HOUSING AUTHORITY
of the County of Los Angeles
Administrative Office
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Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

May 11, 2004

Honorable Board of Commissioners
Housing Authority of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

APPROVE SUPPORT SERVICES AGREEMENT WITH NORSTAN COMMUNICATIONS, INC. (ALL DISTRICTS)
(3 Vote)

CIO RECOMMENDATION: APPROVE ( )
APPROVE WITH MODIFICATION (X) DISAPPROVE ( )

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the Support Services Agreement between the Housing Authority and Norstan Communications, Inc. is exempt from the California Environmental Quality Act (CEQA), as described herein, because the proposed Agreement will not have the potential for causing a significant effect on the environment.

2. Approve and authorize the Executive Director of the Housing Authority to execute a one-year Support Services Agreement with Norstan Communications, Inc., in substantially the form of the attached, to provide support services and upgrades for the Cisco Voice Over Internet Protocol (VOIP) Telephony system and Call Center application, at a cost of $143,827, to be effective following approval as to form by County Counsel and execution by all parties.

3. Authorize the Executive Director to execute amendments to the Agreement to extend the time of performance for a maximum of two years, in one-year increments, at a cost of $74,144 per year, following approval as to form by County Counsel.

4. Authorize the Executive Director to incorporate $143,827 into the 2003-2004 Housing Authority annual approved budgets.

5. Authorize the Executive Director to execute amendments to the Agreement, following approval as to form by County Counsel, to increase the Agreement sum, to include any unforeseen services or customizations required and to use for this purpose a maximum of $28,766 from the source of funds described above.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The Support Services Agreement will provide upgrades to the Cisco VOIP Telephony system and Call Center application and ensure that the Housing Authority continues to receive system management and technical support services.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. The Agreement will be funded with $143,827, to be incorporated into the Housing Authority's approved Fiscal Year 2003-2004 budget. The total cost for the first year of the services is comprised of $69,683 to provide for upgrades to the Cisco VOIP Telephony system and Call Center application, and $74,144 for support services. If extended, the second and third years of the Agreement, which provide for support services only, will each be funded with $74,144.

A 20 percent contingency, in the amount of $28,766, is also being set aside for unforeseen services and customizations that may be required.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On January 29, 2002, your Board authorized the Housing Authority to implement the Cisco VOIP Telephony system and Call Center application at the Assisted Housing Division, located at 12131 Telegraph Road, Santa Fe Springs. The VOIP Telephony system converges the telephone and data networks into one unit, providing a significant cost savings over conventional telephone systems by allowing the Housing Authority's Network Administrators to move, add and delete telephone lines without incurring additional costs from the telephone company. The combination of the telephone system and data network also allows telecommuters to listen to their voice messages from computer speakers.

The Call Center application allows the Housing Authority to customize the telephone menu options presented to Section 8 Program applicants and recipients, and ensures the proper

routing of telephone calls. Section 8 Program applicants can also use the Call Center to access information regarding the status of their application.

Under the Agreement, Norstan Communications, Inc. will provide upgrades for the Cisco VOIP Telephony system and Call Center application. The upgrade for the Cisco VOIP Telephony system will increase system reliability and reduce downtime, as well as provide enhanced reporting and tracking of telephone calls. The upgrade for the Call Center application will move the application to a web-based environment, which provides real-time reporting. In addition, the database will be upgraded to a new database platform, as Microsoft, Corp. has announced plans to phase out the existing database used by the application.

Norstan Communications, Inc. will also provide technical support for the Cisco VOIP Telephony system and Call Center application 24 hours-a-day, seven days-a week. The firm will troubleshoot any issues with the hardware or applications, conduct regular visits to analyze system performance, and provide any needed updates or system enhancements.

On April 28, 2004, the Housing Commission recommended approval of the Support Services Agreement.

The Agreement has been reviewed by County Counsel. In addition, the Housing Authority's recommendation to retain the support services has been approved by the County Chief Information Officer (CIO), based on the attached analysis.

ENVIRONMENTAL DOCUMENTATION

This Agreement is exempt from the provisions of the National Environmental Policy Act (NEPA) pursuant to 24 Code of Federal Regulations Part 58, Section 58.34 (a)(3) because it involves administrative activities that will not have a physical impact or result in any physical changes to the environment. It is also exempt from the provisions of CEQA pursuant to State CEQA Guidelines 15060 (c)(2) because the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment.

CONTRACTING PROCESS:

On March 5, 2004, the Housing Authority issued a Request for Proposals (RFP) to identify a firm to provide support services for the Cisco VOIP Telephony system and Call Center application. Advertisements appeared in seven newspapers and on the County Web Site. In addition, the Housing Authority's vendor list was used to mail a letter to 54 firms that provide telecommunication services, informing them of the RFP and the website from which the RFP could be downloaded.

On March 23, 2004, three proposals were received and formally opened.

On March 24, 2004, a panel consisting of Housing Authority and Community Development Commission staff familiar with the project evaluated the proposals and ranked each firm

independently. The Housing Authority determined that Norstan Communications, Inc. was the most qualified firm based on criteria stated in the Request for Proposals.

Norstan Communications, Inc. is a Cisco Certified Silver Partner and specializes in support services related to Internet Protocol Telephony systems, with a combination of 30 years of experience in the industry of telecommunications and data convergence.

IMPACT ON CURRENT SERVICES AND PROJECTS:

The Cisco VOIP Telephony system and Call Center application are critical to the Housing Authority's business. Any disruption in service must immediately be attended to by authorized persons to eliminate extended downtime of the telephone system and disruption of service to Section 8 Program customers. If the upgrades are not performed, the Cisco VOIP Telephony system and Call Center application will operate in a less stable environment.

Respectfully submitted,

CARLOS JACKSON
Executive Director
HOUSING AUTHORITY OF THE
COUNTY OF LOS ANGELES

Reviewed by:

JON FULLINWIDER
Chief Information Officer
COUNTY OF LOS ANGELES

Attachments: 3

ATTACHMENT A

SUMMARY OF OUTREACH ACTIVITIES

CISCO VOIP TELEPHONY SYSTEM AND CALL CENTER APPLICATION SUPPPORT SERVICES AGREEMENT

On March 5, 2004, the following outreach was initiated to identify vendors to provide support services for the Housing Authority's Cisco VOIP Telephony system and Call Center application.

A. Newspaper Advertising

Announcements appeared in the following seven local newspapers:

Daily News Los Angeles	Los Angeles Sentinel
International Daily News	Press Telegram
La Opinion	WAVE Community Newspapers
Los Angeles Times	

An announcement was also posted on the County Web Site.

B. Distribution of Request For Proposal (RFP) Packets

The complete RFP package was posted on the County Web Site, and available for download by the public. In addition, the Housing Authority's vendor list was used to mail a letter to 54 firms that provide telecommunication services, informing them of the RFP and the website from which the RFP could be downloaded.

C. Request For Proposal Results

On March 23, 2004, a total of three proposals were received and publicly opened. The bid results are as follows:

Company	
SBC DataComm, Inc.	$238,337.00
Norstan Communications, Inc.	$201,116.00
NCR	Non-Responsive due to non-compliance to RFP requested format

D. Review of Proposals

On March 24, 2004 a review panel consisting of Housing Authority and Community Development Commission staff familiar with the project reviewed

the proposals and ranked each firm independently. The bid submitted by NCR was deemed non-responsive, due to non-compliance to the RFP format and submission requirements. Based on criteria stated in the Request for Proposals, Norstan Communications, Inc. is being recommended for award of the Support Services Agreement.

E. Minority/Female Participation – Firm Selected

Name	Ownership	Employees
Norstan Communications, Inc.	Non-Minority	Total: 1234 94 minorities 394 women 8% minority 32% women

F. Minority/Female Participation – Firm Not Selected

Name	Ownership	Employees
SBC DataComm	Non-Minority	Total: 48,016 24,841 minorities 23,400 women 52% minority 49% women

The Housing Authority conducts ongoing outreach to minorities and women in the contract award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of contract is being made in accordance with the Housing Authority's policies, and without regard to race, creed, color, or gender.

SUPPORT SERVICES AGREEMENT
BETWEEN
THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES
AND NORSTAN COMMUNICATIONS, INC.

This Support Services Agreement (hereinafter "Agreement") is made and entered into this _____ day of _____, 2004 by and between the Housing Authority of the County of Los Angeles (hereinafter "the Housing Authority") and Norstan Communications, Inc. is a California corporation (hereinafter "Norstan" or "Contractor").

RECITALS

WHEREAS, Contractor is a Cisco Certified Partner and specializes in technical support of products developed by Cisco Systems, Inc. (hereinafter "Cisco"), including but not limited to the Cisco Voice Over Internet Protocol Telephony system and Call Center application; and

WHEREAS, Contractor has been selected to provide support services for Cisco products, including system management, technical support and system upgrades as a result of a Request for Proposals (RFP No. Cisco VOIP Wrap Around Maintenance and Support).

NOW, THEREFORE, based on the foregoing Recitals and in consideration of the mutual covenants set forth herein, the Housing Authority and Contractor agree as follows:

TERMS AND CONDITIONS

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1. APPLICABLE DOCUMENTS

1.1 Interpretation

1.1.1 The provisions of this document along with Exhibits A, B, C, D ,E, F and G attached hereto and described in Paragraph 2.1.2 below, to the extent applicable to the Support services provided under this Agreement, collectively form and throughout and hereinafter are referred to as the "Agreement".

1.1.2 In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, subtask, deliverable, goods, service or other work, or otherwise between and/or among this document and/or the Exhibits,

such conflict or inconsistency, shall be resolved by giving precedence first to this document as the body of this Agreement, and then to the Exhibits thereto, according to the following order of priority:

1. Exhibit A – Norstan's Periodic Services Policy
2. Exhibit B - Statement of Work
3. Exhibit C – Project Schedule
4. Exhibit D – Fee Schedule
5. Exhibit E – Required Forms and Certifications
6. Exhibit F - IRS Notice 1015: Earned Income Credit Fact Sheet
7. Exhibit G – Safely Surrendered Baby Law Fact Sheet

2. DEFINITIONS

The terms and phrases in this Paragraph 2 in bold and in quotation, shall have the meanings set forth below when used in this Agreement throughout and hereafter.

2.1 Business Day(s); business day(s)

"Business Day(s)" or **"business day(s)"**, whether used with initial capitalization or not, whether singular or plural, means Monday through Friday, excluding the Housing Authority holidays.

2.2 Contractor

"Contractor" means the Housing Authority of the County of Los Angeles.

2.3 Contract Sum

"Contract Sum" means the maximum monetary amount payable by the Housing Authority to Contractor under this Agreement, as set forth in Paragraph 5.1 (Contract Sum).

2.4 County

"County" means the County of Los Angeles, California.

XX Customization

"Customization" means the Housing Authority may at any time and from time to time during the term of this Agreement, request customizations of the reporting features of the VOIP or Call Center systems. Upon such request by the Housing Authority, Contractor shall submit a scope of work (hereinafter "Scope of Work") and a quote for the requested modifications (hereinafter "Customization(s)").

Housing Authority will review such scope of work and quote and recommend and/or request any revisions thereto. If approved by the Housing Authority in writing, following such approval, the Housing Authority and Contractor will execute an Amendment to this Agreement in accordance with Paragraph 11 (Change Notices and Amendments).

2.5 Day(s); day(s)

"Day(s)" or **"day(s)",** whether used with initial capitalization or not, whether singular or plural, means calendar day(s) and not business day(s), unless otherwise expressly specified.

2.6 Documentation

"Documentation" means the formal printed-paper manuals and/or online versions that include descriptive materials and screen displays of all applicable screens and screen choices in the application software.

2.7 Effective Date

"Effective Date" has the meaning set forth in Paragraph 4 (Term).

2.8 Housing Authority

"Housing Authority" means the Housing Authority of the County of Los Angeles, California.

2.9 Price

"Price" means the Contract Sum as specified in paragraph 5.1.1.

2.10 Product

"Product" means equipment, upgrades, or MAC purchased and/or Software or Custom Software licensed by the Housing Authority from Contractor.

2.11 Software

"Software" means any computer program supplied under this Agreement, or which constitutes part of any Product, on magnetic tape, disk, semiconductor device or other memory device, or Product memory including hardwired logic instructions, microcode and documentation used to describe, maintain and use the programs.

2.10 State

"State" means the State of California.

2.11 System Configuration

"**System Configuration"** means the hardware peripherals, cabling, local area network and other communications devices related to the physical installation.

2.12 Third Party Software

"**Third Party Software"** means any software not developed by Contractor.

3. STANDARD OF SERVICES

Contractor shall provide its support services and upgrades of Cisco products under this Agreement in accordance with the industry standards prevailing at the time the support services are rendered. In the event that failure by Contractor to comply with the provisions of this Paragraph 3 amounts to a material breach of Contractor's support services obligations under this Agreement, the Housing Authority may, in its sole discretion, terminate this Agreement pursuant to and in accordance with Paragraph 19 (Termination for Default).

