

Innovations in Office Systems Support

Tri-level Support Agreement

Nick Ragouzis, nickr@enosis.com

<http://www.enosis.com/resources/trilevel.pdf>

This document presents the Tri-level Support Agreement, first negotiated in 1993, which captures a new kind of partnership between the parties in an office systems support services relationship. Its innovation lies in the way it joins the parties in a specific agreement while enabling each of them to pursue their own central interests. Such is not often the case in an office systems support services relationship, where the parties usually abandon their highest interests in tussles over, for example, hourly rates and guaranteed “Not-To-Exceed” budget limits.

This agreement demonstrates that it is possible, for example, for the client to secure high levels of certainty about important coverage, response, and expense categories, while the service provider retains flexibility in responding to changes in technology and the organizations that use them.

COPYRIGHT

Enosis Group retains the copyrights and all other rights to this document and the agreement it contains. The agreement is provided, as a sample, for use in your business or for use by your company, under the following three conditions:

1. Your document containing parts of the agreement beyond those allowed under the doctrine of fair use, must also contain the following notice:
Portions Copyright 1998 by Enosis Group (<http://www.enosis.com/resources/>)
2. Your use of the agreement is part of your, or your company's, creation and provision of a service as described in your document
3. Your use of the agreement does not constitute a distribution of the agreement, in part or whole, commercial or otherwise

I encourage those who improve on this agreement to make their innovations available.

CONTENTS

This document contains the following:

1. An introduction to the agreement containing a discussion of general concepts followed by an analysis of the agreement in terms of organizational theory and the economics of contracts and information.
2. The Agreement for Office System Computing Support Services.

Tri-level Support Agreement

INTRODUCTION

This introduction provides a commentary of certain of the ideas manifest in the features of the agreement. It does not provide a comprehensive review of the agreement, nor a complete financial, business, market, or operations analysis of these features. I do not claim that this agreement is perfect in its kind. Rather, I would suggest, it is subject to a variety of improvements. Some of these are discussed in this introduction.

General Concepts

The Tri-level Support Agreement (TLSA) provides services for support, maintenance, and small implementations in the office systems environment. It is an agreement by which the client hopes to secure a high degree of confidence in the availability of support services that are:

- Ready and responsive
- Competent now, and evolving to match future technical requirements
- Flexible in scope and execution

Such services cannot be obtained without a partnership with the provider. Surprisingly, once the client orients itself primarily to the above objectives, the provider will find it natural to structure and deliver the necessary services.

The remaining parts of the introduction will look further into motives and mechanisms, as well as theory. In preparation, it is important to review the agreement itself. Here is a summary of the more tangible features, terms, and conditions.

Tri-Level Services

The term “Tri-level” refers to the three services that are central to the agreement:

- Level 1: Telephone help desk and remote support services
- Level 2: On-site support with rapid response
- Level 3: Maintenance, coordination, and small implementations

The agreement also describes these additional services:

- Off-hours coverage
- Extended services (at reduced rates, with an accompanying satisfaction guarantee)

Performance Levels

Performance levels are an important part of such an agreement. But how do we understand performance?

Innovations in Office Systems Support

Tri-level Support Agreement

An important mechanism of this agreement is its focus not on time-to-repair or rigid appearance-time response measures, but rather on performance relative to the need and perception (distributed over time) of the individual users. This shift of focus will be discussed in detail below. For now, it will suffice to enumerate the key characteristics of the performance targets of the agreement:

- Effective first contact
- Early, knowledgeable problem recognition
- Assurances of a path to restoration of an effective business process
- Flexibility in the resolution process, including acceleration *and* delay

Aggregated Needs & Services; Segregated Management

The client, of course, expects to pay for these services—for readiness and for services delivered. For both the client and the provider, there are great benefits in aggregating the need for and the delivery of services. But significant problems result if the management of the services—how they stand ready, how they respond, and how services are delivered—are also brought under one hand. For the benefit of both parties, this agreement provides a dual structure.

User-Station Rates; Experience Rates

The central quantum of accounting for this agreement is something called the User-Station. For each service period, the costs for the services (always determined and paid in advance) are calculated on the basis of User-Stations. The Experience Rates provide a way of gauging, post facto, the value of the benefits received.

Note that the services actually delivered only indirectly affect the costs for the next period. The indirection arises at two levels. First, Experience Rates, which are calculated on actual events and time records (and, therefore, only indirectly account for benefits such as readiness), are incorporated through averaging across all types of services and all User-Stations. Second, the agreement attenuates variability in demand, put into effect through per-period thresholds that restrict the invocation of change in the cost structure, with a complementary per-period maximum and minimum on the change to costs when an allowed change is invoked. When the User-Station population is stable, these thresholds act to place a maximum and minimum on the client's overall costs for the life of the agreement.

Locus of Knowledge

The foundation for the TLSA is the idea that agreements are most valuable when they serve the purpose of imagining and managing relationships. When that is the case, an agreement offers a framework for seeking opportunities and adding value—for each of the partners. This agreement eschews the usual self-protection approach, wherein each party seeks to specify, at the discrete and minute levels achievable through standoff-like negotiations, the specific events covered and their associated specific costs.

Innovations in Office Systems Support

Tri-level Support Agreement

Why would the parties to an agreement forgo self-protective postures? In modern organizations, the office systems computing environment is the most pervasive, and perhaps crucial, socio-technical system. The TLSA recognizes that in the office systems computing environment few in the client's enterprise are so knowledgeable about the opportunities, the challenges, and the problems as the individuals at each workstation.¹ Embedded with each individual is a wealth of idiosyncratic knowledge about these opportunities and challenges. In recognizing this, the TLSA locates the decision power for deploying services at the location of that knowledge—the individual user.

Few organizations delegate all decision powers to the location of knowledge. The separation of decision powers and knowledge is an important source of costs in an organization. Limitations in the ability to communicate goals; limitations in the ability to specify and coordinate implementations; limitations in the ability to control investments so that, at the least, they match the potential and timing of returns; limitations in the ability to establish appropriate compensation mechanisms—these are all good reasons to aggregate decision powers, dislocating them from the specific relevant knowledge. They are also good reasons to take on the efforts and costs of bringing the two back together: forming, for example, cross-functional taskforces, project-based teams, and customer-directed product development structures. To overcome these limitations for the office systems support environment, the TLSA establishes overall limits on costs for the services, while binding the two parties in an evolving mutual improvement process.

These organizational considerations might also provoke a traditional make-or-buy analysis. If we want all of this knowledge within our organization, why would we outsource the services? This is the beginning of an inquiry that takes one through the questions of capacity to respond, breadth of knowledge, departmental control, and the inspection of other challenges of organizational capabilities and costs, and returns. It is the beginning, in other words, of calculations of ambiguity, diversity, and chance associated with certain types of problems, needs, and opportunities. This agreement compares favorably to self-provision because it is based on such calculations, providing high levels of coverage for the most basic challenges while giving corresponding high levels of certainty in the costs. For the more advanced and specialized challenges, about which less is known in advance, it offers different levels of coverage and different levels of certainty. As such, and resulting from factors discussed below, the TLSA represents the better alternative for efficient identification and capitalization of organizational knowledge.

Economics of Contracts

A complete contract takes into account all variables that are or may become relevant in its execution and has no elements related to unforeseen contingencies that may be negotiated in its execution. You will recognize that any agreement desiring to provide the flexibility described above would, by necessity, be an incomplete contract. As an incomplete contract, the TLSA contains many terms arising from the recognition that

¹ Paradoxically, few of these users are aware of the value of the knowledge they hold, and fewer still have the means or methods to leverage that knowledge for their own or their organization's benefit.

Tri-level Support Agreement

there are many situations that one or the other party desires to be included in the contract, but about which neither party holds sufficient information.

One partial solution to the problem of incomplete contracts is to execute smaller, limited scope, short term contracts within the scope of a longer-term relationship between the parties. The TLSA, in contrast, is a long term contract—it lasts as long as the relationship.

These two characteristics (the TLSA as a long-term, incomplete contract) work together to the advantage of the parties to the agreement. Without understanding the interrelatedness, one might be tempted to alter either of the characteristics. One change that might tempt both parties would be to form a separate agreement for the pre-service survey. Then, the idea would be, the parties could specify a more complete agreement for services. However, this idea is wrong.

To understand the dynamics involved here, one must consider the models of behavior concerning the economics of contracts: adverse selection, moral hazard, and signaling.

The primary adverse selection behavior consists in the provider being compelled to specify the services and their costs although, as with an insurer, the provider does not really know the specific, most important to the provider, characteristics of the client. Indeed, the client may feel that if those characteristics were fully accounted the costs would be prohibitive or the needed services withheld. However baseless such concerns may be, the provider may act to preempt any such exposure.

The primary moral hazard behavior consists in the client being compelled to select a provider although, as with a client of medical care, the client does not really know the specific, most important to the client, actions that the provider has taken to prepare their organization to deliver the needed services. Indeed, the provider may feel that those actions, past and potential, are the key to operations flexibility and profitability, which is indeed what the client suspects.

Signaling behaviors arise in this situation when each of the parties attempts to reveal its characteristics to the other party. Because entering into the TLSA is not a take-it-or-leave-it affair, a Stackelberg game, this process of signaling occurs at many levels and for the entire life of the agreement.

Yet, following our example a little bit further, none of the problems arising from these dynamics would be addressed by forming a separate agreement for the pre-service survey. In such an alternative both parties would retain the incentive to hide their characteristics and their actions in order to preserve their individual options to their respective potential surpluses. More than mere incentive, both parties routinely act to disguise themselves. Consequently, the uncertainties would be carried forward into the second agreement, setting up, ex ante, surpluses which result, ex post, in inefficiencies. More significantly, the focus for the two parties will have concretely moved away from imagining the relationship and seeking opportunities for value creation.

