

SUBJECT: Award Of Contract For Network And PC Maintenance And Support For October 31, 2001 Through April 30, 2002.

PREPARED BY: Finance

DATE: October 14, 2001

FOR AGENDA OF: October 22, 2001

SUMMARY:

The City of Wasilla has a contract with Network Business System for outsourcing of network maintenance, PC maintenance and computer technical assistance which will end on October 31, 2001. It is the Finance Department's recommendation to extend the network-outsourcing contract by six months through April 2002. Network Business Systems (NBS) has proposed the same rate for the network technician that was used in the current contract (\$70.00). The contract would be for 12 hours a week, with a clause that allows the City to increase or decrease hours in 4-hour block increments with thirty days notice.

Based on the fact that Network Business Systems is providing support in several key areas, we believe that NBS's unique knowledge of the City of Wasilla's computer system is essential for completing our ongoing projects such as completing the terminal server project and completing the installation of our human resource package successfully and in the least expensive way possible. Therefore, the Finance Department recommends that it be in the City of Wasilla's best interest to renew the Network outsourcing contract for six months.

The City of Wasilla has completed a new Request for Proposal for network services. The RFP is estimated to be issued in late January or early February. If a new provider is selected due to the RFP process, this extension of the contract will allow the City to have a smooth transition from NBS to the new provider.

FISCAL IMPACT: ___No XYes, amount requested: \$ 24,180
Fund: 01-51-416-431.20

RECOMMENDED ACTION: Council award contract to Network Business Systems for network services for October 31, 2001 through April 30, 2002.



Reviewed by: SARAH PALIN, Mayor

Presented to council on 10/22/01
Action taken: Approved Denied
other _____
Verified by [Signature]

Attachments: Network Business System Contract.



Network Outsource Agreement

Between City of Wasilla and
Network Business Systems, d.b.a. Compueaze, Incorporated

October 5, 2001

1577 C Street, Suite 205, Anchorage, Alaska 99501
(907) 272-2888 • (800) 516-5164 • FAX (907) 272-7117
Website: www.nbsys.com • E-mail: info@nbsys.com

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Agreement

This Network Outsource Agreement (the "Agreement") is entered into on this October 5, 2001, between the City of Wasilla, a local government organization, with offices at 290 East Herning Avenue, Wasilla, Alaska, hereinafter "CLIENT") and Compueaze, Inc. d.b.a. Network Business Systems, an Alaska corporation with offices at 1577 C Street, Suite 205, Anchorage, AK 99501 (hereinafter "NBS").

Recitals

WHEREAS, CLIENT desires to engage a network technician from NBS on a regular weekly schedule; and

WHEREAS, NBS is in the business of furnishing such services;

NOW, THEREFORE, CLIENT and NBS agree as follows:

Agreement and Term

Services

During the term of this Agreement, NBS will provide and CLIENT will engage a network technician to provide network and PC maintenance and support and to provide general computer technical assistance all on the terms and conditions specified in this Agreement.

Term

The term of this Agreement shall commence October 31, 2001 (the "Commencement Date"), and shall expire April 30, 2002 (the "Expiration Date").

Payment and Costs

Payment

Commencing with the Effective Date of this Agreement, CLIENT shall pay NBS an hourly rate of \$70.00 per hour for 12 hours of regularly scheduled work each week. In the event the CLIENT requests fewer hours than those scheduled in any one-calendar week, the full, scheduled hours will be invoiced. Should NBS be unable to provide the full, scheduled hours of service in any week, the amount charged will be the actual service hours times the hourly rate.

Time of Payment

All undisputed charges accruing under this Agreement shall be paid within 10 working days of CLIENT's receipt of an invoice for such charges. Interest of 1.5% monthly is charged after 30 days.

NBS Obligations

During the term of this Agreement, NBS will provide to CLIENT the following personnel and services:

Technician

The technician will be a trained and experienced network and PC technician who can provide maintenance, support and general computer technical assistance.

Scheduled Service Hours

Twelve scheduled hours each week, divided into two four hour blocks on each of two days, on and between the "Commencement Date" and the "Expiration Date" of this Agreement. NBS will on a best effort basis notify CLIENT 24 hours prior to any change in the scheduled service hours. NBS will charge Technical Services Travel Time one way each visit at the rate of \$45 per hour.

Should CLIENT elect to have NBS provide extra hours or hours outside of regular business hours CLIENT agrees to the rates published in the Hourly Rates table below. Should CLIENT elect to ask for more hours in the week than shown in this section and those hours fall within regular business hours, then CLIENT agrees to pay rate shown under Extended Outsource Hours in the table below. Should CLIENT elect to have Outsource services outside of regular business hours, then CLIENT agrees to the rate shown under Overtime Outsource in the table below.