4. TERM

This Agreement shall commence on the day and year first above written (hereinafter the "Effective Date") and shall remain in full force and effect for twelve (12) months (hereinafter the "Initial Term"), unless sooner terminated, in whole or in part, as provided herein. At the end of the Initial Term or any Extended Term (as defined in this Paragraph 4 below), the Housing Authority may extend this Agreement automatically, without further act, for up to two (2) consecutive twelve-month periods (hereinafter "Extended Term(s)"), up to and through year 2007, unless, no later than thirty (30) days prior to the expiration of the Initial Term or any Extended Term, the Housing Authority notifies Contractor in writing that it intends not to extend this Agreement any further. The term shall be deemed extended upon payment by the Housing Authority of Norstan's invoice for the upcoming extension period.

5. COMPENSATION AND INVOICES

5.1 Contract Sum

5.1.1 The Contract Sum under this Agreement shall be the total monetary amount payable by the Housing Authority to Contractor for providing services specified under this Agreement.

The Contract Sum for this Agreement, authorized by the Housing Authority hereunder, shall not exceed Two Hundred and Ninety-Two Thousand, One Hundred and Fifteen ($292,115). The Contract Sum for the first contract year shall not exceed One Hundred and Forty-Three Thousand, Eight Hundred and

Twenty-Seven dollars ($143,827). The Contract Sum for Year 2 and Year 3 shall not exceed Seventy-Four Thousand, One Hundred and Forty-Four dollars ($74,144) per year.

6. INVOICES

6.1 General

Contractor shall invoice the Housing Authority for tasks completed and deliverables received as specified in Exhibit B (Statement of Work) and Exhibit C (Project Schedule) in accordance with Paragraph 5.1.1, Exhibit D (Fee Schedule) and the terms of this Agreement. Contractor shall submit the invoices to the following address, unless otherwise directed by the Housing Authority:

Mr. Yui Cheng, Director
Financial Management Division
The Housing Authority
of the County of Los Angeles
2 Coral Circle
Monterey Park, CA 91755

7. PAYMENTS

Contractor shall be paid in accordance with the Housing Authority's standard accounts payable system. The Housing Authority will pay Contractor's invoices within thirty (30) calendar days of receipt and approval thereof. In the event the Housing Authority fails to pay an undisputed invoice within a thirty-day (30) period, Contractor shall provide a notice to the Housing Authority of such failure, upon receipt of which the Housing Authority shall cure the non-payment within thirty (30) calendar days from the later of: (i) the receipt of the notice or (ii) the expiration of the current support services term. Failure to cure within such thirty-day (30) period by the Housing Authority shall constitute a breach by the Housing Authority, upon which Contractor may suspend or terminate this Agreement.

8. NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION OR TERMINATION OF AGREEMENT

Subject to the provisions of Paragraph 19 (Termination for Default), Contractor shall have no claim against the Housing Authority for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Agreement, including the Housing Authority's election not to renew this Agreement for any additional support services term in accordance with this Agreement. Should Contractor receive any such payment, it shall immediately notify the Housing Authority and shall immediately repay all such funds to the Housing Authority. Payment by the

Housing Authority for services rendered after expiration or termination of this Agreement shall not constitute a waiver of the Housing Authority's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Agreement. Contractor has no obligation to provide services beyond the expiration of the current support services term.

9. TERMINATION FOR IMPROPER CONSIDERATION

The Housing Authority may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Agreement, if it is found that consideration, in any form, was offered or given by Contractor, either directly or through an intermediary, to any Housing Authority officer, employee or agent with the intent of securing this Agreement or securing favorable treatment with respect to the award, amendment or extension of this Agreement or the making of any determinations with respect to the Contractor's performance pursuant to this Agreement. In the event of such termination, the Housing Authority shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

The Contractor shall immediately report any attempt by the Housing Authority officer or employee to solicit such improper consideration. The report shall be made either to the Housing Authority's Executive Director or designee.

Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

10. WARRANTY

Contractor warrants that its support services shall be performed in accordance with the industry standards prevailing at the time the services are rendered and the applicable warranty provided in the License Agreement.

11. CHANGE NOTICES AND AMENDMENTS

11.1 No representative of either the Housing Authority or Contractor, including those named in this Agreement, is authorized to make any changes in any of the terms, obligations or conditions of this Agreement, except through the procedures set forth in this Paragraph 11.

11.2 For any change requested by the Housing Authority which does not affect the scope of work, term, payments, or any term or condition included in this Agreement, a Change Notice shall be prepared and executed by the Housing Authority's Executive Director, upon mutual agreement of both parties.

11.3 Except as otherwise provided in this Agreement, for any change requested by the Housing Authority which affects the scope of work, term, payments, or any

term or condition included in this Agreement, a negotiated written Amendment to this Agreement shall be approved and executed by the Housing Authority's Executive Director if within his delegated authority and Contractor's authorized representative, upon mutual agreement of both parties.

11.4 Facsimile

Except for the parties' initial signatures to this Agreement, which must be provided in "original" form and not by facsimile, the Housing Authority and Contractor hereby agree to regard facsimile representations of original signatures of authorized officials of each party, when appearing in appropriate places on the Change Notices prepared pursuant to this Paragraph 11 and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Change Notices to this Agreement, such that the parties need not follow up facsimile transmissions of such documents by subsequent (non-facsimile) transmissions of "original" versions of such documents.

12. SUCCESSORS AND ASSIGNMENT

This Agreement may not be assigned except with the prior written consent of the parties, which consent shall not be unreasonably withheld. In the event of any assignment of this Agreement by Contractor, Contractor shall provide the Housing Authority with a commercially reasonable notice, at least thirty (30) days prior to such proposed assignment.

13. CONFIDENTIALITY

Contractor, and its officers, employees, agents and subcontractors, shall keep confidential all of its reports, records, data and information received, including, but not limited to, billing and the Housing Authority records, prepared or assembled pursuant to the performance hereunder. Such information shall not be made available to any person, firm, corporation or entity without the prior written consent of the Housing Authority, subject to applicable law.

14. SOURCES AND APPROPRIATION OF FUNDS

The Housing Authority's obligation is payable only and solely from funds appropriated through the U.S. Department of Housing and Urban Development (HUD) for the purpose of this Agreement. All funds are appropriated every fiscal year beginning July 1.

In the event this Agreement extends into succeeding fiscal years and funds have not been appropriated, this Agreement will automatically terminate as of June 30 of the current fiscal year. The Housing Authority will endeavor to notify Contractor in writing within ten (10) days of receipt of non-appropriation notice.

15. INDEMNIFICATION

Contractor agrees to indemnify, defend and save the Housing Authority harmless from and against any and all losses or damages to tangible property or from any loss or damage arising from bodily injury, including death, when, and to the extent, such losses or damages are caused by Contractor's negligence or that of Contractor's agents or subcontractors provided that the Housing Authority gives Contractor prompt written notice of any such claim.

15a. LIABILITY

If either party is not substantially complying with the terms of this Agreement, the other party may give written notice of such failure to perform. The non-complying party will be in compliance if, within ten (10) days after receiving such notice, it either corrects its performance or commences a continuous good faith effort to correct its performance within a reasonable period of time.

Upon Contractor's default, Contractor will only be liable for: a) liabilities referred to in Sections 15 and 15c.; and b) the amount of any other direct damage the Housing Authority may incur, up to the Price (or twelve (12) months of recurring charges for Periodic Services) for the Product or Services that caused the damage.

Upon the Housing Authority's default, the Housing Authority will only be liable for: a) damages arising under Section 15b; and b) for Periodic Services, all sums owing for the remaining term, not to exceed twelve (12) months of recurring charges; and c) the amount of any other direct damage Contractor may incur. In addition, Contractor may immediately cease performance.

In no event shall either party be liable for consequential damages (including lost profits, data or savings), incidental damages or punitive damages, even if that arty is informed of their possibility.

15b. SOFTWARE LICENSE

Contractor grants to the Housing Authority a non-exclusive, fully paid, perpetual license to use the Software, but only in conjunction with the equipment or Product with which it is licensed and installed. The Housing Authority acknowledges and agrees that it shall have no title or ownership rights to such Software.

The Housing Authority agrees to abide by and/or execute any software license agreement required by Cisco, or required by Cisco to receive a Product update, enhancement or new release and said provisions of the software license

agreement shall be in addition to the terms and provisions contained in this Section 15b..

The Housing Authority acknowledges and agrees that the Software is a trade secret of Cisco and/or Contractor. The Housing Authority agrees to take all reasonable precautions to protect the trade secret nature of the Software and to prevent its disclosure to unauthorized personnel. The Housing Authority may make one back-up copy of the Software, but agree not to otherwise copy, modify, translate, reverse compile, decompile or reverse engineer the Software.

15c. INFRINGEMENT INDEMNIFICATION

This Section sets forth Contractor's entire obligation to the Housing Authority regarding claims of patent, copyright or trademark infringement**.**

If a third party claims that a Product provided hereunder infringes a patent, copyright or trademark, Contractor will indemnify and defend you against such claim and pay all costs, damages and reasonable attorneys' fees, provided that you promptly notifies us in writing of the claim.

If such a claim is made or appears likely to be made, the Housing Authority agrees to permit Contractor to enable the Housing Authority to continue to use the Product or to modify or replace it. If neither of these alternatives is reasonably available in the Contractor's judgment, the Housing Authority agrees to return the Product to Contractor upon Contractor's written request. Contractor will then give the Housing Authority a credit equal to the Housing Authority's net book value for the Product provided the Housing Authority has followed generally accepted accounting principles.

Contractor will have no obligation regarding any claim of infringement based upon a Product which is a) modified; b) combined, operated or used with any product, data, apparatus, software or program not provided by us; c) a result of your design specifications; or d) located outside the United States or Puerto Rico. No costs or expenses shall be incurred for our account without our prior written consent.

16. NEWS RELEASES

Contractor shall issue no news releases naming the Housing Authority without the prior written consent of Housing Authority's Executive Director, and then only in coordination with Housing Authority.

17. DATE AND TIME COMPLIANCE

Contractor certifies that Application Software is compliant to properly handle date/time functions.

18. THE HOUSING AUTHORITY'S QUALITY ASSURANCE PLAN

The Housing Authority will evaluate Contractor's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing Contractor's compliance with all contract terms and performance standards. Contractor deficiencies which are severe or continuing and that may place performance of the Agreement in jeopardy, if not corrected, will be reported to the Board of Commissioners. The report will include improvements/corrective action measures taken by the Housing Authority and Contractor. If improvement does not occur consistent with the corrective measure, the Housing Authority may terminate this Agreement, pursuant to Paragraph 19, or seek other remedies as specified in this Agreement.

19. TERMINATION FOR DEFAULT

The Housing Authority may, by written notice to Contractor, terminate the whole or any part of this Agreement if (i) Contractor has failed to comply with any provision of this Agreement, amounting to a default by Contractor or (ii) Contractor breached a material support services provision and such breach has not been cured within ten (10) days of written receipt of notice of such breach and description thereof. Upon receipt of notice of such election, Contractor shall pay to Housing Authority an amount equal to the pro-rata portion of the then current support services fees paid to, but unearned by, Contractor.

20. CONTRACTOR'S WARRANTY OF ADHERENCE TO THE HOUSING AUTHORITY'S CHILD SUPPORT COMPLIANCE PROGRAM

Contractor acknowledges that the Housing Authority has established a goal of ensuring that all individuals who benefit financially from the Housing Authority through contract are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the taxpayers.

Contractor shall during the term of this Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings

Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

21. TERMINATION FOR BREACH OF WARRANTY TO COMPLY WITH THE HOUSING AUTHORITY'S CHILD SUPPORT COMPLIANCE PROGRAM

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 20 (Contractor's Warranty of Adherence to the Housing Authority's Child Support Compliance Program) shall constitute a default by Contractor under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure to cure such default within ninety (90) days of notice by the Los Angeles County Child Support Services Department (hereinafter "CSSD") shall be grounds upon which the Housing Authority's Board of Commissioners may terminate this Agreement pursuant to Paragraph 19 (Termination For Default).

22. POST MOST WANTED DELINQUENT PARENTS LIST

Contractor acknowledges that the Housing Authority places a high priority on the enforcement of child support laws and the apprehension of child support evaders. Contractor understands that it is the Housing Authority's policy to encourage all the Housing Authority contractors to voluntarily post an entitled "L.A.'s Most Wanted: Delinquent Parents" poster in a prominent position at Contractor's place of business. The CSSD will supply Contractor with the poster to be used.

23. NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in Exhibit G (Safely Surrendered Baby Law Fact Sheet) of this Contract and is also available on the Internet at www.babysafela.org for printing purposes.

24. CONTRACTOR'S ACKNOWLEDGMENT OF HOUSING AUTHORITY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

The Contractor acknowledges that the Housing Authority places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the Housing Authority's policy to encourage all Housing Authority Contractors to voluntarily post the Housing Authority's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of

business. The County's Department of Children and Family Services will supply the Contractor with the poster to be used.

25. SUBCONTRACTING

The Contractor may subcontract only those specific portions of work allowed in the original specifications covered by this Agreement with prior written approval by the Housing Authority.

The Contractor shall not subcontract any part of the work covered by this Agreement or permit subcontracted work to be further subcontracted without prior written approval by the Housing Authority.