Innovations in Office Systems Support

Tri-level Support Agreement

There are many other ways the two parties may seek, through separation, to make the aggregate agreement more complete. Each such separation, however, must be viewed in terms of the overall dynamics. It is the TLSA's overall dynamics, as an incomplete contract, that allows for the gradual relaxation of the inefficiencies which are inherent in this domain: those inefficiencies foreseeable specifically or generally, and those unforeseen.

Recognizing that these inefficiencies are best resolved through the execution of work under the agreement, the parties will then, in considering a relationship, turn away from false questions (which, in our example of the separate pre-service survey, would result in potential providers competing most of all to be one to do the survey, rather than on the overall merits) and towards relationship-level questions.

For the client such a shift requires the kind of due diligence usually reserved for investments. What are the provider's operating characteristics, especially relating to preparedness? What are the bases, internal and from industry, for the provider's actuarial calculations for the rates? To what assets does the provider have access? What is the provider's commitment to hiring qualified people, training, and advancement? What demonstrations are available of the emphasis the provider places on matching the delivery of its services to the individual styles of individual clients and client personnel? What evidence exists of the provider keeping up with or even staying ahead of new techniques, technologies, and new technological demands of clients? How has the work of the provider contributed to the strategic needs of other clients? In choosing among nominally qualifying providers these characteristics will be more important than, even, basis point differences in percentiles of compliance with the client's existing technological needs.

A similar effort is required of the provider. What are the strategic objectives of the client? How are those translated to the office systems environment? What potential exists for strategic impact? What levels of investment does the client make in office systems in comparison to this strategic dependence and the operational requirements? How close is the match of the technologies and their architecture to the opportunities and operations? What evidence is there of individual and departmental power to command the office systems environment and the associated tools and organization structure and procedures? What are the client's commitments to hiring qualified people, training, and advancement? What evidence exists of the client using information such as might be generated in the course of the executing the TLSA for strategic benefit?

If such efforts seem extraordinary then consider that the TLSA sets up access to credit. The client provides credit because, at the most basic level, it has paid in advance for services it might not use. The provider provides credit because, at the most basic level, the agreement allows the client to overspend. These credits are only cleared, if ever, through underspending or overspending in future periods. Assuming experience leads to amelioration of problems that prove persistent (and the agreement provides mechanisms for this), new potentials for such will arise. More importantly, these credits, and the transaction costs accompanying them, provide the incentive for both parties to build relationship-specific assets.

Tri-level Support Agreement

Relationship-specific assets counteract the tendency of parties to incomplete contracts to underinvest. Such assets can only arise, however, through a close interaction of the two parties at both the strategic and operational level. The client delegates decision power for the utilization of the service to the lowest levels: those individuals at the workstations and their formal, agreement-specific, aides, the Departmental Technical Aides (DTA). By this action the client hopes to get the benefit of each individual's knowledge. The provider gains the power to control that underutilized individual knowledge, and agrees to act responsibly with it, to turn it into organizational knowledge. Note that this is not merely the knowledge that any provider gains while working on a client's problems. What is transferred when the individuals in the organization can command the service is the knowledge of what each fundamental unit of the organization is doing with and about its office systems. In many organizations, even in the individual departments, this information is not made explicit and is, therefore, not available for capitalization. Execution under this agreement, however, makes it explicit, and the service provider is the holder of it. It is the responsibility of the provider to transfer that information back to the client, through the individuals that command the service and at higher levels, as a combined, enriched, explicit, knowledge resource.²

An organization may wish stronger control over these results, what are called residual control rights. To secure control over those rights, an organization might consider the alternative of performing the service itself. Interestingly, it turns out that two of the challenges most difficult for the self-provisioning organization to solve within a flexible economically viable framework, securing coverage and organizational management, will also make those specific residual control rights more difficult for the organization to recover. Shifting strategies and moving to delineate, definitively and exhaustively, these rights and their control in a 'complete' contract with the provider will also, paradoxically, put the residual control rights out of reach. Instead, by design of the TLSA, the client organization directs the provider to extract and enrich that knowledge. The client, then, applies its own efforts to preparing itself to acquire that knowledge from the provider and to use the knowledge in its organization.

Organizational Transformation

By now it is clear that the TLSA offers yet another example of how, in the world of services, the economics of contracts actually determine the transformation of the parties.

Certainly, the client will be transformed. Perhaps the most apparent need of the client will be to get assistance in solving problems in the deployment and use of its office systems. These needs must be met. Interestingly, the means by which these needs are met are the root of a significant transformation in the client's organization. The first transformation is, in all probability, the shift from a centralized local support organization that has traditionally decided who gets served and what problems are the most important, and has

² This delegation of decision power means, for example, that the contracting individual for the overall agreement, the TLSA, would have little to say about the day-to-day, department-by-department, service events and even how they affect the organization's strategy—which, instead, transfers up through each line organizations' chain of command and not, for example, through information services or finance.

Innovations in Office Systems Support

Tri-level Support Agreement

controlled the types and levels of services individuals may command. Related to this shift will be a move away from specific as-used by-departmental charge backs of support costs. Although such apportionment practices are contrary to operational interests in any form of office systems support, the TLSA's ability to efficiently deliver strategic results would be greatly limited by such cost-recovery practices.

The next transformation will likely be the designation and empowerment of the DTAs. This will, in many organizations, represent the beginning of a significant shift in resources and decision power. Be careful to note the characteristics and the job of the DTA; many will underestimate the importance of this to the organization's results (not just of getting and perfecting support, but also of capturing strategic opportunities). DTAs, for example, will require more knowledge of the organization's objectives and of how results accrue within the larger organization (e.g., through open books). The next transformation³ will often be establishing remote support and maintenance capabilities. Gradually will come the impact from allowing individuals throughout the organization to directly command and integrate the results of the service. From this will spring the concomitant demands on the part of the users for formal training on existing technologies and the search for and the acquisition and implementation of new technologies with the objective of changing the nature of the organization's work processes and products.

For the provider, many important transformations occurred when it undertook to offer this kind of agreement. For one, the provider has realized that although it still must track and report individual events and efforts, these are not ideal indicators of provided value. Certainly the provider has abandoned direct event and hourly charges, which had given strong incentives for inefficiencies (in suppressed reporting on the client's side; in dilatory service delivery on the provider's side). Even a provider that has made the transformation and, further, has taken up the analytic challenge of being a more efficient provider,⁴ will also note that the resulting information, although important for managing the process, will be of only secondary usefulness in value creation. Surprisingly for some, the engine of value creation is the early establishment of a fast, capacity-fat, service provision system.

The value from that greatly improved service provision system flows to both parties. Both parties benefit by the full reporting of problems as early in the relationship as possible.. This may seem counterintuitive. If I, as the client, encourage reporting, even to the extent of generating frivolous requests, then won't my costs go up? In the worst case, yes, beginning in the next period; but you are protected by limits in the agreement. If I, as provider, encourage this, then won't my costs go up? In the worst case, yes, but then also you sooner either establish the higher basis (according to the thresholds and limits) or get past the low value-adding work. Besides you get exposure to more of the organization and, for example, can prescribe the training programs that will help both parties.

³ Assuming that the appropriate manufacturer support services and licenses are already in place.

⁴ By, for example, analysis of the distribution and arrival rates of problems by class, or dynamic programming or Bayesian analysis to gain knowledge about the demand and service processes and the resources likely to be required to respond.

Innovations in Office Systems Support

Tri-level Support Agreement

Moving to higher value support efforts will eventually lower the Experience Rates attributed to existing systems and users. Within the scope of Experience Rates, demand will shift to small implementations of existing or incrementally simple technologies. In addition, DTAs will act to arrange those increments so that they will indeed fit as small implementations customized to the needs of each department. These dynamics will also mean an increase in sophistication of the users and higher demand for other services, those, for example, covered under Extended Services. In fact, the need for such services and the ability of the client to perceive or take advantage of them will become apparent only after these earlier transformations are accomplished. The prepared provider will recognize the client's dependence on such high value-delivering services, extending even to strategic consulting regarding the organization's core businesses.

These transformations are an artifact of the characteristic of the TLSA that, as discussed above, places requirements on the provider not just to fix local problems, but rather to prepare the organization. Missing this point leads to "simplifications" in the contract, turning it into something akin to a service contract for automobile repair. However, the pursuit of, it is imagined, predictability removes the flexibility that allows the additional benefits to arise.

In the course of establishing the services under this agreement everyone involved will recognize the importance of encouraging all potential users of the service to participate in their own way, as far as certain systems and problems allow. Such a view may even lead to a personalization of the service delivered. Further, because this is personal support and is often engaged and carried out in person, and at the user's work station, personal qualities and style on the part of the service provider are crucial. But, and this is important to impress on each individual service provider, these qualities and style are not about the personal idiosyncrasies of the individual person providing support—not about this providers' personal preferences concerning computers, programs, methods, music, art, or otherwise. Beyond questions of skill, high levels of performance are only possible when the service is delivered with the personal qualities and style of each person *receiving* the support in the minds of the individual providers. The transformation for many providers is, to appeal to a stereotype, to transform highly opinionated technical geeks into performance artists of the provider's and the client's "score." For many providers this will require that they define standards of behavior, methods, and even artifacts for the individual providers to use as props.

A further note about transformations for service providers. This type of service, especially because of its characteristics regarding remote and on-site services, will require a distribution of decision power for the delivery of service to the individual service providers working as flexible, dynamic teams. The help desk and dispatching functions can help in, but not replace, this aspect of operations. Each of these individuals and functions hold shared responsibility for service quality and client satisfaction. The provider should invest in technologies that make those individuals as productive as possible, including in the collection of information while being highly mobile. As compared with more traditional service delivery, this makes the job of whoever holds the ultimate operational responsibility for minute-to-minute and overall quality and satisfaction a lot more challenging.

Tri-level Support Agreement

Economics of Information

With environments as rich in information as those described above, one naturally considers opportunities for investment and return on that information.

As with any client-provider relationship, the TLSA offers many opportunities for leveraging information in the usual zero-sum sense. The client has opportunities, for example, to essentially lock in certain of the provider's employees, while the provider has opportunities to build relationship-specific systems that have as their primary mission to establish higher switching costs for the client. Organizations, clients and providers, who are experienced at partnering will know how to avoid these traps, using, for example, open methods for resource control and by employing systems with open or de facto standards.

