

## STATEMENT OF WORK

This Consulting Services Statement of Work ("SOW", "Work", or "Project") dated [REDACTED] ("Effective Date") is by and between Denovo Ventures, LLC., a Colorado limited liability company ("Denovo") and the City of Costa Mesa California ("City" or "Customer" or "Client") and each a "Party" and together the "Parties".

Pursuant to Section 3 (Statement of Work) in the Master Services Agreement ("MSA" or "Contract") dated [REDACTED], Denovo and Customer desire to enter this Statement of Work for the performance by Denovo of certain Services, described herein. This Statement of Work provides details of the Services, related products if any, definitions, Service-specific terms, and the Customer's one-time and recurring fees.

### 1 Term and Termination

- a) **Termination without Cause by Customer.** Customer may terminate this SOW by providing thirty (30) days written notice to Denovo.
- b) **Termination for Cause by Denovo; Termination without Cause by Customer.** If either Denovo terminates this SOW pursuant to Section 5(B)(v) or 12 of the Contract or the Customer terminates this SOW, or any part of it, without cause (i.e., for convenience) during the Initial Term, the Customer shall be responsible for all amounts owed under the SOW including, without limitation, the following:
  - i) All amounts owed for Services provided and Expenses incurred by Denovo up to and including the Termination Date.
  - ii) One hundred percent (100%) of all deferred payments and amounts owed from outstanding invoices; and,
  - iii) All Fees remaining in the then-current Term payable in a lump sum upon termination.
- c) **Termination Date.** The Customer shall immediately cease accessing and otherwise utilizing (and at Denovo's option, return or destroy) Denovo's Confidential Information, Work Product, and the Services upon the Termination Date (except as otherwise permitted herein), and Denovo shall have no further obligation to provide the Services.
- d) **No Excuse for Non-Payment.** Any suspension or termination by Denovo under this Section shall not excuse the Customer from the Customer's obligation to make payment(s) for work performed under the SOW.

### 2 Scope of Services

Denovo will provide the Customer with the Services as set forth in this SOW. Denovo may provide Customer with additional Services pursuant to an amendment to the Contract. Denovo has no obligation to provide any additional Services or any other Service to Customer including, without limitation, with respect to any adaptations, configurations or modifications of the Services made by the Customer or any third party, any non-conformance caused by unauthorized misuse, alteration, modification or enhancement of the Services, or any use or implementation of the Services by the Customer that is not in compliance with the SOW or Contract. Denovo reserves the right to determine the method, manner, and means by which the Services will be performed. Except as expressly stated in this SOW to the contrary, Denovo is not required to perform the Services during a fixed hourly or daily time, and if the Services are to be performed on Customer's premises, the time spent on Customer's premises is to be at the discretion of Denovo, subject to Customer's normal business hours and reasonable security requirements.

The scope of services, deliverables, assumptions, schedule, and estimated hours are defined in the following sections.

#### Background

The Customer desires to implement Oracle Cloud Applications to replace and/or integrate with current business applications to meet their needs in targeted processes. This initiative will start in calendar year 2025. This section provides additional background on this initiative.

### Applications in Scope

The following Oracle Cloud Applications and technology are to be implemented:

Area	Oracle Product/Suite	Module/Processes
<b>ERP</b>	Oracle Fusion Enterprise Resource Planning Cloud Service	<ul style="list-style-type: none"> <li>Financials <ul style="list-style-type: none"> <li>General Ledger (GL)</li> <li>Budgetary Control and Encumbrance Accounting</li> <li>Accounts Payable (AP)</li> <li>Fixed Assets (FA)</li> <li>Expenses (EXP)</li> <li>Accounts Receivables (AR)</li> <li>Cash Management (CM)</li> </ul> </li> <li>Project Financials <ul style="list-style-type: none"> <li>Project Foundation</li> <li>Project Costing</li> <li>Project Billing</li> <li>Grants Management</li> </ul> </li> <li>Advanced Collections</li> <li>Financial Reports Center</li> <li>Transactional Business Intelligence (OTBI)</li> <li>Applications Extensibility Framework</li> </ul>
	Oracle Fusion Enterprise Resource Planning for Self Service Cloud Service	<ul style="list-style-type: none"> <li>Expenses</li> <li>Approvals</li> <li>Reporting Access</li> <li>Other Self-Service Transactions</li> </ul>
	Oracle Fusion Document Recognition Cloud Service	<ul style="list-style-type: none"> <li>Automated Invoice Processing</li> <li>Intelligent Document Recognition (IDR)</li> </ul>
<b>SCM</b>	Oracle Fusion Procurement Cloud Service	<ul style="list-style-type: none"> <li>Purchasing</li> <li>Supplier Portal</li> <li>Procurement Contracts</li> <li>Transactional Business Intelligence (OTBI)</li> <li>Applications Extensibility Framework</li> </ul>
	Oracle Fusion Procurement for Self Service Cloud Service	<ul style="list-style-type: none"> <li>Self-Service Procurement</li> <li>Punchouts</li> </ul>
	Oracle Fusion Supply Chain Execution Cloud Service	<ul style="list-style-type: none"> <li>Inventory Management</li> </ul>
<b>EPM</b>	Oracle Enterprise Performance Management Enterprise Cloud Services	<ul style="list-style-type: none"> <li>Planning and Budgeting <ul style="list-style-type: none"> <li>Operating (Line Item)</li> <li>Position (Workforce)</li> <li>Capital (CIP)</li> <li>Forecasting</li> </ul> </li> <li>Narrative Reporting</li> </ul>

<b>HCM</b>	Oracle Fusion Human Capital Management Base Cloud Service	<ul style="list-style-type: none"> <li>• Core HR (HR Organizations, Employees, Work Structures)</li> <li>• Position Management</li> <li>• Onboarding</li> <li>• Benefits</li> <li>• Absence Management</li> <li>• Workforce Directory Management</li> </ul>
	Oracle Fusion HCM Communicate Cloud Service	<ul style="list-style-type: none"> <li>• Journeys</li> <li>• Transactional Business Intelligence (OTBI)</li> <li>• Applications Extensibility Framework</li> </ul>
	Oracle Fusion Touchpoints Cloud Service	<ul style="list-style-type: none"> <li>• Employee/Team communications</li> </ul>
	Oracle Fusion Human Resources Help Desk Cloud Service	<ul style="list-style-type: none"> <li>• Employee/Team engagement</li> </ul>
	Oracle Fusion Time and Labor Cloud Service	<ul style="list-style-type: none"> <li>• HR inquiries</li> </ul>
	Oracle Fusion Payroll Cloud Service for United States	<ul style="list-style-type: none"> <li>• Time Reporting and Management</li> <li>• Rule-Based Time Recording</li> </ul>
<b>Technical</b>	Oracle Integration Cloud Service for Oracle SaaS	<ul style="list-style-type: none"> <li>• Payroll Processing</li> <li>• Compliance and Reporting</li> <li>• Automated Tax Filing</li> </ul>
		<ul style="list-style-type: none"> <li>• Data integrations</li> </ul>

## Phasing

The above 'In Scope' applications are tentatively aligned to be deployed in the following phases:

Phase I (Financials/Procurement Focus)	Phase II (HCM/Payroll/EPM Focus)
<ul style="list-style-type: none"> <li>• Enterprise Structure</li> <li>• Financials (ERP)</li> <li>• Expenses</li> <li>• Document Recognition</li> <li>• Procurement</li> <li>• Inventory</li> <li>• <i>Related Security &amp; Technology (Integrations, Reporting)</i></li> </ul>	<ul style="list-style-type: none"> <li>• Core HCM</li> <li>• Payroll</li> <li>• Time &amp; Labor</li> <li>• HR Help Desk</li> <li>• Communicate</li> <li>• Planning &amp; Budgeting (EPM)</li> <li>• <i>Related Security &amp; Technology (Integrations, Reporting)</i></li> </ul>

A detailed project schedule will be established after project kickoff including detailed tasks and deliverables. Specifically, Denovo and Customer will collaborate on planning, key activity/stage dates, and Go-Live dates with special consideration of the timing of Payroll cutover (if not on the calendar year).