26. INDEPENDENT CONTRACTOR STATUS

26.1 This Agreement is by and between the Housing Authority and Contractor and not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the Housing Authority and Contractor. The employees and agents of one party are not and shall not be, or construed to be, the employees or agents of the other party for any purpose whatsoever. Contractor shall function as, and in all respects is, an independent contractor.

26.2 Contractor shall be solely liable and responsible for providing all compensation and benefits to, or on behalf of, all persons performing work pursuant to this Agreement. The Housing Authority shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State or local taxes, or other compensation, benefits or taxes for any personnel provided by or performing work on behalf of Contractor.

26.3 The employees and agents of Contractor or any of its subcontractors shall, while on the premises of the Housing Authority, comply with all rules and regulations of the premises provided by the Housing Authority or known to Contractor, including, but not limited to, security requirements, and applicable Federal and State Laws.

27. INSURANCE

Contractor shall procure and maintain at Contractor's expense for the duration of this Agreement the following insurance against claims for injuries to persons or damage to property, which may arise from or in connection with the performance of the work by the Contractor, its agents, representatives, employees or subcontractors.

A. GENERAL LIABILITY INSURANCE (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate	$2,000,000
Products/Completed Operations Aggregate	$1,000,000
Personal and Advertising Injury	$1,000,000
Each Occurrence	$1,000,000

The Housing Authority of the County of Los Angeles ("the Housing Authority"), the Community Development Commission of the County of Los Angeles (the "Commission"), the County of Los Angeles ("County"), and their officials and employees, shall be covered as insured with respect to: liability arising out of activities performed by or on behalf of the Contractor; products and completed operations of the Contractor; premises owned, leased or used by the Contractor.

B. AUTOMOBILE LIABILITY INSURANCE (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than $1 million for each incident. Such insurance shall include coverage of all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto".

C. WORKERS' COMPENSATION and EMPLOYER'S LIABILITY insurance providing workers' compensation benefits, as required by the Labor Code of the State of California.

In all cases, the above insurance also shall include Employer's Liability coverage with limits of not less than the following:

Each Accident	$1,000,000
Disease-policy limit	$1,000,000
Disease-each employee	$1,000,000

D. PROFESSIONAL LIABILITY INSURANCE in the amount of $1 million per occurrence and aggregate.

Any self-insurance program and self-insured retention must be separately approved by the Housing Authority.

Each insurance policy shall be endorsed to state that coverage shall not be canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice has been given to the Housing Authority.

Acceptable insurance coverage shall be placed with carriers admitted to write insurance in California or carriers with a rating of or equivalent to A: VIII by A.M. Best & Company. Any deviation from this rule shall require specific approval in writing by the Housing Authority.

All coverage for subcontractors shall be subject to the requirements stated herein and shall be maintained at no expense to the Housing Authority.

Contractor shall furnish the Housing Authority with certificates of insurance and with original endorsements affecting coverage as required above. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

Failure on the part of the Contractor to procure or maintain insurance required by this Agreement shall constitute a material breach of contract upon which the Housing Authority may immediately terminate this Agreement.

28. EMPLOYEES OF CONTRACTOR

Professional Conduct: The Housing Authority does not and will not condone any acts, gestures, comments or conduct from Contractor's employees, agents or subcontractors which may be construed as sexual harassment or any other type of activities or behavior that might be construed as harassment. The Housing Authority will properly investigate all charges of harassment by residents, employees or agents of the Housing Authority against any and all Contractor's employees, agents or subcontractors providing services for the Housing Authority. Contractor assumes all liability for the actions of Contractor's employees and subcontractors acting as agents for purposes of this Agreement and is responsible for taking appropriate action after reports of harassment are received by Contractor.

29. DRUG-FREE WORKPLACE ACT OF THE STATE OF CALIFORNIA

Contractor certifies under penalty of perjury under the laws of the State of California that Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990.

30. SAFETY STANDARDS AND ACCIDENT PREVENTION

Contractor shall comply with all applicable federal, state and local laws governing safety, health and sanitation.

31. COMPLIANCE WITH LAWS

Contractor agrees to be bound by applicable federal, state and local laws, regulations, and directives as they pertain to the performance of this Agreement. This Agreement is subject to and incorporates the terms of the Housing and Community Development Act of 1974, as amended by the Cranston-Gonzalez National Affordable Housing Act, 1990, and the 24 CFR Part 85. If the compensation under this Agreement is in excess of $100,000 then Contractor shall comply with applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 18579h)), section 508 of the Clean Water Act (33

U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency Regulations (40 CFR Part 15).

Contractor must obtain and present all relevant state and local insurance, training and licensing pursuant to services required within this Agreement.

Contractor shall comply with the following laws in Sections 32-41, inclusive.

32. CIVIL RIGHTS ACT OF 1964, TITLE VI (NON-DISCRIMINATION IN FEDERALLY-ASSISTED PROGRAMS)

Contractor shall comply with the Civil Rights Act of 1964 Title VI which provides that no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

33. SECTION 109 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974

Contractor shall comply with Section 109 of the Housing and Community Development Act of 1974 which states that no person in the United States shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

34. AGE DISCRIMINATION ACT OF 1975 AND SECTION 504 OF THE REHABILITATION ACT OF 1973

Contractor shall comply with the Age Discrimination Act of 1975 and section 504 of the Rehabilitation Act of 1973, which require that no person in the United States shall be excluded from participating in, denied the benefits of, or subject to discrimination under this Agreement on the basis of age or with respect to an otherwise qualified disabled individual.

35. EXECUTIVE ORDER 11246 AND 11375, EQUAL OPPORTUNITY IN EMPLOYMENT (NON-DISCRIMINATION IN EMPLOYMENT BY GOVERNMENT CONTRACTORS AND SUBCONTRACTORS)

Contractor shall comply with Executive Order 11246 and 11375, Equal Opportunity in Employment, which requires that during the performance of this Agreement, the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated fairly during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment

advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the non-discrimination clause.

Contractor will, in all solicitations or advertisements for employees placed by or on behalf of Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

Contractor will send to each labor union or representative of workers with which he has a collective bargaining Agreement or other contract or understanding, a notice to be provided by the agency of the Contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

Contractor will furnish all information and reports required by the Executive Order and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Housing Authority and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

In the event of Contractor's noncompliance with the non-discrimination clauses of this Agreement or with any of such rules, regulations or orders, this Agreement may be canceled, terminated or suspended in whole or in part and Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in the Executive Orders and such other sanctions may be imposed and remedies invoked as provided in the Executive Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

Contractor will include the provisions of these paragraphs in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of the Executive Order No. 11246 of September 24, 1965, that such provisions will be binding upon each subcontractor or vendor. Contractor will take such actions with respect to any subcontract or purchase order as the Housing Authority may direct as a means of enforcing such provisions including sanctions for noncompliance, provided however, that in the event Contractor becomes involved in, or is threatened with litigation by a subcontractor or vendor as a result of such direction by the Housing Authority, Contractor may request the United States to enter into such litigation to protect the interests of the United States.

36. CONSIDERATION OF GAIN PARTICIPANTS FOR EMPLOYMENT

Should Contractor require additional or replacement personnel after the effective date of this Agreement, Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program who meets Contractor's minimum qualifications for the open position. The Contractor shall contact the County's GAIN Division at (626) 927-5354 for a list of GAIN participants by job category.

37. FEDERAL LOBBYIST REQUIREMENTS

The Contractor is prohibited by the Department of Interior and Related Agencies Appropriations Act, known as the Byrd Amendments, and HUD's 24 CFR Part 87, from using federally appropriated funds for the purpose of influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, loan or cooperative Agreement, and any extension, continuation, renewal, amendment or modification of said documents.

The Contractor must certify in writing on the Federal Lobbyist Requirements Certification form that they are familiar with the Federal Lobbyist Requirements and that all persons and/or subcontractors acting on behalf of the Contractor will comply with the Lobbyist Requirements.

Failure on the part of the Contractor or persons/subcontractors acting on behalf of the Contractor to fully comply with the Federal Lobbyist Requirements may be subject to civil penalties.

38. NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

39. USE OF RECYCLED-CONTENT PAPER PRODUCTS

Contractor agrees to use recycled-content paper to the maximum extent possible on the project.

40. CONTRACTOR RESPONSIBILITY AND DEBARMENT

A. A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the policy of the Housing Authority to conduct business only with responsible contractors.

B. Contractor is hereby notified that, if the Housing Authority acquires information concerning the performance of Contractor on this or other contracts which indicates that Contractor is not responsible, the Housing Authority may, in addition to other remedies provided in the contract, debar Contractor from bidding on the Housing Authority contracts for a specified period of time not to exceed three (3) years, and terminate any or all existing contracts the Contractor may have with the Housing Authority.

C. The Housing Authority may debar a contractor if the Housing Authority's Board of Commissioners finds, in its discretion, that the contractor has done any of the following: (1) violated any term of a contract with County, the Housing Authority, (2) committed any act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with County, the Housing Authority or any other public entity, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County, the Housing Authority or any other public entity.

D. If there is evidence that Contractor may be subject to debarment, the Housing Authority will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether Contractor should be debarred, and, if so, the appropriate length of time of the debarment. If Contractor fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, Contractor may be deemed to have waived all rights of appeal.

F. A record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Housing Authority's Board of Commissioners. The Board of Commissioners

shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

G. These terms shall also apply to subcontractors and sub-consultants of the Housing Authority contractors.

41. COMPLIANCE WITH JURY SERVICE PROGRAM

Written Employee Jury Service Policy

1. It is Housing Authority's policy that unless Contractor has demonstrated to the Housing Authority's satisfaction either that Contractor is not a "Contractor" as defined below or that Contractor qualifies for an exception, Contractor shall have and adhere to a written policy that provides that its Employees (as defined below) shall receive from Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that Contractor deducts from the Employee's regular pay the fees received for jury service.

2. For purposes of this Paragraph 41, "Contractor" means a person, partnership, corporation or other entity which has a contract with the Housing Authority or a subcontract with the Housing Authority contractor and has received or will receive an aggregate sum of $50,000 or more in any 12-month period under one or more County or the Housing Authority contracts or subcontracts. "Employee" means any California resident who is a full time employee of Contractor. "Full time" means forty (40) hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the Housing Authority, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of ninety (90) days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for the Housing Authority under this Agreement, the subcontractor shall also be subject to the provisions of this Paragraph 41. The provisions of this Paragraph 41 shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

3. If Contractor is not required to comply with the Jury Service Program when Contract commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify the Housing Authority if Contractor at any time either comes within the Jury

Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. The Housing Authority may also require, at any time during the Agreement and at its sole discretion, that Contractor demonstrate to the Housing Authority's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program.

4. Contractor's violation of this Paragraph 41 may constitute a material breach of this Agreement, upon which the Housing Authority may, in its sole discretion, terminate this Agreement and/or bar Contractor from the award of future the Housing Authority contracts for a period of time consistent with the seriousness of the breach, not to exceed three (3).

42. ACCESS AND RETENTION OF RECORDS

Contractor shall provide access to the Housing Authority, the Federal Grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers and records of Contractor which are directly pertinent to this Agreement for the purpose of making audits, examinations, excerpts and transcriptions.

Contractor is required to retain the aforementioned records for a period of five (5) years after the Housing Authority pays final payment and other pending matters are closed under this Agreement.

43. CONFLICT OF INTEREST

No the Housing Authority employee whose position with the Housing Authority enables such employee to influence the award of this Agreement or any competing agreements, and no spouse or economic dependent of such employee, shall be employed in any capacity by Contractor or have any other direct or indirect financial interest in this Agreement. No officer or employee of Contractor, who may financially benefit from the performance of work hereunder, shall in any way participate in County's approval or ongoing evaluation of such work, or in any way attempt to unlawfully influence the Housing Authority's approval or ongoing evaluation of such work.

Contractor shall comply with all conflict of interest laws, ordinances and regulations now in effect or hereafter to be enacted during the term of this Agreement. Contractors represents that, to the best of its knowledge, it is not aware of any facts, which do or could create a conflict of interest. If a party hereafter becomes aware of any facts, which might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the

Housing Authority. Full written shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances.

44. SEVERABILITY

In the event that any provision herein contained is held to be invalid, void or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall in no way affect, impair or invalidate any other provision contained herein. If any such provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

45. INTERPRETATION

No provision of this Agreement is to be interpreted for or against either party because that party or that party's legal representative drafted such provision, but this Agreement is to be construed as if drafted by both parties hereto.

46. WAIVER

No breach of any provision hereof can be waived unless in writing. Waiver of any one breach of any provision shall not be deemed to be a waiver of any breach of the same or any other provision hereof.

47. PATENT RIGHTS

The Housing Authority will hold all the patent rights with respect to any discovery or invention which arises or is developed in the course of, or under this Agreement.

48. COPYRIGHT

No report, maps, or other documents produced in whole or in part under this Agreement shall be the subject of an application for copyright by or on behalf of the Contractor. All such documents become the property of the Housing Authority and the Housing Authority holds all the rights to said data.