Execution under the TLSA can also create opportunities where both parties benefit from sharing and using the same information, building positive feedback toward, both, improving the overall support but also providing for each party opportunities for return outside of the agreement. We've explored some of these above.

The following discussion will consider the opportunities that arise from the timing of the arrival of information—real options. Real options recognize that while the value of information may, as in the examples above, ultimately lie in the use of the information, there is also value in the timing of the creation and in the rights to future benefit from such information. The TLSA offers several such options.

The principle real option is that purchased by the client in the agreement itself, in the form of the usual benefits flowing from outsourcing. In entering this agreement the client is making an early investment, in a series of investments, establishing a right to abandon, alter scale, or begin self-provision at some future time based on the information generated from the service.⁵ More significantly, and as discussed earlier, while the client is reserving for the future its decisions on the provision of the service (and the associated investments in systems and process), the client is placing its direct, current, investments in those related activities that provide value in, beyond, and outside the TLSA based on the execution of the services under the agreement (q.v. Organizational Transformation, above).

At the same scale, that of the overall life of the agreement, the provider secures a real option on growth and expansion. The provider need not take advantage of this option in order to benefit from the agreement. But if it does, both partners benefit from a broader exposure to technologies and their associated problems, and a broader delivery base.

Several real options for temporary expansion and contraction exist within the scope of the TLSA. Experience Rate mechanisms allow for temporary variations without invoking changes in costs. Moreover, the TLSA permits the elastic provisioning of those services.

⁵ This real option for the client is one of the few places associated with the TLSA where the option to delay is valuable. You will note that the value to the client is, technically, outside of the agreement and, more significantly, is one of the drivers for entering the agreement.

Tri-level Support Agreement

The TLSA's response performance specifications allow the affected users to control the timing of the delivery of the service. In place of preset appearance and resolution metrics, which pressure the provider to appear and resolve, these specifications provide the individuals, the DTAs and their individual departments an option to adjust the performance to fit their individual needs. This includes giving the client the option to delay, which, paradoxically, often arises when deadline-critical work is underway—the more urgent the project or activity, the more serious the problem must be before the individual will want to be interrupted by a complete service call. Yet, later, the client will want the problem handled promptly, including, perhaps, the transition from a circumvention to a fix or training.

The agreement establishes a real option on the experimental deployment of new technologies. This is a limited option, in that the provider has the option to rule that a particular technology would require more time than that allowed for a small implementation. This is usually an indication that the technology carries other risks and is, therefore, not actually a good candidate for a small experiment. That limitation should be seen as a positive self-limiting phenomenon from the client's strategic level, a control that substitutes for some of the decision rights that are distributed under the agreement. Limitations aside, the TLSA gives the client the option to deploy technology that, later, might be more broadly used elsewhere.

Through the agreement the client obtains the option to quickly expand use of information technology. The option purchased is that of quickly moving (and with favorable and predictable rates under Extended Services) to take advantage of business opportunities. To the provider it may seem unnecessary to bundle these reduced rates and the associated guarantee with the TLSA. On the contrary, the bundling makes clear the counter option created for the provider, that of using the information it will gain in providing the overall service in the generation of more value for both parties. And, depending on the client's procurement process, its bundling in the agreement may give the provider an edge in being chosen and engaged in such services.

Opportunities for Improvement

Many opportunities exist for improving the TLSA. The most important are those that expedite the integration of knowledge about opportunities for office systems to contribute to the client's strategic objectives. To that end it could be important for the agreement to specify more fully how that knowledge is developed and transferred. Such mechanisms would have to be broad and involve the individual workstation users and the individuals who provide the services.

In a similar vein, it could benefit both parties if the agreement required the implementation and use of an integrated system for asset tracking, software license management, revision management, trouble reporting, dispatching, and follow-up. Beyond informing simple total cost of ownership (TCO) calculations for the client, such a system could include client-specific (and client-maintained) information regarding objectives of the client, in general and in the execution of the services under the

Innovations in Office Systems Support

Tri-level Support Agreement

agreement. Such a system might also include self-resolution assistance, including, again, client-specific information.

The TLSA addresses the role of the provider in coordinating the work of other vendors, but it falls far short of establishing a centralized information services coordination function. This shortcoming is a strength in many circumstances. However, in some environments it may be worth experimenting with expanding the role of coordination beyond problem resolution, within the client organization, especially with central information services, and with other vendors. One avenue to pursue might be the inclusion of additional support services for infrastructure systems. These might, however, deserve a separate, linked agreement.

The provider under the TLSA has the opportunity to develop and sell training and other complementary services and information (including publishing). It may be worth extending this agreement to include those opportunities as programs for joint investment, especially the customization for and transfer to the individual client.

Partners, after experience under the TLSA, may wish to take their roles as co-producers to further levels. Facilities management is certainly an opportunity, but one that must be approached carefully. A more valuable partnership might evolve from including mechanisms and compensations for joint oversight and management of each other's opportunities. To the client there could be significant benefits in having senior members of the provider's organization routinely participate in organization-wide decisions regarding information technology. To the provider there could be great benefits in having senior members of the client participate and guide it in development of capability and process.

A further opportunity exists in the potential of forming forwards. The TLSA provides for a weak form of forwards. A more formal mechanism for allowing the client to create rights to future services may allow the provider to distribute capacity and services so that they more closely match needs, or, in the alternative, to cover those inefficiencies more directly. Such mechanisms may also lay the groundwork for higher levels of readiness.

Several of the above possibilities, if implemented, could also make more meaningful, and more practicable, service level and quality standards that focus on client strategic results. These are difficult to take further under the existing agreement without destroying the balance in client and provider incentives to use, and conserve, the service. Especially challenging under the current agreement would be the shift to specifying and measuring strategic results. Additional information services, as described above, would be important for this shift, as would be the ability, discussed above, for the client to distribute (even to those outside their organization) what would otherwise be sunk costs on unused services, as a way to pay for the services that deliver these higher-quality, higher-level results.

Finally, there are the opportunities for positioning the service. For example, either party, or both, may get benefits from claiming brand and service mark opportunities. These are not specified in this version of the TLSA.

Tri-level Support Agreement

Conclusion

I encourage you to use the TLSA for your own business needs and to explore ways to improve upon it. That effort will no doubt produce a richer agreement. I hope you will share your work with me and others, giving individuals—clients and providers—increased exposure to alternate ways of supporting office systems environments.

Agreement for Office System Computing Support Services

Agreement

for

Office System Computing Support Services

THIS AGREEMENT is made between _____ (“Client”), a California corporation, and Enosis Group, Inc., (“Enosis”), a California corporation. This Agreement is effective _____.

RECITALS:

WHEREAS, Client is a professional organization making use of modern office system computing systems: desktop computers, and the associated peripheral equipment, for personal work stations and work group servers, connected with high-speed networks, running popular off-the-shelf software;

AND FURTHER, Client’s use of these systems introduces the need for high-availability support and assistance in resolving the problems and questions that arise in the everyday use of these systems and in choosing, planning and executing routine moves, adds, and changes to the configuration of these systems;

WHEREAS, Enosis is a professional office systems consulting organization who, in fulfilling its purpose of helping organizations to make good use of their investment in modern office systems, provides services to devise strategies, implement, and support the system configurations commonly found in the professional organization;

AND FURTHER, Enosis has developed an offering that bundles a subset of its services specifically to provide: high-availability remote support, fast on-site response to problems and questions, and assistance in routine configuration moves, adds, and changes at a low, predictable, rate with the possibility of adjustment based on experience;

NOW, THEREFORE, the parties agree as follows:

1.0 ENGAGEMENT AND COMMITMENT

This Agreement is a subscription by Client to Enosis’ Tri-Level Support services; and a commitment by Enosis to be prepared and to deliver the defined services.

2.0 SCOPE OF SERVICES

The services delineated herein are available to those departments and operations areas of the _____, a department of Client, as identified in Exhibit A, Subscription Roster, at the time this Agreement becomes effective, and as added through the provisions of this Agreement.

Enosis will provide Tri-Level Support services for the administrative use of modern office system computing systems as follows:

2.1 SUPPORTED SYSTEMS AND ENVIRONMENTS

- 2.1.1 **Desktop Computers of the Prominent Architectures.** Examples of such computers are: Macintosh, PC-compatible, Sun. Included here are portable systems (e.g., laptops), accessories and peripherals such as video cards, video displays, external hard drives.
- 2.1.2 **Off-the-Shelf Software by the Prominent Manufacturers.** Examples of such products are: Microsoft's mail and office products, Novell's NetWare and UnixWare products, Adode/Aldus's products, Lotus Development's group, mail, and office products, Symantec's productivity products, Claris's office products.
- 2.1.3 **Peripheral Equipment.** Examples of such equipment are: Laser printers, scanners.
- 2.1.4 **Local Networking Facilities.** Examples of such facilities are: Network interface cards, modems, station network cabling, hubs, gateways, routers.
- 2.1.5 **Work Group Server Facilities.** Examples of such facilities are: NetWare servers, AppleShare servers, UNIX servers.
- 2.1.6 **Remote and Mobile Systems.** For users in the supported population, Enosis provides remote support and in-department on-site services for supported systems and environments.
- 2.1.7 **New Systems and Environments.** Enosis continually expands its list of supported systems and environments. If Client introduces a new system or environment not included in Support Systems and Environments, and not excluded through other Agreement terms, Enosis will, on Client's request, make an assessment of its eligibility status. Enosis shall not unreasonably withhold eligibility, although it may specify features to improve serviceability, impose a waiting period, set separate response objectives, require training of Enosis' staff, require the Client secure supplier maintenance agreements and documentation, limit eligibility to specific departments and operations areas, and assess charges for eligibility under this Agreement.