Should CLIENT elect to increase or decrease the number of weekly scheduled hours, CLIENT may do so in four-hour blocks of time, with 30-day written notice to NBS outlining the requested changes.

Scope

Maintain all CLIENT owned systems, except as otherwise set forth in this Agreement, and provide and maintain all information technology equipment used by CLIENT under this Agreement. Work delivered under this contract is to be defined by CLIENT.

Range of Services

Perform such major modifications, developments, conversions or operations of CLIENT network systems, as CLIENT shall authorize.

Additional Services

In addition to the services to be provided by NBS under this Agreement, NBS will provide such additional services to CLIENT as CLIENT may reasonably request, provided such additional service requests do not create scheduling conflicts for NBS. For any additional services performed by NBS over the regularly scheduled hours each week, CLIENT shall pay NBS based upon the following rate chart shown below:

Schedule of Rates

Hourly Rate	Service	Description
\$105.00	Technical Service	Technical services during regular business hours*. Minimum rates apply – one-hour minimum call out rate, and fifteen-minute minimum phone support.
\$125.00	Pre-scheduled Technical Service Overtime	Pre-scheduled (at least 48 hours in advance) Technical Services outside regular business hours*, or holidays.
\$160.00	Technical Service Overtime	Technical Services outside regular business hours*, or holidays.
\$160.00	Technical Service Emergency Call Out	Emergency (within a few hours of request) Technical Service for a down server or a complete loss of core business functionality. A two-hour minimum rate will apply.
\$105.00	Project Management	Project Management during regular business hours*.
\$160.00	Project Management Overtime	Project Management outside regular business hours*, or holidays.
\$135.00	Design / Consulting Service	Design / Consulting Service during regular business hours*.
\$205.00	Design / Consulting Service Overtime	Design / Consulting Service outside regular business hours*, or holidays.
\$125.00	Rural Alaska	All work in rural Alaska will be charged at this rate. When this rate applies, overtime rates will not be charged.
\$85.00	Development Standard	Development during regular business hours*.
\$115.00	Development Architecture	Development architecture / analysis during regular business hours*.
\$55.00	Technical Service Travel	Technical Service Travel time to and from customer site if located outside of Anchorage bowl area. Travel delays once the technician has departed Anchorage due to weather or other reasons will also be charged this travel rate.
\$70.00	Basic Outsource	Basic Outsource service (8 hours per week minimum) during regular business hours*. Service requested in addition to the hours specified in the Outsource Contract will be billed at the Extended Outsource rate. Overtime hours will be billed at the Overtime Outsource rate.
\$95.00	Extended Outsource	Outsource service, which is pre-scheduled and is in addition to regularly scheduled outsource time. This rate applies to regular business hours only.
\$145.00	Overtime Outsource	Outsource services outside regular business hours*, or holidays.

* Regular business hours are 8:00 am – 5:00 pm Monday through Friday (except holidays).

- All rates (except Technical Service Travel) will begin when NBS employee is en- route to your site will be billable at the applicable service rate listed in the table above.

Propriety Right

Client-Owned Systems

CLIENT-Owned Systems will be and remain CLIENT's property, except that NBS shall have the right to use such CLIENT-Owned Systems in order to provide services to CLIENT without charge to NBS.

Rights to NBS Systems

NBS Systems will be and remain its property, and CLIENT shall have no ownership rights or other interests in NBS Systems.

Ongoing Technical Training Services

NBS agrees to provide technical training to CLIENT personnel at no additional charge provided such technical training is delivered by the technician assigned to support CLIENT under the schedule defined above. The technician assigned by NBS may or may not be a certified instructor.

Safeguarding of Client Data

Data Files

CLIENT's data files and the data contained therein shall be and remain CLIENT's property. CLIENT's data shall not be utilized by NBS for any purpose other than that of rendering services to CLIENT under this Agreement, nor shall CLIENT's data or any part thereof be disclosed, sold, assigned, leased or otherwise disposed of to third parties by NBS or commercially exploited by or on behalf of NBS, its employees or agents.

Safeguarding Client Data

Client is wholly responsible for the integrity and security of its data and programs. CLIENT will perform back up of all data and programs on a schedule that CLIENT believes is adequate. NBS will provide advice to client for frequency of back up and adequacy of restore procedures.

Performance

NBS will insure that its activities under this Agreement achieve and are maintained in accordance with the performance levels as are common for the computer system support industry.

Termination

In the event that NBS or CLIENT materially or repeatedly defaults in the performance of any of its duties and obligations under this Agreement, then the party not in default may terminate this Agreement as of a date specified in writing to the defaulting party.

Provided, however, that in no event may either party terminate this agreement for default without first providing the defaulting party written notice of specific deficiencies in its performance and a reasonable opportunity after such notice to substantially cure such deficiencies within thirty (30) days for a default in the payment or money, or within 30 days for any other default. The parties shall agree on such longer cure periods as may be appropriate under the circumstances.