49. NOTICES

The Housing Authority shall provide Contractor with notice of any injury or damage arising from or connected with services rendered pursuant to this Agreement to the extent that the Housing Authority has actual knowledge of such injury or damage. The Housing Authority shall provide such notice within ten (10) days of receiving actual knowledge of such injury or damage.

Notices provided for in this Agreement shall be in writing and shall be addressed to the person intended to receive the same, at the following address:

The Housing Authority: Ms. Rebecca Craigo, Director
Assisted Housing Division
The Housing Authority
of the County of Los Angeles
12131 Telegraph Road
Santa Fe Springs, CA 90670-3722

Contractor: General Manager
Norstan, Inc.
17770 Cartwright Road, Suite 110
Irvine, CA 92614

Notices addressed as above provided shall be deemed delivered three (3) business days after mailed by U.S. Mail or when delivered in person with written acknowledgement of the receipt thereof. Contractor and the Housing Authority may designate a different address or addresses for notices to be sent by giving written notice of such change of address to all other parties entitled to receive notice.

50. CONTINGENT FEES

Contractor represents that no person or selling agency has been employed or retained to solicit or secure this Agreement upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by Contractor for the purpose of securing business.

51. GOVERNING LAW, JURISDICTION AND VENUE

This Agreement shall be governed by, and construed in accordance with, the substantive and procedural laws of the State of California applicable to agreements made and to be performed within the State. Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles, California. As with respect to claims that are subject to exclusive Federal subject matter jurisdiction, Contractor agrees and consents to the exclusive jurisdiction of the Federal District Court of the Central District of California.

52. NO THIRD PARTY BENEFICIARIES

Notwithstanding any other provision of this Agreement, Contractor and the Housing Authority do not in any way intend that any person or entity shall acquire any rights as a third party beneficiary of this Agreement, except that this provision shall not be construed to diminish Contractor's indemnification obligations hereunder.

53. SURVIVAL

The following provisions of this Agreement shall survive its expiration or termination for any reason:

13 (Confidentiality);
15 (Indemnification);
42 (Access and Retention of Records);
44 (Severability);
51 (Governing Law, Jurisdiction and Venue).

54. ENTIRE AGREEMENT

The body of this Agreement, together with the Recitals and all Exhibits thereto, constitutes the complete and exclusive agreement between the parties and supersedes all previous and contemporaneous agreements, whether written or oral, and any and all communications and negotiations relating to the subject matter of this Agreement.

The rest of this page is intentionally left blank.

SIGNATURES

IN WITNESS WHEREOF, the Contractor and the Housing Authority have executed this Agreement through their duly authorized officers this _____day of _____, 2004.

HOUSING AUTHORITY
OF THE COUNTY OF LOS ANGELES

By_____
Carlos Jackson
Executive Director

NORSTAN COMMUNICATIONS, INC.

By_____

Title_____

APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL

By_____
Deputy

APPROVED AS TO PROGRAM:
ASSISTED HOUSING DIVISION

By_____
Rebecca Craigo
Director

Exhibit A: Norstan's Periodic Services Policy

This Exhibit A describes our Periodic Services Policy which you ordered. The terms, conditions and features for such Periodic Services, which include any Service Plans referenced in Exhibit B may vary depending on the location where the Service is provided and we will notify you if this occurs.

1. TERM OF SERVICES

The initial term for the Periodic Services will be noted on Schedule A and renewed automatically at the end of the initial term at our then current rates for successive terms equal to the initial term unless either party gives the other thirty (30) days prior written notice of its intent not to renew. We may modify the terms of this Exhibit or a Service Plan upon sixty (60) days prior written notice which shall become effective unless you notify us otherwise in writing at least thirty (30) days prior thereto.

2. COVERAGE HOURS

Coverage Hours are from 8:00 a.m. to 5:00 p.m., Monday through Friday excluding our recognized holidays, unless otherwise noted in the Service Plan referenced on Schedule A. You may change Coverage Hours consistent with your current Service Plan at the beginning of any billing period with a minimum of thirty (30) days prior written notice.

3. NORSTAN RESPONSIBILITIES

We will prepare a Schedule A listing the Products which will be covered under this Periodic Services Policy. The Product listing and the corresponding invoice amount may be adjusted at our option every thirty (30) days to reflect any inventory changes.

We will perform and respond to all calls for Corrective Maintenance placed during coverage hours in accordance with the applicable Service Plan(s) referenced on the Schedule A. Time will be measured on coverage days only. All maintenance may be performed on-site or from a remote location as determined by us.

We will provide new parts or like-new parts necessary to repair the Products. All replaced defective parts will become our property. Tools, test equipment and maintenance materials necessary for performance of the Periodic Services will be provided by us.

Our obligations are subject to manufacturer's discontinuation of Product(s) and/or Services. In such event, we agree to meet with you to discuss alternative solutions and pricing which may include, but are not limited to, alternative products, T&M maintenance, or upgrades.

We will change the maintenance level passwords in accordance with our established security policy. These passwords are for the use of our service personnel. We may provide this password to the manufacturer of the Product only for escalated technical support from the manufacturer. If you elect to complete manufacturer certification, we will create a system administration password for your use to perform agreed upon tasks with the database configuration as outlined within our security policy. Except as noted herein, the parties agree not to disclose these passwords without obtaining the prior written consent of the other party.

Norstan's responsibilities shall be provided in accordance with Norstan's standard practices, including but not limited to the implementation and utilization of remote access. Variations from Norstan's standards requested by the Customer may be subject to an additional charge. Norstan shall provide prior notice to the Customer of any additional charges under this section which shall be mutually agreed to by the parties.

4. CUSTOMER RESPONSIBILITIES

You shall designate one individual and an alternate to be responsible for coordinating and reporting service calls to us and for assisting us in identifying and/or isolating problems as reasonably requested by us. You agree to permit or arrange for access to the Premises for our service personnel and to provide remote access to the Products for service purposes. In addition, you agree to provide space at or near the Products for storage of miscellaneous pieces, parts and drawings, and to furnish adequate utilities and building services as reasonably required by us at your expense.

For Convergence and Voice Products, you will be responsible, if requested, to provide an up-to-date directory listing for all telephones indicating extension number, name of employees, functional title, and location.

For CTI/IDN Products, you shall provide a Norstan-approved power conditioner to support the contracted network server and other critical components. It is your responsibility to maintain backup media, systems and procedures sufficient to meet your internal restoration time requirements.

In the event of your default under this Periodic Services Policy or the applicable Schedule A, and in addition to our other remedies, we may immediately cease performance.

5. ENVIRONMENTAL CONDITIONS

As a precondition to our duty to provide Periodic Services, you agree to provide and maintain the Premises in compliance with all applicable laws and regulations and according to the environmental specifications established by us and/or the manufacturer. If either party becomes aware of asbestos, hazardous materials or concealed conditions on your Premises, such party agrees to notify the other party promptly, and it shall be your responsibility to correct all such conditions.

We reserve the right to cease performing Services after notice to you if, in our reasonable judgment, our ability to perform such Services properly and safely is unduly hampered by your acts or omissions, or workplace conditions on the Premises.

You acknowledge that the Products serviced here under are by no means invulnerable to network interference or to fraudulent or unauthorized calls or access, and any such charges shall be your responsibility.

6. RELOCATION OF PRODUCTS

Upon ninety (90) days prior written notice, you may, at your expense, relocate and re-install the Products. If re-installation occurs within the established travel zone of one of our offices, this Periodic Services Policy will remain in effect**.** If re-installation of a Product(s) is beyond any such established travel zone, this Periodic Services Policy shall terminate for such Product(s) without

further obligation or liability to either party, except for payments then due through the relocation date or ninety (90) days after notice, whichever is later.

7. BILLABLE SERVICE/EXCLUSION FROM SERVICE

In addition to the charges set forth on Schedule A, you will be billed at our current T&M rates for service performed by us due to any of the following circumstances:

a) Your failure to follow our and/or the manufacturer's maintenance or operation instructions for the Product; b) theft, strikes, riots, vandalism, acts of war, lightning, water, fire and other perils; c) work performed by persons other than our personnel or without our supervision; d) shock, corrosive atmosphere, electrical damage, accident, air conditioning or humidity control failure; e) service calls necessitated by products not serviced by us; f) normal wear and tear of disposable items such as headsets, magnetic tapes, wet cell batteries, and operating media; g) service requested outside of Coverage Hours or on an expedited basis; h) time required to identify or isolate a problem due to a patch, alteration or repair made by you without our prior written consent; i) any cause other than your ordinary and proper use of the Products; or j) backup restoration time.

We reserve the right, at your expense and at our current T&M rates, to inspect any product that has not been serviced by us immediately prior to the Effective Date of this Periodic Services Policy and to require that any nonconforming product meet our and/or the original manufacturer's specifications.

If you permit access to the internal components of the Products to anyone other than our employees, agents or subcontractors without our prior written permission, we may, in addition to any other remedies, cancel this Periodic Services Policy, and all future service will be provided at our then current T&M rates.

Services done by any 3rd party service organization other than Norstan employees, agents or subcontractors will void the Norstan maintenance contract.

Labor and materials for moves, adds and changes are not included in this Periodic Services Policy.

Exhibit B: Statement of Work

PART A. MAINTENANCE AND TECHNICAL SUPPORT

I. Overview

This document describes the Remote Management Services that the Housing Authority of the County of Los Angeles (Customer) will be provided by Norstan Communications, Inc. (Norstan) related to Cisco-based products. In particular, Voice over IP and Contact Center components such as Call Manager, Unity Personal Assistant, ICM, Cisco Agent Desktop, CTI-OS, Emergency Responder application software and the networking infrastructure such as switches and routers as described in section III. These services focus on the debugging and troubleshooting of supporting aforementioned Cisco based products.

The Remote Management Support plan includes the following:

- √ 24 x 365 technical support
- √ Service Level Agreements (SLAs) based on priority level definitions
- √ 1st and 2nd level Norstan remote technical support coupled with dispatch of on-site assistance, if contracted.
- √ Escalation to Cisco 3rd and 4th level support based on severity and duration of the problem per the purchased Cisco SmartNet contract.
- √ Remote access via Virtual Private Network (VPN) connectivity or otherwise agreed upon method to the Customer network is required
- √ Automated device/application polling, health monitoring and reporting
- √ Managed device configuration control

II. Required Information

Execution of Remote Management Service requires a minimum of 30 calendar days from the date of contract signature for implementation of agreed service levels. During this period, Norstan and Customer will verify the following:

(a) Confirm call flow processes, service level agreements, escalation guidelines and fault notification parameters.
(b) Agree upon Customer and Norstan roles and responsibilities.
(c) Agree upon Customer's technology which may include software Applications, LAN/WAN protocols, internetworking devices, servers, PBX's, network topology and 3rd party integration points.
(d) If applicable, obtain and document all 3rd party service level agreements associated with Customer's technology that are consistent with Norstan's SLA's.
(e) Agree upon change control responsibilities and best current practices.
(f) Hardware and software inventory, any and all information required by Norstan for successful access and research to be loaded into Norstan's database.
(g) Gather Customer contacts and location for each site covered under this agreement.
(h) Confirm on-site support arrangements per Periodic Services Schedule A, which may be a combination of Norstan, Customer or a third party support provider. This will be in addition to the Cisco SMARTnet coverage for the parts delivery as depicted in Periodic Services Schedule A.
(i) Baseline software versions for Customer specific applications.

(j) Provisioning of a VPN or other agreed upon management circuit between the Customer and Norstan's Customer Solution Center and operations center. Testing of communication paths between the Customer's network and Norstan's Customer Solution Center and operations center.
(k) Confirm technical and management escalation guidelines.
(l) Configuration of the Norstan Remote management collection station or any appropriate specialized tools to include SNMP agent instrumentation, polling cycle instrumentation, critical health indicators, determination and on-line reporting configuration.
(m) Establishing baseline network utilization, utilization thresholds and system alarming levels.

III. Service Descriptions and Support Definitions

Contract period, terms, conditions, equipment and software applications included are defined in Periodic Services Schedule A and Periodic Services Policy.

- Automated fault case creation
  - Remote Management infrastructural components automatically propagate device faults (availability and threshold). These faults trigger creation of trouble cases which are automatically dispatched to the correct support tier. Fault detection is performed using SNMP enabled management applications or specialized tools. Fault propagation to Norstan's operation center is performed via a secure middleware over VPN/frame relay circuits. SNMP management consoles are integrated with back-end ticketing systems to automatically populate new fault cases with pertinent information. As part of the Norstan remote management infrastructure, on-line, web enabled tools are available to both the Customer and Norstan. These tools enable real-time monitoring of infrastructure health on the part of the Customer along with real-time, remote trouble shooting and clearing on the part of Norstan. In particular, within ICM environments, specialized tools are deployed to monitor ICM application and component health. This monitoring is integrated within the Norstan remote management infrastructure to offer a holistic monitoring approach to Cisco ICM environments.
- Customer Fault Notification
  - Notification to Customer within an SLA defined period of time utilizing an agreed upon mode of notification (i.e. pager, email, phone, etc.)
- Initiation of service requests to toll-free 800# or Norstan's Web
  - Customer dials 800-676-8800 or accesses the Norstan Customer Solution Center (CSC) website (http://www.norstan.com/Support/CSCcom.htm.), enters their Customer number and selects the product for which they are calling. Norstan strongly recommends that the Web access method not to be used for Priority 1 calls to guarantee response within SLA's. Norstan's web interface allows you to include information such as log files or error messages which can provide valuable background to the CSC.
- Norstan Solution Center service hours are 24 hours X 365 days.
- Maintenance coverage for Cisco hardware and software via a Cisco SMARTnet contract is required. The service levels of the SMARTnet contract must align with the Norstan support plan to ensure service level agreements are met.
- If contracted, provide on-site coverage for problem resolution.
- Norstan as a single point of contact will track issue to resolution
  - Norstan provides product specialists to manage the Customer's support request from initiation to confirmation of problem resolution. All required interaction with the service providers, related to the particular issue, will be handled by Norstan. Norstan personnel gather, update new incident data and access Customer's information from a centralized

ticketing system. Documented and executed shift transition processes ensure seamless problem ownership.