2.2 EXCLUDED SYSTEMS AND ENVIRONMENTS

There are several systems and environments not automatically eligible for support under this Tri-Level Support Agreement. Support for these excluded systems and environments may be available from Enosis under other service arrangements.

- 2.2.1 **Mainframe and Minicomputers.**
- 2.2.2 **Antiquated Computers, Peripherals, Software, Networks.** For example, an 8086 computer running VisiCalc is not supported.
- 2.2.3 **Rental Systems.** That is, systems and facilities whose purpose is to be available for and relocated to users outside the covered population.
- 2.2.4 **Network Backbone and Vertical or Horizontal Cabling Systems.**

Agreement for Office System Computing Support Services

- 2.2.5 **Custom and Special-Purpose Software.** Examples are software development software (e.g., compilers), accounting systems, manufacturing systems, custom databases, including screen design and report writing. The eligibility of the underlying computer platform and other software is considered separately.
- 2.2.6 **On-line Services.** That is, environments whose primary purpose is providing high-availability, high-volume, network-accessed services.
- 2.2.7 **Computer Laboratory Environments.** That is, environments whose primary purpose is serving, in relative terms, a large community of users with a small number of computers.
- 2.2.8 **Production Services.** That is, although Tri-Level Support includes services to assist those using supported systems and environments for business or organizational use, Enosis does not, as part of Tri-Level Support, produce those results. Tri-Level Support does not include, for example, producing statistical analysis or performing page layout.
- 2.2.9 **Computer and Software Development or Support Environments.** That is, environments whose primary function is specifying, implementing, maintaining or supporting systems and software. The eligibility of the administrative aspects of these environments is considered separately.
- 2.2.10 **Risky or Hostile Environments.** That is, environments where the computer systems are subject to use or handling outside of manufacturer specifications or environments Enosis assesses would subject its staff to undue risks or hardships.
- 2.2.11 **Discontinuing Systems and Environments.** Enosis may discontinue future support of a system or environment at any time. All instances of, and any expansions to, a discontinued system or environment under current support have continued eligibility through the life of this Agreement.
- 2.2.12 **Exceptions to Exclusion.** At Client's request, Enosis may make eligible for Tri-Level Support specific instances of excluded systems and environments. Among the terms Enosis may impose for eligibility under this Agreement are: specific upgrades to improve serviceability, a waiting period, separate response objectives and limits, an option to reverse, training for Enosis' staff, appropriate maintenance agreements and documentation, and separate rates and surcharges. Each such exception is specific to a department or operations area, and does not change the excluded status of the system or environment.

2.3 SUPPORT ENVIRONMENT

The Client will implement these resources and facilities to enable Tri-Level Support.

- 2.3.1 **Tri-Level Support Administrator.** The Tri-Level Support Administrator (TLSA) is a single point of contact for Agreement-related activities. It is with the TLSA that Enosis coordinates overall service levels under Tri-Level Support, and to whom Enosis makes its Experience Rate Reports. The TLSA is the point of contact for global and common activities—activities spanning several departments or underlying the overall delivery and conduct of Tri-Level Support services.

2.3.2 **Departmental Technical Aide.** Each of Client's departments and operations areas occupied by the covered population will designate a Departmental Technical Aide (DTA). The DTA coordinates local Tri-Level Support service activities. The DTA helps users in their department make best use of Enosis' activities through setting priorities, refining requirements, acting as a repository and disseminator for reference information, providing direct assistance and as a channel for Enosis assistance, doing routine local maintenance (such as, maintaining the software and reference library, backup tape swapping) and propagating Enosis support information.

2.3.3 **Remote Accessibility.** Client must configure, at its cost, all supported systems to allow remote access for Enosis service activities. This may include software, hardware, and local-area and wide-area network facilities.

The access may be through a single network point of entry, or to each such system. If Enosis supports the network, network attachment is required, though each system may still be accessed individually. The throughput of such access is not specified, though it is a material factor in Enosis' service levels.

Such access may be controlled by the DTA or individual users, is password protected, and, when directly accessing a user's station, provides a clear indication of active access.

This access must provide Enosis the capability of monitoring and controlling the mouse, keyboard, and on-screen activity of an individual's station; of addressing, monitoring, using, and controlling network-attached peripheral devices; and of addressing, monitoring and controlling the network and server devices themselves.

2.3.4 **Software for Remote Update and Distribution.** Client must configure, at its cost, all supported systems to allow remote update and distribution of software updates. The preferred access is through the remote accessibility method implemented for support; Systems not using that method must be configured to allow direct, remote, updates.

Enosis may distribute to the involved users or systems, without prior notice, specific corrections for software implicated in a current or previously reported problem. Enosis may, with Client approval, make a general distribution of any software.

All such distributions must conform to the Client's license for such software, unless the Client otherwise directs. Enosis must obtain user or DTA permission before effecting the actual install of any such distributed updates.

2.3.5 **Local Access and On-Site Staging Area.** Client shall provide, at its cost, fully working user accounts on all systems for which Enosis will provide any support. In the vicinity of each major, separate, operations area, Client shall provide Enosis a small staging area suitably outfit with network and telephone connections (voice and data). Client shall provide Enosis keys, combinations, and passcodes as necessary to enable Enosis to fulfill its Tri-Level Support commitments.

- 2.3.6 **Client-Supplied Diagnostic Equipment and Software.** Any equipment, software, tools or fixtures having as its purpose the implementing, monitoring or diagnosis of Client facilities, and that is dedicated to such a purpose, whether located or operated at Client's or Enosis' facilities, will be acquired and owned by Client.

For the purpose of recreating problems, testing resolutions, and installations, Client shall provide its documentation, software and the corresponding licenses and passwords to Enosis. Enosis may, for these purposes only, in dealings with software, hardware, and turnkey vendors, represent itself as Client. Enosis must direct such vendors to address all license-related correspondence to Client business locations.

- 2.3.7 **Compliance With Software Licensing.** All software introduced by Enosis to Client's environment shall be properly licensed for distribution to and the intended use on the involved computers. All software provided by Client for use on the Client's computers shall be properly licensed for the distribution methods described above and for the intended use on the involved computers.

2.4 TRI-LEVEL SUPPORT

2.4.1 **Level 1.— Telephone Help Desk.**

All calls reporting new trouble or requesting assistance go to Enosis' Help Desk. The Help Desk provides remote support; it dispatches On-Site Support.

Help Desk staff document the new call and assist the caller, or correct or circumvent the problem, including by remote connection and with the assistance of the Departmental Technical Aide. If unable to quickly resolve the problem, the Help Desk staff may request direct assistance from other Enosis staff or may transfer the incident to other Enosis staff. If Enosis staff are unable to quickly resolve the problem remotely, the Help Desk will dispatch On-Site Response.

Activities Enosis undertakes to provide remote support include: directing the caller to product documentation; referring to product documentation; connecting to the caller's system and observing and directing user actions; telephone, facsimile, and Email inquiry with product and service vendors; searching of on-line services; contacting Client DTAs and local experts, including any appropriate central organizations; installing and configuring computers and software to recreate problem and test resolutions.

All calls to the Telephone Help Desk not answered by Enosis personnel are directed to voice mail. Help Desk assistance may also be requested using Email or facsimile. Enosis shall respond promptly to new requests for assistance; and shall promptly forward results as gathered from other activities.

If a problem must be referred to other Enosis staff, and off the Help Desk, the involved Client staff should make further calls directly to the support staff handling the problem.

2.4.2 **Level 2.— On-Site Response.**

If Enosis staff are unable to quickly give effective assistance or resolve the problem remotely, the Help Desk dispatches On-Site Response.

Agreement for Office System Computing Support Services

On-Site Response, as appropriate, verifies the details, and attempts to correct or circumvent the problem, including by remote connection, and with the assistance of the Departmental Technical Aide. If unsuccessful, a visit is arranged. In commencing and executing such On-Site Response, Enosis shall follow the protocol identified by the department's or operations area's DTA.

Activities undertaken to provide On-Site Response support include all activities possible under remote support plus: inspecting related Client facilities; removing failing equipment, possibly preparing it for repair; installing and configuring hardware or software; user training. On-Site Response may require several cycles of remote and on-site activities.

Once a problem is referred to other Enosis staff for On-Site Response, the involved Client staff should make further calls directly to the support staff handling the problem.

Client personnel should refer new problems to the Help Desk. If they wish, however, because of urgency or convenience, to make a new request for assistance or report a new problem to Enosis staff who are on-site, it is left to the discretion of the Enosis staff, under the guidance of the applicable protocol, whether to handle the problem while on-site, to accept and refer it internally to the Help Desk, or to instruct the Client staff to direct the report to the Help Desk.

2.4.3 **Level 3.— Small Implementations: Moves, Adds, Changes; Maintenance; Coordination; Reporting; and Collateral Activities.**

Through its Level 3 activities under Tri-Level Support Enosis provides assistance in routine configuration moves, adds, and changes; recommends and performs routine user-level software and hardware maintenance; helps in the selection of vendors and products, and in the implementation of selected products; conducts informal one-on-one and small group user tutorials and orientation; gives assistance to Departmental Technical Aides and local experts; and prepares reports and participates in departmental, information, coordination and status meetings.

These Level 3 projects, collectively known as Small Implementations, are undertaken with no additional charge for labor. There are, however, these prerequisites for such a project:

- a) Enosis estimates, after review of the project and, if necessary, discussion with the involved DTA or the Tri-Level Support Administrator, the entire project (starting from the initial discussions of objectives and scope, including task planning and coordination, to completion of the implementation including training and documentation) will probably require four or fewer hours labor to complete.

The estimate is taken at the project's outset; it is not a limit on the actual implementation. The time for these deliberations is included in the estimate of time for the overall project and are therefore part of the four-or-fewer-hours limit. Provided the project definition and circumstances remain unchanged the project is a Small Implementation even if it actually takes longer.

Agreement for Office System Computing Support Services

- b) The project replicates or extends something already in place within the implementing department or operations area. For example, adding a printer of a type similar to others in the department, installing a software package similar to others used in the area. The foundation component, the one being replicated or extended, must be in a condition suitable for replication or extension.