Either party may terminate this contract with 90 days written notice.

Indemnities and Damages

NBS and CLIENT will indemnify and hold harmless the other from any and all claims, actions, damages, liabilities, costs, and expenses, including reasonable attorney fees and expenses for any injuries to persons or damage to property arising from acts or omissions of the indemnitor under this Agreement.

Confidentiality

Except as otherwise provided in this Agreement, NBS and CLIENT each agree that all proprietary information communicated to it by the other, whether before the Effective Date or during the term of this Agreement, shall be received in strict confidence, shall be used only for purposes of this Agreement, and that no such information shall be disclosed by the recipient party, its agents or employees without the prior written consent of the other party. Each party agrees to take all reasonable precautions to prevent the disclosure to outside parties of such information, including without limitations, the terms of this agreement except as may be necessary by reason of legal, accounting or regulatory requirements beyond the reasonable control of NBS or CLIENT, as the case may be.

Client Restriction on Hiring Covenant

Client acknowledges the considerable cost and expense incurred by NBS for recruiting, evaluating, training and retaining its employees, the cost to NBS due to the dissemination of proprietary information by former employees, and the substantial revenue lost by NBS when Client or a Client subsidiary or parent hires a current or recent employee of NBS. Accordingly, in consideration of the service provided by NBS, Client agrees that Client and all Client subsidiary or parent companies will not employ, in any capacity, any employee or former employee of NBS whose separation of employment from NBS has been less than one (1) year.

Client agrees it would be difficult to calculate and ascertain accurately and definitively the cost, damage, or injury that NBS would sustain from a breach by Client or Client subsidiary or Parent Company of the foregoing provision. As a result, the measure of liquidated damages (not a penalty) for any such breach shall be seventy-five thousand dollars (\$75,000) and will be due and payable by Client to NBS at the time of the breach of this provision. Client and NBS expressly acknowledge and agree that this provision on computation of damages constitutes a reasonable and good faith effort to establish a fair

and equitable method of providing NBS with a remedy for any such breach of this provision.

Client and NBS agree the above provision does not apply to any employee discharged by NBS, provided said employee was not discharged for working or consulting for a client or competing business of NBS while employed by NBS.

Client agrees that in the event of a breach of this provision by Client or Client subsidiary or parent company, all attorneys fees incurred by NBS in the process of enforcing this provision and collecting the \$75,000 liquidated damages will be fully reimbursed by Client to NBS.

Miscellaneous

Binding Nature and Assignment

This Agreement shall be binding on the parties hereto and their successors and assigns, but neither party may assign this agreement without the prior written consent of the other, which consent shall not be unreasonably withheld.

Notices

Any notice required to be given under this Agreement shall be in writing and shall be sent by certified mail or by overnight courier to the addresses specified above. Either party may at any time change its address for notification purposes by giving notice of that change in accordance with this section.

Headings

The article and section headings used are for reference and convenience only, and shall not enter into the interpretation of this Agreement.

Relationship of Parties

NBS, in furnishing services to CLIENT, is providing technical services only as an independent contractor and shall be treated as such for all purposes. Including but not limited to, federal and state taxation, withholding, unemployment insurance and worker's compensation.

Severability

If any provision of this Agreement is declared or found to be illegal, unenforceable or void then both parties shall be relieved of all obligations arising under such provision, but if such provision does not relate to the payments to be made to NBS by CLIENT and if the remainder of this agreement shall not be affected by such declaration or finding, then each provision not so affected shall be enforced to the extent permitted by law.

Attorney's Fees

Except as otherwise specified in this agreement, if any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach,

default, or misrepresentation in connection with any of the provisions of this Agreement, each party shall bear their own legal expenses and other costs incurred in that action or proceeding.

Right to Supervise

NBS has the sole right and obligation to supervise, manage, contact, direct, procure, perform or cause to be performed, all work to be performed by NBS under this Agreement unless otherwise provided in this Agreement.

Entire Agreement

This Agreement constitutes the entire agreement between the parties. There are no understandings or agreements relative to this Agreement which are not fully expressed in this Agreement and no change waiver or discharge of obligations arising under this Agreement shall be valid unless in writing and executed by the party against whom such charge, waiver or discharge is sought to be enforced.

Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Alaska. Any action arising out of this Agreement must be brought in the courts of the 3rd Judicial District sitting in Anchorage, Alaska.

IN WITNESS WHEREOF, NBS and CLIENT have caused this Agreement to be signed and executed by their duly authorized representatives, all as of the date first set forth above.

City of Wasilla, CLIENT

COMPUEAZE, INC,

d.b.a. Network Business Systems, NBS

By: _____

By:  _____

Name:

Name: Scott L. Thorson

Title:

Title: President