For additional context and detail regarding the scope, methodology, and deliverables outline herein, reference is made to the proposal submitted by Denovo to the City. This Statement of Work shall be read in conjunction with said proposal, which forms an integral part of the contractual understanding between the parties.

## 3 Scope of Implementation Services

### Overall Services

Denovo shall perform implementation services necessary to enable the Oracle Cloud Applications to operate in a production environment for Customer, including services related to

- Project Management & Governance
  - Establish, in coordination with Customer, the necessary plan for governance, tools, resources, and risk mitigation to create and maintain a project management structure, including coordination and collaboration with Customer's assigned team.
  - See following "Project Governance" section.
- Organizational Change Management
  - Establish and implement an Organizational Change Management Strategy and Plan to help maximize employee adoption, usage of Oracle tools, and assist in minimizing resistance to the system and related Oracle Modern best practices/business processes.
- Design
  - Evaluate available Oracle Cloud business process flows against the functional requirements for application modules in scope to develop an enterprise solution approach. The process shall include a review of built-in best practices within the Oracle Cloud HCM applications using the "Fit-to-Standard" approach – this approach's intent is to streamline the business process flows with standard functionality in the Oracle applications to accomplish the intended objectives.
- System Configuration, Development, and Data Conversion
  - Configure, develop, and implement standard Oracle business process flows, scoped conversion objects, and scoped application interfaces. Conduct System configuration sprints to validate the business flow requirements.
- Testing and Validation
  - Plan and develop test plans, execution of testing and system, and final go-live preparation activities. This includes system integration and user acceptance testing, training, and production cutover plan finalization.
  - Manage quarterly updates throughout implementation.
- Production Go-Live and Support
  - Move project users, application managers, systems operation managers, and business functions, interfaces, and converted data from the pre-production environment to the live production environment.

### **Configuration/Customization Management**

The Customer plans to leverage out of box business processes – as such, no customizations are included in Scope - any such request would need approval by the Steering Committee. However, Oracle Cloud comes standard with built-in best practices that are configurable, and Denovo's objective is to help the Customer streamline the business processes and implement the standard process flows built into Oracle Cloud. The Customer acknowledges this may require changes in certain business processes and operating procedures. To ensure alignment with City priorities, the City will retain final authority over any proposed system changes or process reconfigurations. This governance role will be exercised through the Steering Committee, allow City to evaluate the operational impact of changes before they are adopted.

Oracle Cloud offers configuration options, enabling you to make the service unique to your business, including:

- **Flex fields** - allows for easy definition of additional fields and logic, so City can create custom attributes without programming. These fields capture data that is related to a specific purpose and corresponds to a pre-reserved column in the application database.
- **Workflow** - leverages a standards-based workflow service to deliver a robust Workflow and Approvals engine, enabling complex rules and routings. We deliver workflows out of the box which can be further configured as needed. Multi-level approvals may be defined based on supervisor or position hierarchies, and tasks may be accessed by emails or worklists.
- **Reporting and Analysis** - allows for the creation of dashboards and reports on both historical and transactional data by leveraging the Oracle Transactional Business Intelligence (OTBI) tool.

While customization is not available within the Oracle Cloud applications, supported extensions may selectively be considered. Through the use of composers in Oracle Cloud, authorized end users can perform configurations to the application that automatically save as XML files and preserved in the Metadata Services (MDS) Repository. Here are a few of the extension options:

- Page Composer - allows users to personalize their pages by, for example, adding, deleting or re-arranging portlets or changing headings and labels.
- Page Integrator- allows users to integrate and launch the third applications from SaaS application which allows to add icon and client groups.

However, Extensions using composer or any other methods are out of scope for this SOW and would require the Parties follow the Change Control Process.