Enosis may undertake as a Small Implementation an implementation of technology fundamentally new to the operating unit provided Enosis judges the usual demands of new technology (especially, the risks inherent in planning, evaluation and choice, and timing; the consideration of backward compatibility to in-place technology; the requirement for documentation and training) do not directly or indirectly extend the estimate for the project beyond the four hour limit.

- c) The project requires no special consideration of the impact on the implementing department or operations area's production capability.

Enosis may undertake as a Small Implementation an implementation that, whether through the effects of the implementation or through the end result of the implementation, could put a unit's production capability at risk, provided Enosis judges the unit could effectively respond to such an interruption, and the usual prerequisites to successful implementation of such a project (especially, a separate test facility, an implementation pilot, an implementation that can be reversed or 'switched off') do not directly or indirectly extend the estimate for the project beyond the four hour limit.

- d) The project requires no special documentation or training in its maintenance or use. An orientation for the DTA, Tip-sheets, and orientation for the affected users are all part of a Small Implementation and are expected to fit within the four hours-or-fewer requirement.

- e) The project requires no specialized expertise Enosis doesn't otherwise provide for Tri-Level Support in that department or operations area. For example, Enosis may have (as part of its Extended Services) implemented a custom database in a department, then have made eligible for Tri-Level Support in that department the result of the custom database development and the underlying database engine when used to operate the custom database. Similar Tri-Level Support services would not automatically be made available to other departments or operations areas.

Each such case shall be considered separately, although a particular approach can be established in each department or operations area with each class of expertise.

Changes to a project's definition or circumstances may cause a Small Implementation to be converted into a larger project and to fall outside the scope of Tri-Level Support. That is, become a Large Implementation under Extended Services.

Among such changes to the project's definition are changing the implementation's specifications or timing, altering the technology used, expanding the number of users or operations areas involved, or adding or enlarging the documentation or training requirement.

Agreement for Office System Computing Support Services

Among such changes to the project's circumstances are the discovery of technology faults in the required, underlying, or associated technology, beyond those Enosis knew of, or should have known of, or a change to the supervision or working conditions of a project.

No such conversion of a Small Implementation into a Large Implementation can occur without the consent of the DTA of the affected department or operations area, or of the Tri-Level Support Administrator. If the unit does not wish to convert to a Large Implementation, the DTA or TLSA will adjust the project definition to circumvent the disrupting changes.

If, in attempting to designate a project as a Small Implementation, the metrics defined above and the informal means described above are insufficient, any further discussions and meetings with the manifest purpose of defining and designating the project will be undertaken as a Large Implementation (i.e., subject to hourly rates). Once the project is defined, the work of its implementation will be undertaken as appropriate for the project.

2.4.4 **Hours for Tri-Level Support.**

Enosis provides Tri-Level Support 9 a.m. to 6 p.m., weekdays, excluding Federal, State and Client-declared holidays.

2.4.5 **Performance Levels.**

- a) Telephone callers making new requests for assistance at the Help Desk will begin working with Help Desk support within 20 minutes (50% of the time) to 1 hour (100% of the time) of the first call.
- b) The affected user will receive first contact by a dispatched on-site support staff within 20 minutes (50% of the time) to 1 hour (100% of the time) after the conclusion that on-site support is necessary.
- c) The dispatched on-site support staff will be available to be on-site within 2 hours (50% of the time) or by the end of the next business day (100% of the time) after the conclusion that dispatch is necessary. The affected user's need and convenience are key factors in establishing response priority, and, therefore, the response time.

2.4.6 **Time-to-Resolution**

A problem or request for assistance is resolved and closed once a fix is installed and verified, or a circumvention which achieves the intended result or an effective alternative is described and implemented, or a method for achieving a desired result is given.

Some fixes or methods are unavailable in a given situation or are later discovered to be insufficient for the entire problem. This happens because, for instance, the full complexity of the problem isn't known, the vendor's fix is incomplete, the failing environment isn't configured in the expected way, appropriate documentation isn't available, or the affected user or Departmental Technical Aide is untrained in the applicable tools. In the case where a circumvention is necessary, the root problem may still exist and may require hardware or software changes or up-

dates, or the root problem may be an Intrinsic or Systemic fault requiring Extended Services to effect a repair.

With these definitions and caveats, Enosis estimates that one-third of all trouble calls will be resolved through remote support within 30 minutes of the start of work on the request. Enosis estimates one-third of all on-site service calls will be resolved within 30 minutes of the start of on-site support.

2.4.7 Client Service Satisfaction Escalation Procedures.

When unable to get satisfactory assistance, any Client staff member may contact any Enosis staff member, by phone, pager, or Email. Additionally, Client staff members should rely on their Department Technical Aide to assist them in getting satisfactory support.

The preferred escalation procedure is to call the Help Desk and ask for the Help Desk Supervisor. When so contacted, the Help Desk Supervisor will discuss the situation with the Client staff member, commit to the appropriate process, direct Enosis staff accordingly, and report the situation to the applicable Departmental Technical Aide, requesting assistance from the DTA as appropriate.

2.4.8 Off-Hours Tri-Level-Type Support Available.

Off-hours support services, giving services similar to the services available under Tri-Level Support, are available 7 a.m. to 9 a.m., and 6 p.m. to 10 p.m. Monday through Friday, and 10 a.m. to 5 p.m. Saturday and Sunday. Federal, State, and Enosis holidays are excluded. This is an Extended Service, see below.

If a request is made for Enosis to prepare to provide off-hours Tri-Level-like Support during a period when Enosis is already planning to be at work, or is actively at work, on projects for that department or operations area (either at Enosis' offices or on-site, and whether engaged on Tri-Level Support or Extended Service projects) and when handling the problem requires no significant disruption to our main purpose at that time, Enosis shall provide the service as normal Tri-Level Support service; there will be no additional charges for such support. When Client requests Enosis to plan for off-hours support, Enosis shall, if convenient, arrange such other work to coincide with the needed support period.

2.4.9 Field Replaceable Unit Diagnosis and Replacement Only.

Under Tri-Level Support Enosis will conduct only those diagnostic procedures, and make only those repairs and upgrades, as designated by the manufacturers for implementation by end users. This includes, but is not limited to, applying software updates, swapping systems and field replaceable units (such as SIMMs, hard drives, or ROMs) to isolate failures, and replacing the suspected field replaceable units.

All costs, including replacement components, software, and special tools or facilities, provided they are approved in advance, are the responsibility of the Client.

If authorized by the involved Department Technical Aide or the Tri-Level Support Administrator, usually because of turnaround considerations, Enosis may undertake repairs ordinarily designated for qualified, factory-trained, technicians. If undertaken, Enosis bears no responsibility for damage or interruptions to Client's

Agreement for Office System Computing Support Services

components or systems, facility, or operations through its diligent effort to make such a repair. Enosis bears no responsibility for warranty or service agreements that may be voided or compromised when making such a repair.

For all other diagnosis and repairs the Client must engage the appropriate support organizations; Enosis will, as part of Tri-Level Support coordinate and communicate with those vendors.

Enosis provides, as part of Extended Services, services to diagnose, isolate, and correct intrinsic and systemic faults in client implementations (such as backbone networks) and vendor products.

2.4.10 **Moving, Shipping, Storage, Delivery, and Pickup.**

The Client is responsible for moving, shipping, storing, delivery and pickup of its property.

If Client requests, Enosis may agree to move, ship, store, deliver or pickup Client property. While under Enosis care, Enosis shall take reasonable precautions to keep safe and protect such property. Enosis is not, in any event, responsible for such property.

All time for such activities, including travel time, are considered equivalent to Tri-Level Support on-site time. In addition to this and other applicable and normal Tri-Level Support arrangements, and authorized costs, Enosis may, if authorized in advance, charge Client a fee for such services.

2.5 USER-STATION POPULATION

The User-Station Population count is used, in the absence of suitable alternative data, to gauge the changes in required support level when Client increases or reduces the supported user population. The first and most significant such use is establishing the initial rates for Tri-Level Support.

2.5.1 **The User-Station Count.**

A User-Station is the greater of the count of the computer-using staff or the count of computers supported directly or indirectly under this Agreement. Both counts are weighted as to utilization and anticipated level of support.

- a) Count as one user each computer-using staff.
- b) Count as one computer each Tri-Level Support-eligible desktop workstation and workgroup server. Include portable computers of any type, whether used in or out of the office. Include file, print, and mail servers.
- c) If a user is actually present and using a computer only a small part of the time (e.g., a 40% FTE), or a computer is used only a small part of the time (e.g., is used only an hour a week to dial an outside service) or is 'retired' (e.g., an old system never actually used), count it—as a user or a computer—in proportion to use (e.g., 0.4 users, 0.025 computer, or 0.0 computer, respectively).

Agreement for Office System Computing Support Services

- d) If a particular group of computers or users are largely and effectively supported by another means (for example, through self-sufficiency, local experts, or other contract support), reduce proportionally the count of users and computers for that group.
- e) No other devices are included in this count. Not counted, for example, though included in Tri-Level Support, are network devices, peripherals (such as printers), Client systems used primarily at home. Also not counted are, of course, special systems not to be supported under Tri-Level Support services.

2.5.2 **The Initial User-Station Count.**

The Client will prepare a list of departments and operational areas, the respective Departmental Technical Aides, and the initial count of User-Stations. Exhibit A, Subscription Roster, is provided for this purpose. This count, as agreed by Enosis, is the basis for the Preparation and Initial Period fees.

2.6 PREPARATION

In advance of delivering services under Tri-Level Support, Enosis shall canvas the supported environments. Enosis shall learn and document the needs of each department, install and configure the support software, and, in general, prepare the environment for Tri-Level Support. This is the Preparation Process.