- Trouble Ticket based priority and Service Level Agreement commitments. The classifications and response times are as follows:
  - **Priority 1** – Customer's production network or application is down causing critical impact to business operations if service is not restored quickly. These problems severely affect service and require immediate corrective action as viewed by the Customer upon discussion with Norstan. Norstan CSC product specialist will respond and begin troubleshooting within 15 minutes of a trouble ticket creation to all Priority 1 issues.
  - **Priority 2** – Customer's production network or application is severely degraded impacting significant aspects of business operations. These problems seriously affect system operation, maintenance and administration but are less urgent than in Priority 1 situations because of a lesser immediate or impending effect on system performance. Norstan CSC Product specialist will respond and begin troubleshooting within 2 hours of a trouble ticket creation to all Priority 2 issues.
  - **Priority 3** – End User's network performance or application is degraded. Network functionality is noticeably impaired but most business operations continue. These problems do not significantly impair the functioning of the system and do not affect service to end Customers.
    Norstan CSC specialist will respond and begin troubleshooting within 4 hours of a trouble ticket creation to all Priority 3 issues.
  - **Priority 4** – End User requires information or assistance on Cisco products, installation or configuration.
    Norstan will respond within the next business day hours with trouble ticket creation to all Priority 4 issues.
- Problem troubleshooting and technical escalation
  - Norstan CSC engineers will perform first and second level trouble shooting and dispatch on-site technical staff, diagnostic tools, and replacement parts, as necessary, to augment the troubleshooting activity. This activity will be consistent with Norstan's internal technical escalation guidelines. (refer to section IV)
  - Tickets automatically created via the Remote Management Architecture are processed initially by the Frontline Support tier. Typical skill sets include the ability to perform fundamental diagnostics on issues such as power failures, WAN circuit/carrier outages and basic device configurations.
  - Typical skill sets of the first level technical staff include providing conventional hardware and Software configuration, installation, assist in configuring the system for collecting and reviewing detailed log files, and upgrade support.
  - Typical skill sets of the second level technical staff include providing resolution to a majority of mis-configurations; troubleshooting and simulating complex configurations. Support problem isolation and determination of software specific defects.
- Management escalation
  - Customer management as well as Norstan management will be kept abreast of the problem resolution status per Norstan management escalation guidelines or specific guidelines agreed upon with the Customer. (refer to section IV)
- Escalation to Cisco Technical Assistance Center (TAC)
  - This escalation is based on Norstan and Cisco defined escalation paths. After level 2 support experience has been exhausted and per defined escalation paths, Norstan will interact with the Cisco TAC to obtain third and fourth level, in-depth/detailed product support and development engineering. Norstan retains ownership, updates trouble ticket

documentation and provides the Customer with updates throughout their interaction with manufacturer TAC engagements.

- Troubleshoot Hardware and Software Including Interoperability and Compatibility Issues
  - Due to the nature of the IPT, IPCC Express, IPCC Enterprise or ICM solution, there may be interactions with Customer's existing data network and/or existing circuit switch (TDM) based voice network. In addition, Customer may choose to add other applications (not included in Periodic Services Schedule A or modified after Periodic Services Schedule A was agreed upon) on the IPT networking infrastructure. Under these conditions, Norstan will assist Customers in troubleshooting to the best of our ability with no response time or SLA commitments. This effort will be limited to one hour of assistance per instance. If additional assistance is required, T&M based service is available. (refer to section VI)
- Troubleshoot CTI/IVR application developed by Norstan:
  - The CSC will troubleshoot to verify the proper functionality of the application per original SoW and the hardware and software versions. If the problem is determined to be the result of Customer made modifications and/or upgrades, the hours spent will be billed. Consultation for additional enhancements (e.g. modify call flow, reconcile standard report discrepancies, etc.) is available on a T&M Basis (refer to section VI)
- Norstan software support will be limited to the current software versions supported by Cisco. End of life software versions from Cisco will be supported on a T&M basis.
- Problem resolution through bug fixes
  - During the troubleshooting process, as bug fixes are identified, Norstan will provide Cisco corrected software (hot fixes) to the Customer as needed to resolve the issue. Under certain circumstances, installation of the hot fix may require scheduled down time and Customer resources. Norstan's Service Plan includes assistance with installation of the corrected software and hot fixes will be the responsibility of the Customer.
- Manufacturer certified lab available for problem simulation and troubleshooting.
  - Norstan's Cisco product lab provides an environment for problem simulation and validation to reproduce and aid in troubleshooting problems on Cisco supported version of hardware and software. Interoperability and compatibility issues can be replicated through the various technology platforms represented within the lab-IOS and Catalyst platforms, AVVID architecture, IPCC Express, IPCC Enterprise and ICM.
  - Norstan's lab environment meets Cisco qualifications for Certified Advanced Technology Partner (ATP), Silver Partnership level and IPT-revised and IPT-services specializations.
- Norstan will assign a single point of contact to perform the following functions:
  - Act as escalation point for ongoing technical issues.
  - Attend Customer meetings and conference calls for periodic review of trouble tickets, SLA adherence and change review
  - Verify Norstan's documentation set is current and consistent with Customers existing network.
  - Analyze and research trouble ticket patterns as they relate to the application, network topology and configuration
  - Recommend software upgrades that may be appropriate for the Customer environment
  - Perform root cause analysis of priority one issues
- Conduct wellness visits:
  - Discuss overall health and performance of the solution
  - Offer recommendations of the hardware, software or configuration changes based upon service history.
  - Provide updates on system enhancements and/or new software versions.

- Discuss any significant changes in the Customers business or service objective that may require additional project activity or changes to this service plan.
- Discuss new solutions and products based upon current and changing business needs.
- Wellness visits may be performed remotely or on-site.

- Move, Add and Change (MACs) –Technical assistance to the Customer to implement minor/major network and telephony changes. Some examples are port changes, routing schemes, procurement and design of data switches or routers within the Customer's environment. Time limits apply per contracted in support plan. If additional assistance is required, Norstan will provide this assistance on a T&M basis. (Refer to section VI)
- On-line graphical reporting
  - On-line graphical reporting is delivered to the Customer via the collection station. Reporting includes such metrics as CPU utilization, interface utilization and disk utilization. Historical reporting as well as real-time polling is available.

IV. Comparative Analysis of Service Plans

Technical Escalations

All timelines listed are the maximum time spent at each level

	Initial Response	Frontline *	Level 1	Level 2	Level 3 & 4 (Vendor)
P1	15 Minutes	5 Minutes	25 Minutes	90 Minutes	3 Hours
P2	2 Hours	10 Minutes	50 Minutes	120 Minutes	6 Hours
P3	4 Hours	15 Minutes	100 Minutes	180 Minutes	12 Hours
P4	Next Business Day	N/A	N/A	N/A	N/A

Time

Management Escalations

	Notification to Customer *	CSC Product Manager Branch Support Manager	CSC Senior Manager Senior Operations Manager Sales Representative	CSC Director VP of Operations
P1	15 Minutes	90 Minutes	120 Minutes	180 Minutes
P2	30 Minutes	180 Minutes	240 Minutes	300 Minutes
P3	N/A	N/A	N/A	N/A
P4	N/A	N/A	N/A	N/A

* FOR REMOTE MANAGEMENT SUPPORT PLAN ONLY

Remote Management Support Plan
Overview

Service Entitlements	
Single Point of Contact Resource Assigned	√
Root Cause Analysis of Priority One Issues	√
Troubleshoot Hardware and Software including Interoperability and Compatibility Issues	1 hour per instance
Wellness Visits	Quarterly
Remote Moves, Adds and Changes	1 hour per day
Service Partner Management	√
Application Consultation	√
Graphical On-Line Capacity for Problem/Solution Testing	√
Manufacturer Certified Lab for Problem/Solution Testing	√
Maintenance Releases of IOS Software	√
Escalation to Manufacturer Technical Assistance	√
Escalation to all Applicable Norstan Support Groups	√
Dispatch On-Site Assistance (If Contracted)	√
Advanced Hardware/Software Troubleshooting	√
Automated Fault Presentation, Isolation and Resolution	√
Proactive 24x365 Remote Monitoring	√
Automated Fault Case Creation	√
Priority Queuing	√
Perform Remote Diagnostics	√
WEB-Enabled Trouble Ticket Initiation and Tracking	√
Access to Technical Assistance Center	Unlimited, 24x365

V. Responsibilities

Norstan and Customer responsibilities are described below.

The Customer will be responsible for the following:

Training:

- Customer is responsible for attending certified Cisco training on products applicable to their technology solution.

Logistics:

- Designation of contact (s) to employ remedial measures as reasonably requested by Norstan to resolve issues remotely, if possible.
- Establish a point of contact that will provide support to on-site support technicians.
- Knowledge of operating system and possess administrative responsibilities for the network.
- Knowledge of call flows, routing rules and applications.

Remote Access:

- Provide Norstan with remote access capabilities that conform to Norstan VPN standards or otherwise agreed upon method, including updating Norstan with current logins and passwords. Remote Access is required for adhering to defined response times. Response time will be best effort if remote and network access is not in place.

LAN/WAN environment:

- Customer will be responsible for all PC and LAN/WAN connections, meeting Quality of Service (QoS) requirements defined by Cisco and any existing telco circuit changes or upgrades. All LAN, VLAN, and WAN designs, schemes and naming conventions are already designed.
- Understand any special security limitations or restrictions which exist on the system and inform Norstan.

Operations and business procedures:

- Proper and reliable procedures for storage, retrieval and backup of the device's media, and current configuration files. System regression, acceptance testing and authorized test plans that reflect operational and functional capabilities of the device prior to failure.
- Norstan's service response times do not include back up restoration time.
- Initiated changes that impact existing applications of the network topology and/or architecture affect Norstan's ability to support the network. Within one week as such, Customers must provide documentation updates to Norstan to ensure Norstan support documents are updated and kept current.
- Follow recommendations from manufacturer as it relates to hardware, software, network and peripheral configurations.
- Support of any changes that affect custom application software on their solution.
- Maintenance coverage for Cisco hardware and software via a Cisco SMARTnet contract is required and may be purchased through Norstan. The service levels of the SMARTnet contract must align with the Norstan support plan to ensure service level agreements are met.
- If you permit access to the internal components of the Products to any 3rd party service organization other than Norstan employees, agents, or subcontractors without our prior written permission, we may, in addition to any other remedies, cancel this Periodic Services Policy, and all future service will be provided at our then current T&M rates.
- Services done by any 3rd party service organization other than Norstan employees, agents or subcontractors will void the Norstan maintenance contract.

Norstan will be responsible for the following:

- Equipment and software application components depicted on the Periodic Services Schedule A.
- Providing new software updates and releases per the guidelines of the Cisco SMARTnet and SAU/SASU contracts associated with this support contract.
- Support of configuration issues defined as follows:
    - Operating software versions as originally installed and configured or updated by Norstan.
    - IOS as originally installed and configured or updated by Norstan.
    - Application software as originally installed and configured or updated by Norstan.
- If contracted, provide on-site coverage for problem resolution. Examples of times when on-site coverage will be provided are:
    - Observation of contact center activity will aid in resolving the service issue in a more expeditious manner.
    - When monitoring and/or collecting system activity logs requires an on-site resource.
    - Securing the latest known reliable backup of the failed device (IOS image, IOS configuration, data files, configuration files, etc.)
    - Device power down, parts replacement and device power up
    - OS level integrity checking (OS reinstallation/re-imaging and patching if required)
    - System configuration restoration from backup media, system regression and acceptance testing.

Norstan will not be responsible for the following:

- If a Customer chooses to implement changes that cause their hardware and/or software configurations to be out of compliance with the manufacturer recommendations, Norstan will not be responsible for support of that device.
- Costs incurred for resolving application performance issues as a result of Customer implemented configuration changes.
- If Customer initiates a TAC ticket with the vendor, Norstan will not be responsible for its resolution in per contracted SLA's directly with the meeting or the manufacturer or a third party vendor.
- Support or integration issues of any equipment not specifically mentioned within this contract or supported by another Norstan contract. This includes PBX systems, data infrastructure, third party equipment and all accompanying software.

