other right or remedy, including any remedy for a future breach of this Agreement, whether of a like or different character.
20. **NOTICES.** Every notice and demand required or permitted under the terms of this Agreement shall be in writing and shall be sent by certified mail, return receipt requested, or by other means



of delivery requiring a signed receipt, to the other party's registered address. All notices shall be effective upon receipt. A party may change its address by giving written notice to the other party in accordance with this Article.

21. **ENTIRE AGREEMENT:** This Agreement constitutes the entire agreement between the parties and supersedes any prior understanding or representation of any kind preceding the date of this Agreement. There are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this Agreement. This Agreement may be modified in writing and must be signed by both GNS and CLIENT.
22. **GOVERNING LAW.** This Agreement shall be governed and construed in accordance with the laws of the State of Minnesota.
23. **COUNTERPARTS.** This Agreement may be executed in two or more counterparts, each of which shall be considered an original hereof but which together shall constitute one agreement.



Acceptance of Proposal

Note: This must be completed and submitted to Great Northern Services, Inc. before any work commences.

2011-132-01 ~~2011-132-01~~

Project Number

Printed Client Representative Name

Title

Signature

Date

Purchase Order or Authorization Number

(If you are using a purchase order, please send a copy to Great Northern Services, Inc.)

Submitted by:



GNS Representative Signature

May 12, 2011

Date



Appendix A - Change of Scope Request

Project #	2011-132-01 2011-132-01
------------------	------------------------------------

Date Submitted		Change Control Number	
Requestor		Organization	
Phone		Email	

Priority		Severity of Change	
-----------------	--	---------------------------	--

Task, System, and/or Module Affected:

Reason for Change:

Date Required:

Brief Change Description:

Implications of Not Making the Change:

Detailed Change Description:

Please Return to: Great Northern Services, Inc., Attention: Gary Hopp
E-Mail: GaryH@GNSconsulting.com
Fax: 218-623-6192
Phone: 218-590-3534
Office: 218-722-8231

Thank You!