2.6.1 **The Survey User-Station Count.**

Enosis shall prepare a User-Station Count as one early result of its Preparation Process. This count, known as the Survey User-Station Count, will be based on Enosis' assessment of user activity and skill level, and on Enosis' assessment of the eligibility and levels of use of the computer systems. This count, once agreed by Client, becomes the first Basis User-Station Count and defines the served population. It is the basis for the actual Preparation Fee and actual Initial Period Fee. The difference between the Initial User-Station count and the Survey User-Station count determines the adjustment (refund to Client, payment to Enosis) due.

2.6.2 **The System Survey; Installing the Profiling Software.**

Using the network facilities provided by Client, and installing and using the profiling software purchased by Client, Enosis will prepare an inventory of the environment. The survey shall identify each supported system and its principal user and use. As supported by the profiling software, Enosis shall identify the system, the central configuration files, and the major applications in use on each such system. Enosis shall document the major features of the network environment. Enosis shall interview users and prepare a report on their top needs in areas such as improved systems or software, backups, training, and support.

Specifically excluded from this survey are a physical inventory and a software license reconciliation.

Enosis shall report this data by each of the Client's served departments or operations areas and deliver the report to the respective Departmental Technical Aide and to the Tri-Level Support Administrator.

2.6.3 Installing the Remote Support and Update and Distribution Software.

Enosis shall, during or soon after the survey, install and configure on each supported station the Client-purchased remote support and remote update and distribution software.

3.0 TRI-LEVEL SERVICE FEES, COSTS, AND PAYMENTS

Four separate payments are required under this Agreement. One payment is for preparation, the other three for each of the 3 periods of the Agreement. These payments are summarized in EXHIBIT B, Summary of Initial and Annual Costs. Others payments may apply.

3.1 PREPARATION FEE

This payment is for the work outlined in PREPARATION, above. The rate is \$50.00 per User-Station. The payment is due 30 days prior to initiation of Tri-Level Support, or for qualifying population increases, immediately on determination.

3.2 INITIAL PERIOD FEE

This payment is for the first four month's service. The rate is \$90.00 per month per User-Station. The period is four months long giving \$360 per User-Station for the period. This is called the Initial Period Single User-Station Rate. The payment is due 30 days prior to the initiation of Tri-Level Support.

Enosis determines this fee based on factors such as the Client environment, expertise and self-support levels, homogeneity, and the user-station count of individual departments or operations areas; Enosis' experience; a review of industry rates; and the services requested.

3.3 PERIOD 2 FEE

This payment is for the second four-month's service. The fee is the same as for the previous period, unless adjusted through the Experience Rates or Service Population Change mechanisms. The payment is due 30 days prior to the second period.

3.4 PERIOD 3 FEE

This payment is for the third four-month's service. The fee is the same as for the previous period, unless adjusted through the Experience Rates or Service Population Change mechanisms. The payment is due 30 days prior to the third period.

3.5 BASIS USER-STATION COUNT ADJUSTMENT FEE OR REFUND

This payment or refund is an adjustment to the Preparation Payment. The fee is the product of \$50.00 and the difference between the Client's Initial User-Station Count, and the final, agreed, Basis User-Station Count. The payment or refund is due immediately on determination.

3.6 POPULATION CHANGE FEES

A fee may be assessed when Client implements a qualifying increase in the User-Station Count. (For more details on this see below, in EXPERIENCE RATES AND SERVICE POPULATION CHANGES.) The payment is due immediately on determination.

3.7 AGENCY PURCHASE COSTS

As directed by Client Departmental Technical Aides and the Tri-Level Support Administrator, Enosis may make purchases on behalf of Client. These purchases, Agency Pur-

Agreement for Office System Computing Support Services

chases, are charged back to Client at Enosis' purchase cost. Shortly after each month's close Enosis will submit an invoice for such costs. The payment of such an invoice is due 15 days from Client's receipt.

4.0 EXPERIENCE RATES AND SERVICE POPULATION CHANGES

Experience Rates and Service Population Changes are the two mechanisms for adjusting Client costs for Tri-Level Support services.

These mechanisms result from the recognition that while the Client wants Enosis to be ready to serve its organization, and is willing to pay a fee for that readiness and for the services used, the Client also wants the flexibility to have fees reduced when anticipating a significant and sustained fall in service demand, and wants protection from a fee increase triggered by a transitory rise in service demand.

Similarly, Enosis invests capital and commits resources to preparing itself for the readiness and demand levels expected from the served users, and wants to be able to manage its adjustment to a significant and sustained fall in the Client's service demand and concomitant fees, and wants fees increased when there is a sustained rise in service demand.

The Experience Rates mechanism provides a method of adjusting the fees to reflect significant and sustained changes in the level of services used. The Service Population Changes mechanism provides a method of adjusting the fees to reflect significant increases and reductions in the served population. With no adjustment resulting from these mechanisms, the fee for each following period is the same as the first.

EXHIBIT C, Pro Ration of Basis User-Station Count for Qualified Service Population Changes, is used to track and calculate the Basis User-Station Count and the Service Population Changes Adjustment Factor. EXHIBIT D, Experience Rates and Adjustments, is used to report service levels used and calculate the Experience Rate Adjustment Factor. EXHIBIT E, Next Period Fee, is used to calculate the next period's fee.

4.1 SERVICE POPULATION CHANGES

4.1.1 **The Basis User-Station Count.**

As part of the Preparation Process a User-Station Count is established. This is the Basis User-Station Count. It defines the served population and is the basis for the actual Preparation Fee and the actual Initial Period Fee.

Subsequently, after the served population increases or decreases by the thresholds prescribed below, either party may request that a Service Population Adjustment be made. EXHIBIT C, Pro Ration of Basis User-Station Count for Qualified Service Population Changes, is used to track qualified changes to the User-Station Count.

4.1.2 **Decreases in the Service Population.**

A Service Population Adjustment may be requested after the user-station population decreases, cumulatively, by 20% of the current Basis User-Station Count, or by five user-station units, whichever is the greater. To qualify, the decrease must be the result of removing the stations or users in all respects from all service cov-

Agreement for Office System Computing Support Services

erage and benefits. A reduction in force or reorganization would be common catalysts of a qualifying decrease. In such an adjustment:

- a) A new Basis User-Station Count is established;
- b) A pro ration is calculated establishing the portion of the period's expected user-stations served up to the date of the adjustment. See EXHIBIT C.

4.1.3 **Increases in the Service Population.**

A Service Population Adjustment may be requested after the user-station population increases, cumulatively, by 20% of the current Basis User-Station Count, or by five user-station units, whichever is the greater. In such an adjustment:

- a) A new Basis User-Station Count is established;
- b) A fee is determined. The fee is calculated as follows (the difference in bracket styles are a typographic convention without algorithmic distinction):

{ The New Basis User-Station Count - The Old Basis User-Station Count }

* { The days remaining in the current Experience period ÷
The days in the current Experience Period }

* The current period's Single User-Station Rate

This fee is due immediately on determination.

- c) A pro ration is calculated establishing the portion of the period's expected user-stations served up to the date of the adjustment. See EXHIBIT C.

4.1.4 **Offsetting Changes.**

No adjustment is made if an offsetting change to the user-station count is planned to occur within 15 business days of a requested adjustment. If the offsetting change is not made within that time, the appropriate calculations may be made and fees or credits are determined as if there had been no delay.

4.1.5 **Transfers From Other Tri-Level Support Environments.**

When a change in the user population that triggers these adjustments is solely or in part the result of a transfer of user-stations from another environment under an equivalent Enosis Tri-Level Support Agreement, provided the use and service profiles of the transferring user-stations remain the same in the new environment, that portion of the adjustments under this Agreement directly related to such user-stations will be equal and opposite to the corresponding adjustments in the other Agreement.

When there is a difference, the adjustments will differ in proportion to the material difference between the two Agreements or environments.

4.1.6 Preparation Fees for New User-Stations.

New user-stations can arise in many ways (e.g., just adding second computers on many users desks, bringing several users up to full time). There can, therefore, be no simple algorithm for determining Preparation Fees for such changes.

Each new device and software must meet the Support Environment requirements as specified above. Some interviews and profiling may be required.

- a) That part of an addition that is a new department-scale addition will require the full effort as detailed above in PREPARATION. The Preparation Fee will be charged for each such user-station.
- b) In all other additions, any preparation will be undertaken subject to the Small Implementation and Extended Services guidelines and fees. The net effect is that additions made over a longer period will probably incur no Preparation Fee.

4.1.7 Interaction with the Substantial Reduction Clause.

This contract contains a clause, described elsewhere, providing options in the event of substantial reductions in the served population. The adjustments to the Basis User-Station calculations described in this section, SERVICE POPULATION CHANGES, in no way affects the basis or calculations described in such a clause.

4.2 EXPERIENCE RATES

Experience Rates provide a method of adjusting the fees to reflect significant and sustained changes in the level of services used. Use EXHIBIT D, Experience Rates and Adjustments, to make these calculations.

4.2.1 Experience Periods.

Each four months of this Agreement comprise an Experience Period.

4.2.2 Experience Rate Report.

Thirty days prior to the end of an Experience Period, Enosis shall deliver to the Tri-Level Support Administrator an Experience Rate Report. This report summarizes the service activities in the current Experience Period. At a minimum, it contains a breakdown of the major categories of service activities for each of the departments and separate operations areas as identified in EXHIBIT A, Tri-Level Support Subscription Roster.

The report also calculates the overall value for these service activities. This value is the Experience Rate. The ratio of the Experience Rate to the Period Fee for the same calendar period, prorated if necessary, is the Experience Rate Factor. See EXHIBIT D, Experience Rates and Adjustments.

4.2.3 Calculating The Experience Rate.

For the purpose of measuring service value, and adjusting the future period's Period Fee, apply a rate to the count of incidents and the hours of service, then sum these amounts. Here's the schedule:

- \$80.00 per Level 1 incident
- + \$120.00 per hour of Level 2 effort
- + \$120.00 per hour of Level 3 effort

4.2.4 Calculating the Experience Rate Factor

The Experience Rate Factor indicates the portion of the expected services that were actually required and delivered.

To calculate this ratio, divide the Experience Rate (from above) by the product of Period Fee and the Service Population Changes Adjustment Factor (from EXHIBIT C).