VI. The following services are not included in the Remote Management Support Plan; however, Norstan can deliver these incremental and optimization services on a project and/or engagement basis.

- **Custom reports—**Norstan can support Customers in all phases of developing customized reports. These phases can include (but are not limited to) requirements generation, report design, metric collection, data consolidation and presentation. Example reports would be capacity/trending analysis and root cause analysis.
- **Product or Software upgrades—** Norstan can support Customers by providing all phases of product and software upgrades including, utilization analysis, and preplanning.
- **Network and System design—**Norstan can support Customers by providing auditing, planning and upgrade services. These services include initial capacity analysis and requirements generation with the Customer. Infrastructure readiness assessments, design, development, deployment quality assurance and testing, and Customer acceptance.

- **Routine system maintenance—** Norstan can provide routine support maintenance of your infrastructure i.e. system backups, configuration and security maintenance.
- **Database Administration**— Norstan can provide technical input related to Cisco software processes and their optimization with underlying databases. Norstan can support/perform such database maintenance operations as table indexing and optimization, database trimming and backups.
- **Application Consultation:** Norstan can provide technical support related to the Customers applications that include troubleshooting call flow/scripting issues and delays in performance of CTI application, reconciliation of standard report discrepancies, and assistance in ensuring integrity of new scripting changes.
- **Managed Services** – Norstan can offer a combination of on-site resources and processes to facilitate the support and administration of the Customer's technology environment. These services are not limited to the Cisco portfolio.

Acceptance

Signature on deliverable documentation indicates that Customer has reviewed the document and accepts responsibility for the contents.

Norstan Communications, Inc.		**{Customer}**	
By:	_____	By:	_____
Name:	_____	Name:	_____
Title:	_____	Title:	_____
Date:	_____	Date:	_____

PART B. CISCO AVVID ENVIRONMENT UPGRADE

1.0 OVERVIEW AND HISTORY

Housing Authority has a Cisco AVVID Solution deployed in production that includes two Call Manager servers, a Unity voice-messaging server, and an IP/IVR server. Housing Authority would like to upgrade their AVVID environment to take advantage of the new features.

Housing Authority has asked Norstan Communications, Inc. (Norstan) to provide the following services in relation to the existing Cisco AVVID environment:

- Cisco Call Manager 3.1 to 3.3.3, Publisher and Subscriber
- Upgrade Cisco Unity 3.1 to 4.0
- Upgrade Cisco IP/IVR server
- Verify infrastructure components for correct Cat IOS and IOS versions for interoperability with the new environment

This document will serve as the statement of work for this engagement.

2.0 PROJECT OBJECTIVES AND SCOPE

2.1 Objectives

The objective of this engagement is to upgrade Housing Authority's Cisco AVVID environment.

2.2 Scope

The *scope* of this engagement encompasses and is limited to:

1. Cisco Call Manager 3.1 to 3.3.3 Production Upgrade
   - Working with Housing Authority to develop a plan to upgrade from Cisco Call Manager 3.1 to 3.3.3.
   - Installation of Cisco Call Manager 3.3.3 Software on applicable servers based on design determined in upgrade planning session (Call Manager 3.3.3 Software will be acquired by Housing Authority. All Hardware, Operating System and 3rd Party Software to be provided and installed by Housing Authority with specifications provided by Norstan).
   - Configuration of Cisco Call Manager software on applicable servers based on design determined in upgrade planning session. Anticipating two Call Manager servers (Publisher and Subscriber)
   - Integration testing of new Cisco Call Manager environment. Integration testing consists of ensuring Call Manager components are functioning properly. (Call Routing testing along with associated test plan creation will be the responsibility of Housing Authority).
   - Creation of standard Norstan support plan documentation.
   - Professional project management services.

2. Cisco Unity 3.1 to 4.0 Production Upgrade
   - Working with Housing Authority to develop a plan to upgrade from Cisco Unity 3.1 to 4.0.
   - Installation of Cisco Unity 4.0 Software on applicable servers based on design determined in upgrade planning session (Unity 4.0 Software will be acquired by Housing Authority. All Hardware, Operating System and 3rd Party Software to be provided and installed by Housing Authority with specifications provided by Norstan).
   - Configuration of Cisco Unity software on applicable server(s) based on design determined in upgrade planning session. Norstan is anticipating a single Unity voice-messaging server.
   - Integration testing of new Cisco Unity environment. Integration testing consists of ensuring Unity components are functioning properly and integrated into the Call Manager.
   - Creation of standard Norstan support plan documentation.
   - Professional project management services.

3. Cisco IP/IVR Production Upgrade
   - Working with Housing Authority to develop a plan to upgrade from Cisco IP/IVR.
   - Installation of Cisco IP/IVR Software on applicable servers based on design determined in upgrade planning session (IP/IVR Software will be acquired by Housing Authority. All Hardware, Operating System and 3rd Party Software to be provided and installed by Housing Authority with specifications provided by Norstan).
   - Configuration of Cisco IP/IVR software on applicable servers based on design determined in upgrade planning session. Norstan is anticipating a single IP/IVR server.
   - Integration testing of new Cisco IP/IVR environment. Integration testing consists of ensuring IP/IVR components are functioning properly and integrated into the Call Manager. (Call Routing testing along with associated test plan creation will be the responsibility of Housing Authority).
   - Creation of standard Norstan support plan documentation.
   - Professional project management services.

This engagement and pricing will not include:

- Acquisition or installation of hardware, operating system and designated 3rd party software.
- LAN/WAN design or configuration.
- Test Plan Development
- Call Routing Test Plan Execution
- Active Directory Planning and Configuration
- Domain Name Service (DNS) Planning and Configuration
- Quality of Service Planning and Configuration
- Anything not specifically mentioned within this document.
- Cat IOS or IOS upgrades
- Installation and configuration of new hardware

3.0 PROJECT APPROACH

Norstan will assign multiple resources to this project. It is expected that Housing Authority will provide resources for the planning portion of the engagement and answer questions as needed.

3.1 Planning

Norstan and Housing Authority will complete a one-day planning session around the upgrade. It is expected that this planning session will determine the detailed tasks necessary to complete the upgrade.

3.2 Upgrade Production System

Norstan plans to complete the upgrade of the AVVID system the first week of the project after the design session has been completed. It is expected that Housing Authority will acquire the AVVID upgrade software through its existing maintenance contract.

The upgrade would take place during Housing Authority's maintenance window. Norstan will follow Cisco's recommended upgrade path for Call Manager, Unity and IP/IVR.

4.0 DELIVERABLES

The deliverables of this engagement are:

1. Cisco AVVID Upgrade
    a. Installation of Cisco Call Manager Software on applicable servers based on design determined in upgrade.
    b. Configuration of Cisco Call Manager software on applicable servers based on design determined in upgrade.
    c. Installation of Cisco Unity Software on applicable servers based on design determined in upgrade.
    d. Configuration of Cisco Unity software on applicable servers based on design determined in upgrade
    e. Installation of Cisco IP/IVR Software on applicable servers based on design determined in upgrade.
    f. Configuration of Cisco IP/IVR software on applicable servers based on design determined in upgrade.

5.0 PROJECT TEAM ORGANIZATION

5.1 Housing Authority Team

Norstan will require the assistance of a team of individuals from Housing Authority. The team should include a designated Team Leader who can be the primary point of contact for the Norstan team and who can lead the other members of his/her team. Other team members should include a representative from the telecommunications department, call center, LAN administrator, and desktop support.

5.2 Norstan Team

Norstan will assign an Engagement Manager and an AVVID certified engineer for the duration of this project. The Engagement Manager will lead the engagement, provide professional project management services, and coordinate with the Housing Authority team via the Housing Authority Team Leader. The AVVID certified engineer will be the technical lead and have main responsibility for the system upgrade.

6.0 Roles and Responsibilities

6.1 Housing Authority Team

- Housing Authority will assign a Team Leader to the project. This person will be the primary point of contact and the escalation point for the Norstan Engagement Manager. This individual must have knowledge of the project and have authority to make decisions related to the project. He/she should also have authority to sign (or obtain signature for) change orders, completion documents, and contracts. The Team Leader will be responsible for ensuring the timely participation of the necessary personnel and timely delivery of any required information, change orders, and project completion documentation.
- Housing Authority will take ownership and responsibility for any decisions made as a result of information or recommendations provided by Norstan.
- Housing Authority will provide timely access to resources required to complete the project, including applicable personnel and systems.

6.2 Norstan Team

- Norstan will take ownership of the process of conducting the engagement and the form of all deliverables.
- Norstan will provide an Engagement Manager to communicate status, review project progress, project deliverables and resolve issues. The Norstan Engagement Manager has overall responsibility for the project. This person is the primary point of contact for the project and is responsible for your satisfaction.
- Norstan will provide a timely response to client concerns and issues.
- Norstan will provide resources that are qualified to fulfill the objectives of the engagement.
- Norstan will provide weekly written status reports to Housing Authority's Team Leader and other Housing Authority stakeholders as requested.
- Norstan will setup weekly status report review meetings (or shorter time frame if needed) to go over current state of project, open trouble tickets, tracking time on project and expenses.

7.0 ASSUMPTIONS

- Norstan reserves the right to re-estimate the work effort required per change control process to complete the upgrade activities after the upgrade planning session.
- Housing Authority will review documentation and provide any requested changes to Norstan within one (1) business day of delivery of that documentation.
- Housing Authority will provide workspace and supplies appropriate to this project, including access to telephones, printers, network, etc. while Norstan resources are on-site at Housing Authority.
- Housing Authority will review the project completion document within five (5) days of delivery of all project deliverables. Signature by appointed Director or Vice President on this document indicates that Housing Authority agrees that the project has been satisfactorily completed as specified in this Statement of Work.
- Signature on deliverable documentation indicates that Housing Authority agrees that the deliverable is complete; meets the criteria set forth in the Statement of Work, and has been completed in an acceptable fashion. It further indicates that Housing Authority has reviewed the document and accepts responsibility for the contents.
- Housing Authority will provide Norstan on site resources with the necessary security access to access Housing Authority's facilities based on the agreed upgrade plan.
- Once an upgrade plan and associated dates have been agreed to, it is recommended that Housing Authority place a freeze on changes to the Cisco ICM, Call Manager, and IP-IVR environments for

the duration of this engagement. Any changes to these platforms after the agreed upon freeze date will have to be manually tracked and reapplied by Housing Authority after the Cisco ICM upgrade has been completed.

- Housing Authority's LAN will support TCP/IP.
- For the duration of the project and as applicable for support, Housing Authority will provision remote access to all current and new AVVID servers via Analog Modem or VPN access utilizing PCAnywhere.
- Housing Authority is responsible for coordinating and performing any required changes to the LAN/WAN, Telephony Network (including changes to the ACDs and IVRs) and any tasks related to Carrier Network Routing.
- Housing Authority is responsible for the acquisition, installation and configuration of all Hardware, Operating System and 3rd Party Software with specifications to be provided by Norstan.
- Norstan will provide Housing Authority with the recommended Quality of Service configuration from Cisco. Housing Authority will work to determine how to implement the recommended Quality of Service configuration within their Local and Wide Area Network environment.
- Existing hardware will be used for the upgrade. Any updates to RAM and hard disk space will be completed prior to Norstan's arrival on-site.
- Norstan will not be configuring or implementing new system features such as IPMA, advanced messaging applications, etc. If Housing Authority wishes to implement new features a separate Scope will need to be defined and executed.

8.0 PROJECT CHANGE CONTROL

Housing Authority may wish to make changes to the scope or objectives of this project after signing the original Statement of Work (SOW). The Norstan Engagement Manager will work with the Housing Authority Team Leader to define and document the scope and nature of the change(s) in detail. Norstan will analyze the impact of the change(s) on the timeline and cost of the project. Housing Authority will then be presented with and will be asked to sign a Change Order documenting the change(s) and associated impact(s). Norstan will not deviate from the original project scope and objectives until the change order has been signed.

Norstan may find during the course of the project that additional fees and / or expenses over and above the original estimate are required for successful completion. Examples of such discoveries include, but are not limited to:

- Documented assumptions prove to be false
- Information is revealed which was not known to Norstan at the time the original SOW was written
- Client-requested tasks are deemed by Norstan to be outside of the project scope
- Circumstances arise which are outside of Norstan's direct control
- The effort required to complete the project was underestimated

In the event that such a discovery occurs, the Norstan Engagement Manager will notify Housing Authority as soon as he / she is aware of the situation and that a Change Order is pending. The Norstan Engagement Manager will define and document the scope and nature of the change(s) in detail, and analyze the impact of the change(s) on the timeline and cost of the project. Housing Authority will then be presented with and will be asked to sign the Change Order. At this time, Housing Authority may either a) approve the change order, or b) refuse the change order.

In the event that the change order is approved, the project will continue as per the original SOW, and as amended by the current and any previously accepted change orders.

In the event that the change order is refused, Norstan will immediately stop work relative to the change request, and Norstan and Housing Authority will immediately enter into negotiations to resolve the issue. Norstan will not restart work until this issue is resolved to the mutual satisfaction of both parties. Norstan will charge fees associated with keeping the project team available to restart the project at the conclusion of negotiations.