## Data Loads

General Assumptions & Guiding Principles:

- Manual data loads will occur where data volumes are low and there is no time or cost benefit in automating the data loads. The exception would be high volume from going live.
- Data conversion method will be tested prior to the production conversion, based upon established Denovo load methodology. This is to forecast precise conversion timeframes and to validate/test programs during the Plan Phase
- Business freeze in multiple areas will be a critical and required component of the conversion effort and must be established and reviewed with business data owners, management and auditors. Business freeze requirements will be addressed in detail in the Conversion document and timelines will be established in the cutover plan.
- Specific data conversion requirements will be refined early during the Plan phase.
- Legacy data must undergo data cleansing by the Customer to reduce data volume and extract-program run time, to improve quality, and to minimize data integrity issues. It is the customer's responsibility to ensure data cleansing occurs in a timely manner to meet the accepted schedule.
- Conversion Lead and Conversion Developers will provide the input data to be loaded in the format expected by the load programs. This responsibility will include the gathering and cleansing of source data by the Customer.
- Converted data will be used during the CRPs and different testing events which will help identify data conversion and integrity issues.

## Data Conversions

The data conversion process is the foundation for documenting the scope, effort, and steps required to successfully perform each conversion. Each conversion identified during planning and design stages will go through the process of documentation, that involves development and creation of:

- Data conversion timeline
- Functional and possible technical specifications
- Data cleansing
- Legacy extract program(s)
- Oracle load program(s)
- Data staging requirements/sequence
- Error handling/audit requirements/procedures
- Execution of data conversions
- Reconciliation process
- Business Post Load Data Validation and Approval for use process

The following data conversions are targeted to be in-scope:

Current System/Module	Data Source / RDBMS	Data Set(s)	Scope & Assumptions
<b>1. General Accounting</b>	Oracle	Peoplesoft: GL	10 years of monthly summary balances plus current FY in Detail.

<b>2. Accounts Payable</b>	Oracle	Peoplesoft: AP	Open AP Invoices migrated into Oracle Fusion Payables for business continuity.  Migrate 10 years of Closed AP Invoices into repository (TBD) to include invoice lines, reference to POs, and payment details - limited details otherwise.
<b>3. Accounts Receivables</b>	Oracle	Peoplesoft: AR	Open AR Invoices migrated into Oracle Fusion receivables for business continuity.
<b>4. Treasury</b>	SQL	Cashiering System: Quadrant	Uncleared Checks as External Transactions in Bank Statement Reconciliation; Customer unapplied/On-Account Receipts
<b>6. Store Inventory</b>	Oracle	Peoplesoft: Warehouse Inventory	Active Items & cutover Quantity on Hand
<b>7. Budget Process</b>	Excel	Excel Budget Data	10 years of Adopted & Amended budget
	Oracle	Peoplesoft: Budget ledgers, detailed account level	10 years of Adopted & Amended budget
<b>9. Project Accounting</b>	Excel	Project Tracking Data	Active Grants, Active Projects and any additional Projects for the Active Grants
	Oracle	Peoplesoft: Summary of Budget to Actual	For all migrated projects, summarized Inception-to-Date (ITD) costs and revenue also migrated.
<b>10. Finance Fixed Asset</b>	Excel	MS Excel: Fixed Asset Data	Active Assets only included in the scope
<b>11. Contract Management</b>	Excel	MS Excel: Data related to contracts	Active Contracts for the remaining term
<b>12. Payroll</b>	Oracle	Peoplesoft: Payroll Data	All current and active earnings, deductions and statutory elements for active employees
<b>13. Benefits</b>	Oracle	Peoplesoft: Benefits	Active enrollments
<b>14. New Hire</b>	Oracle	Peoplesoft: New Hire	10 years of assignment history for Active employees
<b>15. Position Budgeting</b>	Excel	Position Control Data	10 years of history for Active positions
<b>16. Enterprise Purchasing</b>	Oracle	Peoplesoft: PO Data, Vendor Information	Vendors with activity in past 10 years. Active Purchase Orders.
<b>17. HR Data</b>	Oracle	Peoplesoft: HR Data	10 years of requested history to include summary historical database tables for inactive employees.