4.2.5 Decreases in Rates Resulting From The Experience Rate.

A decrease in the next period's Single User-Station Experience Rate may be requested if the Experience Rate Factor is less than .85. The Single User-Station Experience Rate Adjustment Factor is the greater of: the Experience Rate Factor or 0.70.

4.2.6 Increases in Rates Resulting From The Experience Rate.

An increase in the next period's Single User-Station Experience Rate may be requested if the Experience Rate Factor is greater than 1.15. The Single User-Station Experience Rate Adjustment Factor is the lesser of: the Experience Rate Factor or 1.30.

4.3 NEXT PERIOD'S FEES.

EXHIBIT E shows the calculations used to establish the next period's Period Fee. The next period's fee is the product of the next period's Basis User-Station Count (taken from EXHIBIT C) and the next period's Single User-Station Rate (as calculated using the adjustment factor from EXHIBIT D).

5.0 RELATIONSHIP TO EXTENDED SERVICES

Enosis offers services in fashion and kind not available under Tri-Level Services. Examples of such services are Large Implementations (those that fall outside the definition of Small Implementations), intrinsic and systemic fault repair, formal training, and strategic projects. These are known within the Tri-Level Support context as Extended Services.

Though the performance, delivery, and fees for Extended Services are separate from this Tri-Level Support Agreement, there are several features of Extended Services that Client secures through this Agreement.

Agreement for Office System Computing Support Services

5.1 INITIATING EXTENDED SERVICES

Extended Services are engaged only with the specific approval of the involved Departmental Technical Aide or the Tri-Level Support Administrator.

5.2 CONVERSIONS FROM TRI-LEVEL SERVICES TO EXTENDED SERVICES

As defined in the section LEVEL 3.—SMALL IMPLEMENTATIONS ..., some Small Implementations can grow beyond the limits for those projects. Such work can include the project definition itself. The foregoing work is accounted in the Experience Rates for the period. If converted to an Extended Services project, the further work is undertaken according to the terms of the Extended Services project.

5.3 PERFORMING EXTENDED SERVICES WITHIN TRI-LEVEL SUPPORT CONTEXT

Among the reasons Extended Services are separate from the services of Tri-Level Support, especially Small Implementations, are that they require a higher level of expertise, demand greater focus of resources, require more coordination, and involve more uncertainty in satisfaction.

If Enosis judges that it would be possible to perform as a Small Implementation Client-requested work that would usually be classified as Extended Services, such effort will be accounted as a Level 3 effort.

If Enosis later determines it is unable to continue the work as a Small Implementation, the further work, upon the necessary approvals, will be undertaken according to the terms of the project's Extended Services arrangements.

Such activity does not establish a precedence for other similar projects; each is judged independently.

5.1 REDUCTION IN GENERAL ENOSIS RATES

Extended Service projects engaged by the Client whose principal beneficiary is a department or operations area included under this Agreement benefit from a reduction in Enosis general rates in force at the time of this Agreement.

5.1.1 Enosis Staff Rates.

Enosis Activity	General Rates	Rates under this Agreement
• Analysis, planning, evaluation, program or system design or specification, programming	\$180.00	\$162.00
• Training, documentation, assisting departmental aides, problem diagnosis & circumvention, vendor coordination	\$150.00	\$135.00
• Hardware and software installation & upgrades, FRU trouble isolation and replacement, user orientation	\$133.00	\$120.00

5.1.2 Enosis Retained Specialists Rate.

Enosis charges out for specialists retained on a project at the rate specified above for the engaged activity.

When the specialist's rates to Enosis exceed 0.60 of Enosis' charge out rate, Enosis' actual charge out rate is, normally, 1.66 of the specialist's rate. In such cases, under this Agreement, Enosis' actual charge to Client is reduced to 1.50 of the specialist's rate to Enosis.

5.2 SEPARATE PERFORMANCE; EXTENDED SERVICES GUARANTEE

Enosis' performance under Tri-Level Support has its own performance requirements, measures, and remedies. These are described elsewhere in this Agreement. No aspect of performance in an Extended Services project can have any effect under this Agreement.

Because Enosis knows that the work undertaken as an Extended Services project can have a significant impact on an organization, we take special measures to assure your satisfaction. We plan thoroughly, test contemplated activities before broad execution, and frequently review with you the project's progress. As a result we guarantee your satisfaction with our work. If you are dissatisfied with an Enosis work product, please let us know immediately. We'll try to correct it (with no additional charge). If you remain dissatisfied, you will not be billed for that work.

5.3 SPECIAL EXTENDED SERVICES—OFF-HOURS AND EMERGENCY SERVICE

As explained in OFF-HOURS TRI-LEVEL-TYPE SUPPORT AVAILABLE, above, Enosis offers off-hours support. Not all such requests generate additional charges. Those instances incurring a charge do so as Extended Services. These are the two programs and their respective rates:

5.3.1 Normal Off-Hours Service.

If arranged 36-hours in advance, Enosis will make its best effort to provide on-call, remote, or on-site service.

The hourly rate while Enosis is on-call but not delivering service is 1.0 times the lowest Extended Services rate. The rate for active remote service is 1.25 times the applicable Extended Services rates. The rate for on-site service is 2.0 times the applicable Extended Services rates, and is charged portal-to-portal.

5.3.2 Emergency Off-Hours Service.

Services requested with less than 36-hours notice are emergency services. Though Enosis will attempt to provide on-call and remote services; on-site service may not be available.

The hourly rate while Enosis is on-call but not delivering service is 1.50 times the lowest Extended Services rate. The rate for active remote service is 1.75 times the applicable Extended Services rates. The rate for on-site service is 2.5 times the applicable Extended Services rates, and is charged are portal-to-portal.

Except as previously, specifically, disallowed, the Client personnel requesting the service are assumed to have the authority to engage these Extended Services.

6.0 TERMINATION

6.1 AUTOMATIC TERMINATION

Unless renewed as specified herein, this Agreement terminates one year from the effective date.

6.2 TERMINATION FOR WILLFUL NEGLIGENCE, VIOLATION OF LAWS OR POLICIES

This Agreement, in whole or part, may be suspended or terminated immediately on notice by a party of the other party's willful negligence, violation of applicable laws, or violation of the aggrieved party's applicable policies.

6.3 TERMINATION FOR BREACH OF PERFORMANCE

One party may terminate this Agreement on the failure of the other party to substantially perform the duties specified in this Agreement. The Agreement is terminated sixty days after notice of this failure, unless the failing party corrects the failure to the satisfaction of the terminating party.

6.4 SUBSTANTIAL REDUCTION IN USER-STATION COUNT

Either party may terminate this Agreement if, due to Client's reorganization or reduction of force, the User-Station Count drops to less than .66 the basis in force for this clause.

The first basis in force for this clause is the Initial Basis User-Station Count, subsequently it is the Basis User-Station Count established at the beginning of the current period. Notice of such intent to terminate must come within thirty days of the precipitating event. Failure to give such notice establishes the new User-Station Count as the new basis in force for this clause.

Such termination is effective no earlier than sixty days after such notice, or sixty days after the precipitating event, whichever is later.

6.5 PAYMENT FOR WORK DONE, SERVICES PERFORMED

On termination, the Client is liable only for payment in accordance with the provisions of this Agreement for satisfactory work done and services performed prior to the effective date of the termination.

6.6 CLIENT MAY COMPEL ENOSIS TO COMPLETE WORK

If Enosis terminates, the Client may compel Enosis to complete work in progress in any or all specific engagements or projects. The hourly rate for such work extending beyond the termination date of the Agreement will be the equivalent Tri-Level Services Experience Rate.

Payment for the completed work of each such project is subject to the approval by the respective Departmental Technical Aide, or the Tri-Level Support Administrator. Such approval will not be unreasonably withheld. The payments for each approved work shall be made immediately.

6.7 CLIENT MAY COMPEL ENOSIS TO LEAVE TOOLS IN OPERATION

The Client may compel Enosis to leave in operation any Client-dedicated Enosis-owned fixtures, equipment, or software, for up to sixty days from the notice of termination, or until the automatic termination of the Agreement, or the effective date of termination, whichever is earliest.

Agreement for Office System Computing Support Services

6.8 TRANSFER OF INFORMATION

Enosis will apply its best effort to the transfer of information regarding the covered User-Station population to a representative of the succeeding service provider. Such information will be transferred at the highest level of automation in which it exists that is acceptable by the succeeding service provider. Enosis must receive the specification regarding acceptable formats no later than thirty days before the Agreement terminates. Enosis shall make the transfer no later than thirty days after receiving the specification.

7.0 RENEWAL

7.1 RENEWAL FOR TWO ADDITIONAL PERIODS

Through mutual consent reached prior to thirty days before automatic termination, this Agreement may be renewed for up to two successive year periods.

7.2 RENEWAL EXTENDS THE TERMINATION DATE ONE YEAR

A renewed Agreement extends the termination date one year. No preparation activities are undertaken nor Preparation Fees levied. The Experience Rate Review of the last period of the expiring Agreement determine the Period Fee of the first period of the renewed Agreement, following the same terms and methods of the earlier periods. All User-Station basis calculations are carried forward uninterrupted.

7.3 ADJUSTMENT TO RATES AND FEES

At renewal, subject to consent of Client, Enosis may adjust the rates and fees, as indicated by its experience and industry experience, and to parallel the adjustments in other such Agreements, and in its general rates and fees.

7.4 INTERRUPTION TO SERVICES

If the Agreement is not renewed as above, Enosis may, as a condition of renewal, require preparation work or other adjustments to bring the environment into serviceable condition, and may impose Preparation Fees or other adjustments in compensation for such effort.

8.0 INDEPENDENT CONTRACTOR

Enosis is an independent contractor. No employee of Enosis, whether full-time, part-time, or independent contractor to Enosis, shall be, or be deemed to be, an employee of Client.