If Norstan and Housing Authority are unable to resolve the issue in a mutually agreeable manner within 60 calendar days from the date the change order was originally presented by Norstan to Housing Authority, the project will be immediately deemed successfully completed through the last accepted milestone. Norstan will turn over all project materials in their then current state. Housing Authority agrees to reimburse Norstan for all fees and expenses incurred through project completion (including those associated with holding the project team during negotiations).

All services requested through the Change Order process will be billed on a Time and Materials basis at the hourly rate to be agreed upon.

9.0 PROJECT FEES AND TIMELINE

9.1 ESTIMATED FEES

Norstan's fees are outlined in Exhibit C (Fee Schedule).

In addition to Exhibit C, Norstan will bill you for one-half of the round-trip travel time to and from your location, plus reasonable and customary out-of-pocket expenses with the Customer's prior approval. These charges are not included in the above estimate. Norstan consultants working on-site will travel home each weekend.

The costs for any products required to complete this project are not included in this Statement of Work. The pricing, payment terms, and other conditions related to the sale of products will be covered under a separate agreement.

This pricing is in effect for 30 calendar days from the date of this document.

9.2 ESTIMATED TIMELINE AND START DATE

Norstan expects this project to be completed within a 2-3 week timeframe after the start of the upgrade planning session. Note that this timeframe is an estimate only. Actual time spent may be more or less than indicated.

Norstan may require up to 4 weeks to allocate the appropriate resources to this project from the date Housing Authority signs this SOW.

10.0 OTHER TERMS AND CONDITIONS

Housing Authority may cancel this project at any time by providing the Norstan Engagement Manager with written notice at least 10 business days in advance. The project will be deemed satisfactorily completed at the end of that period. Housing Authority agrees to reimburse Norstan for all fees and expenses incurred through project completion. If cancelled, Project Completion will include that latest phases for which there has been a signed Phase Acceptance Document as well as the Milestone payments for the currently active phases.

Norstan may cancel this project for reasonable cause by providing the Housing Authority Team Leader with written notice at least 10 business days in advance. Examples of "reasonable cause" include, but are not limited to, non-payment of fees or excessive project delays caused by Housing Authority.

Norstan reserves the right to re-deploy assigned project resources in the event that reasons outside of Norstan's immediate control cause project delays with reasonable notification.

Unless it is mutually agreed that business or project requirements dictate, Norstan resources working on-site will travel home each weekend.

PART C. CISCO ICM UPGRADE

1.0 OVERVIEW AND HISTORY

The Housing Authority of the County of Los Angeles (Housing Authority) has a Cisco IPCC Enterprise implementation that is currently running in production. Housing Authority would like to upgrade their IPCC Enterprise system to Release 5.0 to take advantage of the new features.

Housing Authority has asked Norstan Communications, Inc. (Norstan) to provide the following services in relation to the existing Cisco IPCC Enterprise environment:

- Cisco ICM upgrade from R4.6.2 to R5.0
- Upgrade Microsoft SQL versions from 7.0 to 2000
- Migrate the existing data in the administrative workstations to the latest schema

This document will serve as the statement of work for this engagement.

2.0 PROJECT OBJECTIVES AND SCOPE

2.1 Objectives

The objective of this engagement is to upgrade Housing Authority's Cisco ICM from R4.6.2 to R5.0.

2.2 Scope

The ***scope*** of this engagement encompasses and is limited to:

1. Cisco ICM R4.6.2 to R5.0 Production Upgrade
    - Working with Housing Authority to develop a plan to upgrade from Cisco ICM R4.6.2 to R5.0.
    - Installation of Cisco ICM R5.0 Software on applicable servers based on design determined in upgrade planning session (ICM R5.0 Software will be acquired by Housing Authority. All Hardware, Operating System and 3rd Party Software to be provided and installed by Housing Authority with specifications provided by Norstan).
    - Configuration of Cisco ICM software on applicable servers based on design determined in upgrade planning session. Norstan is anticipating two Roggers, two PG servers, and an HDS.
    - Integration testing of new Cisco ICM R5.0 environment. Integration testing consists of ensuring ICM components are functioning properly, ACDs and IVRs connect to ICM properly. (Call Routing testing along with associated test plan creation will be the responsibility of Housing Authority).
    - Post production support for upgraded system for five days.
    - Creation of standard Norstan support plan documentation.
    - Professional project management services.

This engagement and pricing will not include:

- Acquisition or installation of hardware, operating system and designated 3rd party software.
- LAN/WAN design or configuration.
- Telephony network services.
- Changes to any Telephony Switch or IVR (i.e. ACD, and IP-IVR)
- Test Plan Development
- Call Routing Test Plan Execution
- Active Directory Planning and Configuration
- Domain Name Service (DNS) Planning and Configuration

- Quality of Service Planning and Configuration
- Modifications to Housing Authority's Cisco ICM routing scripts.
- Anything not specifically mentioned within this document.
- Customized reporting other than what is available through ICM 5.0

3.0 PROJECT APPROACH

Norstan will assign multiple resources to this project. It is expected that Housing Authority will provide resources for the planning portion of the engagement and answer questions as needed.

3.1 Planning

Norstan and Housing Authority will complete a one-day planning session around the upgrade. It is expected that this planning session will determine the detailed tasks necessary to complete the upgrade.

3.2 Upgrade Production System

Norstan plans to complete the upgrade of the ICM system the first week of the project after the design session has been completed. It is expected that Housing Authority will acquire the ICM upgrade software through its existing maintenance contract. Housing Authority is also expected to upgrade the existing hardware for the Roggers and HDS. The Roggers will require additional RAM to run ICM v5.0. The HDS will be required to have at least 50% free disk space on the hard drive that contains the ICM database.

The upgrade would take place during Housing Authority's maintenance window. Norstan will follow Cisco's recommended upgrade path for Central Controllers, AWs, and HDS.

3.3 Post-Upgrade Support

Norstan is planning to have one resource on-site at Housing Authority for a period of one week after the system has been upgraded for production support. This person will assist with any issues from the upgrade and will document the changes to the production environment.

4.0 DELIVERABLES

The deliverables of this engagement are:

1. Cisco ICM R4.6.2 to R5.0 Upgrade
    a. Installation of Cisco ICM R5.0 Software on applicable servers based on design determined in upgrade.
    b. Configuration of Cisco ICM software on applicable servers based on design determined in upgrade.
    c. Migrated Cisco ICM database

5.0 PROJECT TEAM ORGANIZATION

5.1 Housing Authority Team

Norstan will require the assistance of a team of individuals from Housing Authority. The team should include a designated Team Leader who can be the primary point of contact for the Norstan team and who can lead the other members of his/her team. Other team members should include a representative from the telecommunications department, call center, LAN administrator, and desktop support.

5.2 Norstan Team

Norstan will assign an Engagement Manager, an ICM Technical Architect, and an ICM Technical Consultant for the duration of this project. The Engagement Manager will lead the engagement, provide professional project management services, and coordinate with the Housing Authority team via the Housing Authority Team Leader. The ICM Technical Architect will be the technical lead and have main responsibility for the system upgrade from a technical perspective. The ICM technical consultant will work with the Technical Architect to upgrade the existing ICM system.

6.0 Roles and Responsibilities

6.1 Housing Authority Team

- Housing Authority will assign a Team Leader to the project. This person will be the primary point of contact and the escalation point for the Norstan Engagement Manager. This individual must have knowledge of the project and have authority to make decisions related to the project. He/she should also have authority to sign (or obtain signature for) change orders, completion documents, and contracts. The Team Leader will be responsible for ensuring the timely participation of the necessary personnel and timely delivery of any required information, change orders, and project completion documentation.
- Housing Authority will take ownership and responsibility for any decisions made as a result of information or recommendations provided by Norstan.
- Housing Authority will provide timely access to resources required to complete the project, including applicable personnel and systems.

6.2 Norstan Team

- Norstan will take ownership for the process of conducting the engagement and the form of all deliverables.
- Norstan will provide an Engagement Manager to communicate status, review project progress, and deliverables, and resolve issues. The Norstan Engagement Manager has overall responsibility for the project. This person is the primary point of contact for the project and is responsible for your satisfaction.
- Norstan will provide timely response to client concerns and issues.
- Norstan will provide resources that are qualified to fulfill the objectives of the engagement.
- Norstan will provide weekly written status reports to Housing Authority's Team Leader and other Housing Authority stakeholders as requested.
- Norstan will setup weekly status report review meetings (or a shorter time frame if needed) to go over current state of project, open trouble tickets, tracking time on the project and expenses.

7.0 ASSUMPTIONS

- Norstan reserves the right to re-estimate the work effort required per change control process to complete the upgrade activities after the upgrade planning session.
- Housing Authority will review documentation and provide any requested changes to Norstan within one (1) business day of delivery of that documentation.
- Housing Authority will provide workspace and supplies appropriate to this project, including access to telephones, printers, network, etc. while Norstan resources are on-site at Housing Authority.

- Housing Authority will review the project completion document within five (5) days of delivery of all project deliverables. Signature by appointed Director or Vice President on this document indicates that Housing Authority agrees that the project has been satisfactorily completed as specified in this Statement of Work.
- Signature on deliverable documentation indicates that Housing Authority agrees that the deliverable is complete; meets the criteria set forth in the Statement of Work, and has been completed in an acceptable fashion. It further indicates that Housing Authority has reviewed the document and accepts responsibility for the contents.
- Housing Authority will provide Norstan on site resources with the necessary security access to access Housing Authority's facilities based on the agreed upgrade plan.
- Once an upgrade plan and associated dates have been agreed to, it is recommended that Housing Authority place a freeze on changes to the Cisco ICM, CallManager, and IP-IVR environments for the duration of this engagement. Any changes to these platforms after the agreed upon freeze date will have to be manually tracked and reapplied by Housing Authority after the Cisco ICM upgrade has been completed.
- Housing Authority's LAN will support TCP/IP.
- For the duration of the project and as applicable for support, Housing Authority will provision remote access to all current and new ICM servers via Analog Modem or VPN access utilizing PCAnywhere.
- Housing Authority is responsible for coordinating and performing any required changes to the LAN/WAN, Telephony Network (including changes to the ACDs and IVRs) and any tasks related to Carrier Network Routing.
- Housing Authority is responsible for the acquisition, installation and configuration of all Hardware, Operating System and 3rd Party Software with specifications to be provided by Norstan.
- Housing Authority is responsible for any required Cisco ICM routing or administrative script changes.
- Norstan will provide Housing Authority with the recommended Quality of Service configuration from Cisco. Housing Authority will work to determine how to implement the recommended Quality of Service configuration within their Local and Wide Area Network environment.
- Existing hardware will be used for the upgrade. Any updates to RAM and hard disk space will be completed prior to Norstan's arrival on-site.
- All ICM servers are running Windows 2000 operating system.
- Norstan will not be updating any custom reports. The ICM database schema changes from v4.6.2 to v5.0. Any changes to the schema that cause current custom reports not to run will be handled through the change control process.
- Existing Call Manager and IP-IVR are at compatible release levels for ICM v5.0. Housing Authority will install any necessary service packs or hot fixes required on these platforms.
- All call center agents and servers are located at the Market Street location.

8.0 PROJECT CHANGE CONTROL

Housing Authority may wish to make changes to the scope or objectives of this project after signing the original Statement of Work (SOW). The Norstan Engagement Manager will work with the Housing Authority Team Leader to define and document the scope and nature of the change(s) in detail. Norstan will analyze the impact of the change(s) on the timeline and cost of the project. Housing Authority will then be presented with and will be asked to sign a Change Order documenting the change(s) and associated impact(s). Norstan will not deviate from the original project scope and objectives until the change order has been signed.

Norstan may find during the course of the project that additional fees and / or expenses over and above the original estimate are required for successful completion. Examples of such discoveries include, but are not limited to:

- Documented assumptions prove to be false

- Information is revealed which was not known to Norstan at the time the original SOW was written
- Client-requested tasks are deemed by Norstan to be outside of the project scope
- Circumstances arise which are outside of Norstan's direct control
- The effort required to complete the project was underestimated

In the event that such a discovery occurs, the Norstan Engagement Manager will notify Housing Authority as soon as he / she is aware of the situation and that a Change Order is pending. The Norstan Engagement Manager will define and document the scope and nature of the change(s) in detail, and analyze the impact of the change(s) on the timeline and cost of the project. Housing Authority will then be presented with and will be asked to sign the Change Order. At this time, Housing Authority may either a) approve the change order, or b) refuse the change order.

In the event that the change order is approved, the project will continue as per the original SOW, and as amended by the current and any previously accepted change orders.

In the event that the change order is refused, Norstan will immediately stop work relative to the change request, and Norstan and Housing Authority will immediately enter into negotiations to resolve the issue. Norstan will not restart work until this issue is resolved to the mutual satisfaction of both parties. Norstan will charge fees associated with keeping the project team available to restart the project at the conclusion of negotiations.

If Norstan and Housing Authority are unable to resolve the issue in a mutually agreeable manner within 60 calendar days from the date the change order was originally presented by Norstan to Housing Authority, the project will be immediately deemed successfully completed through the last accepted milestone. Norstan will turn over all project materials in their then current state. Housing Authority agrees to reimburse Norstan for all fees and expenses incurred through project completion (including those associated with holding the project team during negotiations).