## Data Cleansing

The data cleansing process results in relevant and accurate data being converted from the legacy systems into Oracle. Data cleansing analyzes legacy application data to verify that data are correct, complete, consistent and convertible.

Data cleansing includes:

- Eliminating unnecessary data records
- Identifying and correcting inaccurate data
- Merging duplicated data, e.g., multiple vendor master files which will need to be consolidated for a single vendor.

- Reformatting and standardizing data so that it can be converted.
- Gathering information that does not exist in any legacy system but is required in the solution.

Refer to page 100 and 101 in the Denovo proposal where roles and responsibilities are further identified.

## Integrations

Oracle offers multiple ways to integrate Oracle Cloud Applications with your existing infrastructure and information technology assets, whether integrations call for real-time or batch interaction. These toolsets support real-time integration via web services, and bulk data styles of integration via flat-files and spreadsheets. Denovo and Customer will collaborate on the technologies and methods leveraged for the targeted integrations, leveraging Oracle Integration Cloud Service (OIC) and available REST and SOAP Services, as well as file-based methods.

### Oracle Integration Cloud Service (OIC)

Oracle Integration Cloud Service (OIC) will be utilized, as needed, to develop the scoped interfaces including the provisioning and configuring all scoped OIC services, establishing baseline network rules and security configurations, and establishing error handling, tracking, and scheduling setups. If needed, the OCI agent connectivity agent allows on-premises applications to interact with your SaaS applications in the cloud. Specifically, agent allows PaaS platform to connect to the on-premises applications, database and file servers to read/write data.

### REST and SOAP Services

Oracle Applications Cloud provides public REST APIs and SOAP web services you can use to support integration requirements and provide a standardized way of integrating Cloud services with other disparate application systems. In addition, ATOM feeds provide notifications of Oracle HCM events and are tightly integrated with REST services.

Detailed REST API documentation may be found at:

- HCM Cloud: <https://docs.oracle.com/en/cloud/saas/human-resources/25a/index.html>
- ERP Cloud: <https://docs.oracle.com/en/cloud/saas/financials/25a/index.html>
- SCM Cloud: <https://docs.oracle.com/en/cloud/saas/supply-chain-and-manufacturing/25a/index.html>

### File-Based

- Inbound file-based integration - You can use File-based Loader or Spreadsheet Loader as a powerful and efficient method of importing bulk data into Oracle Cloud Applications. The upload process can be scheduled to reduce manual intervention in the integration process. In addition, File-based Loader and Spreadsheet Loader leverage the core business objects that serve as the foundation for the Cloud solution—meaning that all edits, business rules and validation logic that an online user would be subject to also govern all data being loaded into the Cloud Applications as well. Spreadsheet Loader allows business users to work with data within a familiar Excel format and upload bulk data into the system.
- Outbound file-based integration - Oracle Cloud provides data extraction tools that can be scheduled to run to automate the data extraction and delivery process.
  - **The HCM Extract tool** is ideal for complex extraction needs on a defined set of HCM data objects. The data can be extracted into a number of different formats, including HR-XML, and delivered to destination systems through a number of different methods.
  - **Oracle Payroll Flow** is the tool to automate the sequence of activities in HCM which will help to import the data from external applications with multiple steps and Boomerang integrations where integration is needed to extract and update/process the information to SaaS.
  - **Oracle Transactional Business Intelligence (OTBI)** - Oracle Cloud Applications support data export by leveraging OTBI and Business Intelligence Publisher (BIP) for HCM to export any data of their Oracle Cloud. Users create export data sets based on queries. BIP offers the ability to export data into a variety of different formats, multiple delivery methods, data encryption, and scheduling capabilities to automate the entire process.