9.0 COMMUNICATIONS

9.1 With Client:

Include the contract number in all statements and correspondence concerning this Agreement.

a. Tri-Level Services Administrator for this Agreement:

Agreement for Office System Computing Support Services

b. For contractual matters:

9.2 With Enosis:

10.0 INVOICES, PAYMENT TERMS

10.1 Invoices may be submitted monthly. To the extent Client may reasonable require, Enosis shall support each statement with justification.

10.2 Invoices shall include the contract number. Submit invoices for approval to:

10.3 Except as otherwise specified in this Agreement, the terms are net 15 days.

11.0 INVENTIONS AND DATA

11.1 CLIENT OWNERSHIP IN SPECIFIC SMALL IMPLEMENTATION RESULTS

Ownership of technical data produced by or for Enosis and of any invention first conceived or reduced to practice by Enosis, whether or not patentable, as a specified result of a Tri-Level Support Small Implementation project, and of all proprietary rights therein, shall vest in Client. For the purposes hereof, the term "technical data" means technical writing, pictorial reproductions, drawings or other graphical representations, computer software, data and related documentation, audio and/or visual works, specifications, calculations, tables, reports, and documents. Enosis agrees, upon Client's request at any time, and at Client's expense, to execute such assignments and other documents, and otherwise to cooperate with Client to accomplish such ownership by Client.

11.2 ENOSIS OWNERSHIP IN METHODS AND TOOLS

Ownership of all methods and tools conceived or reduced to practice by Enosis as part of its effort in delivering Tri-Level Support services, excepting the specified results of a Tri-Level Support Small Implementation project, shall vest in Enosis.

11.3 PROTECTION OF PROPRIETARY MATERIAL

Each party agrees not to reveal to third party any information not generally known concerning methods, computer programs, and technical information which may be proprie-

Agreement for Office System Computing Support Services

tary to the other party. Each party agrees to respect and safeguard in every way practicable the proprietary nature of computer programs and technical information, and passwords, access security codes, and registration numbers, and to insure that any copies of such programs or information, in whole or in part, in the other party's possession at termination of this Agreement, whether in human or machine readable form, are destroyed or returned to the owning party. Each party agrees not to copy or cause to be copied, any such programs or related information except as may be required for the performance of duties under this Agreement. Each party agrees to comply with the other party's policies concerning the privacy of information and computer files.

12.0 INDEMNITY

Each party shall indemnify, defend and hold harmless the other party against any loss, claim, damage or liability of whatsoever kind or nature, arising out of or in connection with the performance of duties of this Agreement.

13.0 LIMITATION OF LIABILITY

NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR DIRECT, INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSS OF USE OR OTHER COMMERCIAL LOSS OF WHATEVER NATURE, INCLUDING WITHOUT LIMITATION, LOSS OF PROFITS OR COST OF REPLACEMENT SERVICES, ARISING OUT OF OR CONNECTED WITH THIS AGREEMENT OR ITS PERFORMANCE, PARTIAL PERFORMANCE OR NONPERFORMANCE.

14.0 FORCE MAJURE

The parties' performance under this Agreement, excluding payment of moneys when due, shall be excused if such non-performance is due to government orders, civil commotion, acts of nature, adverse weather and atmospheric conditions, and other circumstances beyond the parties' reasonable control.

15.0 AGREEMENT TO NOT COMPETE

Client agrees not to develop a commercial offering providing substantially the same services and using substantially similar methods for a period of one year after the Agreement is terminated, the final work is accepted, or the final payment is made, whichever is later.

16.0 MISCELLANEOUS

16.1 ASSIGNMENT PROHIBITED

This Agreement is not assignable or transferable in whole or in part. Neither party may assign any of their respective rights or delegate any of their respective obligations under this Agreement, without prior written consent of the other party.

16.2 TIME SPECIFICATIONS

Time specifications, except where otherwise specified, are in continuous calendar periods without interruption for evenings, weekends, or holidays.

16.3 COMPLIANCE WITH LAWS

Enosis shall comply with all applicable federal, state and local laws, regulations and other requirements applicable to the Client in the performance hereof.

Agreement for Office System Computing Support Services

16.4 CONFLICT OF INTEREST

The parties affirm that to their best knowledge there exists no actual or potential conflict between their individual business or financial interest and their duties under this Agreement. In the event of a change in a party's position that may result in a potential conflict, that party will raise the question with the other.

16.5 ADVERTISING

Enosis agrees not to use any name or mark of Client or to quote the opinion of any of Client's employees in any advertising or other publicity without obtaining the prior written consent of the Client.

16.6 EXAMINATION OF RECORDS

Each party shall have access to and the rights to examine and copy any directly pertinent books, documents, papers and records of the other party involving transactions under this Agreement until the expiration of three years after final payment hereunder.

16.7 EQUAL OPPORTUNITY

In connection with its performance under this Agreement, Enosis will not: (1) discriminate against any employee or applicant for employment because of race, religion, color, sex, age, national origin, or physical or mental handicap (unless such handicap is job related), and will take affirmative action to insure equal opportunity in all aspects of employment including, but not limited to, recruitment, promotion, demotion, transfer, lay-off, termination, compensation and selection for training, including apprenticeship; and (2) will send to each labor union or representative of workers with which it has a collective bargaining agreement, or other contract of understanding, a notice stating the terms of the commitment hereunder with respect to equal opportunity.

16.8 ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties and supersedes any prior negotiations, agreements or understandings. This Agreement shall not be amended except in writing signed by both parties. This Agreement shall be governed by the laws of California.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective the date and year first above set forth.

CLIENT

ENOSIS

By: _____
Signature

By: _____
Signature

Name and Title

Name and Title

Agreement for Office System Computing Support Services

EXHIBIT A
Tri-Level Support Subscription Roster

Subscribing Department _____

Tri-Level Support Administrator: _____

Departments and Separate Operations Areas	Departmental Technical Aide	User-Station Count
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Exceptions to Excluded Systems and Environments:

Departments and Separate Operations Areas	What	User-Station Count
_____	_____	_____
_____	_____	_____
_____	_____	_____

Sum of User-Station Counts: =====

Agreement for Office System Computing Support Services

EXHIBIT B
Summary of Initial and Annual Costs

PREPARATION FEE:

User-Station Count	Preparation Rate	
_____	\$50.00	_____

Preparation Fee due 30 days prior to initiation of Tri-Level Support:

=====

INITIAL PERIOD FEE:

User-Station Count	Single User-Station Rate (\$90.00 x 4 months)	
_____	\$360.00	_____

Initial Period Fee due 30 days prior to initiation of Tri-Level Support

PERIOD TWO FEE:

User-Station Count	Single User-Station Rate (\$90.00 x 4 months)	
_____	\$360.00	_____

Period 2 Fee due 30 days prior to beginning of second period

PERIOD THREE FEE:

User-Station Count	Single User-Station Rate (\$90.00 x 4 months)	
_____	\$360.00	_____

Period 3 Fee due 30 days prior to beginning of third period

Total Period Costs, excluding adjustments through the Experience Rates or
Service Population Changes mechanisms:

=====

Expected Agreement Costs:

=====

Agreement for Office System Computing Support Services

EXHIBIT C

Pro Ration of Basis User-Station Count
for Qualified Service Population Changes

Period: (sample)

Period Calendar:

First Day: _____, Last Day: _____, Period Days: _____

DESCRIPTION	FORMULA	INITIAL		CLOSE
A. Date of new Basis User-Station Count		_____	_____	_____
B. Adjustment to prior Basis		0	_____	_____
C. New Basis User-Station Count		_____	_____	_____
D. 20% Qualifying Threshold for next adjustment	$C \times 0.20$	_____	_____	_____
E. Count of days since beginning of this period, or since the last qualifying Service Population Change, whichever is most recent	Diff. of line A. from this column and the prior column		_____	_____
F. Days user-stations of prior Basis served as a percent of total days in this period	$E \div \text{period days}$		_____	_____
G. Pro Ration of User-Stations served since the prior Basis	$C \times F$		_____	_____

Next
Period's
Basis

Total of
Pro Rata
Served
Station

Total of Pro Rata User-Station Count (The sum of Gs)	\div	Initial Basis User Station Count (The first C)	$=$	Service Population Changes Adjustment Factor (to EXHIBIT D)
_____		_____		_____

Agreement for Office System Computing Support Services

EXHIBIT D
Experience Rates and Adjustments

Period: (sample)

EXPERIENCE RATE:

	Incident Count		Rate		
Level 1	_____	x	\$80.00	=	_____

	Hours		Rate		
Level 2	_____	x	\$120.00	=	_____

	Hours		Rate		
Level 3	_____	x	\$120.00	=	_____

Experience Rate: =====

EXPERIENCE RATE FACTOR:

Experience Rate (from above)		Period Fee		Service Population Change Adjustment Factor (from EXHIBIT C)		Experience Rate Factor (ERF)
_____	÷	_____	÷	_____	=	_____

SINGLE USER-STATION RATE ADJUSTMENT FACTOR:

Locate the appropriate line based on the value of the Experience Rate Factor (ERF, above), then determine the correct Single User-Station Rate Adjustment Factor (S U-SR AF):

- | | | |
|--------------------------|---|-------|
| ERF is greater than 1.15 | S U-SR AF is the lessor of 1.30 or ERF | _____ |
| ERF is less than 0.85 | S U-SR AF is the greater of ERF or 0.70 | _____ |
| All other cases | S U-SR AF is 1.00 | _____ |

(Carry the S U-SR AF to EXHIBIT E.)

Agreement for Office System Computing Support Services

EXHIBIT E
Next Period Fee

Period: (sample)

NEXT PERIOD'S SINGLE USER-STATION RATE

Single User-Station Rate of prior period		Single User-Station Rate Adjustment Factor (from EXHIBIT D.)		Single User-Station Rate for next period
_____	x	_____	=	_____

NEXT PERIOD FEE:

Basis User-Station Count for next period (from EXHIBIT C)		Single User-Station Rate for next period (from above)		Next Period Fee
_____	x	_____	=	_____

Period Fee due 30 days prior to beginning of period