All services requested through the Change Order process will be billed on a Time and Materials basis at the hourly rate to be agreed upon.

9.0 PROJECT FEES AND TIMELINE

9.1 ESTIMATED FEES

Norstan estimates this engagement will take 260 hours to complete. Norstan's fees for this work are listed in Exhibit C (Fee Schedule).

In addition to the above, Norstan will bill you for one-half of the round-trip travel time to and from your location, plus reasonable and customary out-of-pocket expenses with the Customer's prior approval. These charges are not included in the above estimate. Norstan consultants working on-site will travel home each weekend.

The costs for any products required to complete this project are not included in this Statement of Work. The pricing, payment terms, and other conditions related to the sale of products will be covered under a separate agreement.
This pricing is in effect for 30 calendar days from the date of this document.

9.2 ESTIMATED TIMELINE AND START DATE

Norstan expects this project to be completed within a 2-3 week timeframe after the start of the upgrade planning session. Note that this timeframe is an estimate only. Actual time spent may be more or less than indicated.

Norstan may require up to 4 weeks to allocate the appropriate resources to this project from the date Housing Authority signs this SOW.

10.0 OTHER TERMS AND CONDITIONS

Housing Authority may cancel this project at any time by providing the Norstan Engagement Manager with written notice at least 10 business days in advance. The project will be deemed satisfactorily completed at the end of that period. Housing Authority agrees to reimburse Norstan for all fees and expenses incurred through project completion. If cancelled, Project Completion will include that latest phases for which there has been a signed Phase Acceptance Document as well as the Milestone payments for the currently active phases.

Norstan may cancel this project for reasonable cause by providing the Housing Authority Team Leader with written notice at least 10 business days in advance. Examples of "reasonable cause" include, but are not limited to, non-payment of fees or excessive project delays caused by Housing Authority.

Norstan reserves the right to re-deploy assigned project resources in the event that reasons outside of Norstan's immediate control cause project delays with reasonable notification.

Unless it is mutually agreed that business or project requirements dictate, Norstan resources working on-site will travel home each weekend.

11.0 ACCEPTANCE

Norstan looks forward to working with Housing Authority on this important project. You may be assured that it will have our close and careful attention. If you have any questions, please do not hesitate to call the Norstan representative that delivered this document.

This document, and the associated pricing, is valid for a period of 30 days from the date on the cover page.

Exhibit C: Project Schedule

Cisco Maintenance Project Schedule

TASK	DATE TO BE COMPLETED
Task 1 - Conduct Kickoff Meeting	May 17, 2004
Task 2 – Confirm Service Level Agreement	May 17, 2004
Task 3 - Obtain Network Diagrams	May 18, 2004
Task 4 - 3rd Party SLA	May 20, 2004
Task 5 – Inventory Hardware	May 27, 2004
Task 6 – Determine Health of Hardware	June 4, 2004
Task 7 - Provision VPN	June 7, 2004
Task 8 – Test VPN	June 8, 2004
Task 9 – Get Contract Information	June 10, 2004
Task 10 – Confirm Support Agreement	June 11, 2004
Task 11 – Inventory Customer Software Versions	June 15, 2004
Task 12 – Confirm Escalation Guidelines	June 16, 2004
Task 13 – Configure Remote Collection Agent	June 18, 2004

CCM Unity and ICM Upgrade
Project Schedule

TASK	DATE TO BE COMPLETED
Task 1 – Conduct Kickoff Meeting	May 17, 2004
Task 1.1 – Review Scope of Work	May 17, 2004
Task 1.2 – Review Payment Terms & Schedule	May 17, 2004
Task 1.3 – Address "Scope Creep" and ICO's	May 17, 2004
Task 1.4 – Review Timeline and Change as Necessary	May 17, 2004
Task 2 – Conduct Work Session with the Housing Authority	May 19, 2004
Task 2.1 – Ensure Housing Authority has all SW required for Upgrade	May 17, 2004
Task 2.2 – Develop Plan with Customer to Install CCM, IP/IVR and Unity Upgrade	May 19, 2004
Task 3 – CCM Upgrade to 3.3.3	May 24, 2004
Task 3.1 – Make Appropriate Backups	May 20, 2004
Task 3.2 – Force Swap Publisher to Subscriber	May 20, 2004
Task 3.3 – Upgrade CCM	May 21, 2004
Task 3.4 – Return System to Original Configuration	May 24, 2004
Task 3.5 – Test New System	May 24, 2004
Task 4 – Unity Upgrade to 4.0	May 28, 2004
Task 4.1 – Take Backup of Current System	May 25, 2004
Task 4.2 – Install Upgrade 4.0	May 28, 2004
Task 4.3 – Test System	May 28, 2004
Task 5 – IP/IVR Upgrade	June 1, 2004
Task 5.1 – Backup Configuration Files for IP/IVR	May 31, 2004
Task 5.2 – Begin Installation of Upgraded S/W	May 31, 2004
Task 5.3 – Restore Configuration Files (possibly through CCM)	June 1, 2004
Task 5.4 – Test System	June 1, 2004
Task 6 – IPCC Upgrade	June 7, 2004
Task 6.1 – Planning	May 21, 2004
Task 6.2 – IPCC HDS Upgrade	May 26, 2004
Task 6.3 – IPCC Rogger Upgrade	May 28, 2004
Task 6.4 – IPCC PG/CTI Upgrade	May 31, 2004
Task 6.5 – Testing	June 2, 2004
Task 6.6 – Post Production Support	June 7, 2004

Exhibit D: Fee Schedule

Renewal contract each year	Year 1	Year 2	Year 3	**Total**
IP Telephony	23,840	21,840	21,840	**67,520**
IP Contact Center	24,017	24,017	24,017	**72,052**
Alarm Monitoring	4,970	4,970	4,970	**14,910**
IP Telephony Upgrade	14,000	-	-	**14,000**
IP Contact Center Upgrade	77,000	-	-	**77,000**
Cisco Smartnet		23,317	23,317	**46,634**
Total	**143,827**	**74,144**	**74,144**	**$ 292,115**

Exhibit E: Required Forms & Certifications

Contractor's EEO Certification

_____
Contractor's Name

_____
Address

_____
Internal Revenue Service Employer Identification Number

GENERAL

In accordance with Subchapter VII of the *Civil Rights Act of 1964, 42 USC Sections 2000e* through *2000e-17,* and the *Americans with Disabilities Act of 1990*, CONTRACTOR, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, color, religion, ancestry, national origin, age, condition of physical or mental disability, marital status, political affiliation or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

CONTRACTOR'S CERTIFICATION
(check one)

		YES	NO
1.	The Contractor has a written policy statement prohibiting discrimination in all phases of employment.	☐	☐
2.	The Contractor periodically conducts a self-analysis or utilization analysis of its work force.	☐	☐
3.	The Contractor has a system for determining if its employment practices are discriminatory against protected groups.	☐	☐
4.	Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action to include establishment of goals or timetables.	☐	☐

_____
Name and title of signer

_____ _____
Signature Date

Exhibit F: IRS Notice 1015: Earned Income Credit Fact Sheet

Department of the Treasury
Internal Revenue Service

Notice 1015

(Rev. October 2001)

Have You Told Your Employees About the Earned Income Credit (EIC)?

What Is the EIC?

The EIC is a refundable tax credit for certain workers.

A change to note. Workers **cannot** claim the EIC if their 2001 investment income (such as interest and dividends) is over $2,450.

Which Employees Must I Notify About the EIC?

You must notify each employee who worked for you at any time during the year and from whom you did not withhold income tax. However, you do not have to notify any employee who claimed exemption from withholding on **Form W-4,** Employee's Withholding Allowance Certificate.

Note: *You are encouraged to notify each employee whose wages for 2001 are less than $32,121 that he or she may be eligible for the EIC.*

How and When Must I Notify My Employees?

You must give the employee one of the following:

- The IRS **Form W-2,** Wage and Tax Statement, which has the required information about the EIC on the back of **Copy B.**
- A substitute Form W-2 with the same EIC information on the back of the employee's copy that is on Copy B of the IRS Form W-2.
- **Notice 797,** Possible Federal Tax Refund Due to the Earned Income Credit (EIC).
- Your written statement with the same wording as Notice 797.

If you are required to give Form W-2 and do so on time, no further notice is necessary if the Form W-2 has the required information about the EIC on the back of the employee's copy. If a substitute Form W-2 is given on time but does not have the required information, you must notify the employee within 1 week of the date the substitute Form W-2 is given. If Form W-2 is required but is not given on time, you must give the employee Notice 797 or your written statement by the date Form W-2 is required to be given. If Form W-2 is not required, you must notify the employee by February 7, 2002.

You must hand the notice directly to the employee or send it by First-Class Mail to the employee's last known address. You will not meet the notification requirements by posting Notice 797 on an employee bulletin board or sending it through office mail. However, you may want to post the notice to help inform all employees of the EIC. You can get copies of the notice by calling 1-800-829-3676. You can also get the notice from the IRS Web Site at **www.irs.gov.**

How Will My Employees Know If They Can Claim the EIC?

The basic requirements are covered in Notice 797. For more detailed information, the employee needs to see the 2001 instructions for Form 1040, 1040A, 1040EZ, or **Pub. 596,** Earned Income Credit.

How Do My Employees Claim the EIC?

Eligible employees claim the EIC on their 2001 tax return. Even employees who have no tax withheld from their pay or owe no tax can claim the EIC and get a refund, but they must file a tax return to do so. For example, if an employee has no tax withheld in 2001 and owes no tax but is eligible for a credit of $791, he or she must file a 2001 tax return to get the $791 refund.

How Do My Employees Get Advance EIC Payments?

Eligible employees who expect to have a qualifying child for 2001 can get part of the credit with their pay during the year by giving you a completed **Form W-5,** Earned Income Credit Advance Payment Certificate. You **must** include advance EIC payments with wages paid to these employees, but the payments are not wages and are not subject to payroll taxes. Generally, the payments are made from withheld income, social security, and Medicare taxes. For details, see **Pub. 15,** Employer's Tax Guide.

Cat. No. 20599I

Exhibit G: Safely Surrendered Baby Law Fact Sheet

No shame.
No blame.
No names.

Newborns can be safely given up at any Los Angeles County hospital emergency room or fire station.

In Los Angeles County:
1-877-BABY SAFE
1-877-222-9723
www.babysafela.org

State of California
Gray Davis, Governor

Health and Human Services Agency
Grantland Johnson, Secretary

Department of Social Services
Rita Saenz, Director

Los Angeles County Board of Supervisors
Gloria Molina, Supervisor, First District
Yvonne Brathwaite Burke, Supervisor, Second District
Zev Yaroslavsky, Supervisor, Third District
Don Knabe, Supervisor, Fourth District
Michael D. Antonovich, Supervisor, Fifth District

This initiative is also supported by First 5 LA and INFO LINE of Los Angeles.

What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents to give up their baby confidentially. As long as the baby has not been abused or neglected, parents may give up their newborn without fear of arrest or prosecution.

How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially and safely give up a baby within three days of birth. The baby must be handed to an employee at a Los Angeles County emergency room or fire station. As long as the child shows no signs of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, workers will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent.

What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their newborns within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

Can only a parent bring in the baby?

In most cases, a parent will bring in the baby. The law allows other people to bring in the baby if they have legal custody.

Does the parent have to call before bringing in the baby?

No. A parent can bring in a baby anytime, 24 hours a day, 7 days a week so long as the parent gives the baby to someone who works at the hospital or fire station.

Does a parent have to tell anything to the people taking the baby?

No. However, hospital personnel will ask the parent to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the child. Although encouraged, filling out the questionnaire is not required.

What happens to the baby?

The baby will be examined and given medical treatment, if needed. Then the baby will be placed in a pre-adoptive home.

What happens to the parent?

Once the parent(s) has safely turned over the baby, they are free to go.

Why is California doing this?

The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned by their parents and potentially being hurt or killed. You may have heard tragic stories of babies left in dumpsters or public bathrooms. The parents who committed these acts may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had nowhere to turn for help, they abandoned their infants. Abandoning a baby puts the child in extreme danger. It is also illegal. Too often, it results in the baby's death. Because of the Safely Surrendered Baby Law, this tragedy doesn't ever have to happen in California again.

A baby's story

At 8:30 a.m. on Thursday, July 25, 2002, a healthy newborn baby was brought to St. Bernardine Medical Center in San Bernardino under the provisions of the California Safely Surrendered Baby Law. As the law states, the baby's mother did not have to identify herself. When the baby was brought to the emergency room, he was examined by a pediatrician, who determined that the baby was healthy and doing fine. He was placed with a loving family while the adoption process was started.

Every baby deserves a chance for a healthy life. If someone you know is considering abandoning a newborn, let her know there are other options.

It is best that women seek help to receive proper medical care and counseling while they are pregnant. But at the same time, we want to assure parents who choose not to keep their baby that they will not go to jail if they deliver their babies to safe hands in any Los Angeles County hospital ER or fire station.