The following integrations are targeted to be in-scope:

#	Source Application	Target Application	Description	Type
1	US Bank	Oracle AP	P-Card	File-based / REST API
2	Commerce Bank	Oracle AP	Payments	File-based / REST API
3	Oracle AP	JP Morgan	ACH	File-based / REST API
4	Oracle AP	JP Morgan	Positive Pay	File-based / REST API
5	Tyler Land Mgmt.	Oracle AR	Civil Citation Billing, Payment data	File-based / REST API
6	Central Square	Oracle AR	Jail Booking Fees (for discussion)	File-based / REST API
7	ActiveNet Recreation	Oracle AR	Registration Fee Data	File-based / REST API
8	Pettrack	Oracle AR	Animal Licensing Payment Data	File-based / REST API
9	Tyler Land Mgmt.	Oracle Projects	Land, building data	File-based / REST API
10	AssetWorks	Oracle FA	Vehicle data	File-based / REST API
11	TeleStaff (Fire Dept.)	Oracle Time & Labor	Employee Name, ID No. Time reporting codes, Reporting Period, Number of Hours Worked	File-based / REST API
12	Oracle Payroll	PERS	Employee Name, PERS ID, PERSable Earning for the Pay Period, Beginning and End Date, Employee PERS Contribution, Survivor Benefits, PERS Buy Back	File-based / REST API
13	Oracle Payroll	PERS	Employ ID, Employ. Name, Empl. Total Earning, Employee and Employer Contributions, Payroll Beginning and End Date	File-based / REST API
14	Oracle Payroll	CA457	Employ ID, Employ. Name, Empl. sass, Amount	File-based / REST API
15	Oracle Payroll	Nationwide	Cost, name	File-based / REST API
16	Oracle Payroll	ICMA-RC & ICMA-401A (now called MissionSquare Retirement)	Employ Name, Employee Contributions, Employer Contributions	File-based / REST API
17	NeoGov	Oracle HCM	New Hire information	File-based or Manual
18	Laserfiche	Oracle (various)	Access to documents/records	REST API / URL Embedding

## Journeys

The Oracle HCM Applications provide the capability for customer defined journeys which is a collection of tasks to facilitate a business process. Journeys are configured based on business need and can have multiple tasks and/or task performers. The following Journey categories are available via the Oracle software and are used for specific purposes as follows:

- **Contextual Journeys** to configure tasks that need to be performed by different performers before a HR transaction. For example, tasks that a manager needs to do before a transfer action.
- **Guided Journeys** to support users by providing guidance, such as tutorials, company policies, and best practices in the context of an HCM flow. For example, tasks to help a line manager transfer an employee.
- **Survey Journeys** to create a survey and assign it to people in your organization. For example, regular pulse surveys to seek feedback on workplace satisfaction or a general survey to provide feedback on the onboarding process.

Denovo has included the following base journeys:

- **Onboarding Journey** to include two (2) participants (new hire, and reporting manager), and up to six (6) tasks (including W4, I9).
- **Offboarding Journey** to include three (3) participants (Employee, Reporting Manager, HR) and up to (4) tasks

(including exit interview/survey, return of asset declaration).

- **Additional Contextual Journeys** typically for HR data entry needs – two (2) included.
  - Additional Journeys may be configured should it be determined by Denovo and Customer that a Journey provides the most appropriate solution to any of the requirements outlined within the RFP. The additional Journeys shall be added through a change order to this SOW.

### Approval Workflows

Denovo shall configure a select number of approval workflows. Denovo will explain and advise the Customer on typical usage of approval workflows via knowledge sharing. The City/Customer will have discretion on the number of approval workflows selected. Denovo has allocated 480 hours which are available at Customer's discretion to apply towards the development of selected and prioritized approval workflows.

### Fast Formulas

Denovo shall configure a select number of fast formulas for eligibility, payroll and time entry rules. Denovo will explain and advise the Customer via knowledge sharing. The City/Customer will have discretion on the number of approval workflows selected. Denovo has allocated 640 hours which are available at Customer's discretion to apply towards the development of selected and prioritized fast formulas. Fast formulas may include, but are not limited to, the following:

- Various payroll rules
- Leave accrual calculations
- Leave accrual balances compared to allowed carryover maximums

### Reporting

Denovo shall enable and/or make available standard Oracle reports for the Oracle Applications being deployed. Denovo will explain and advise the Customer users on typical usage and applicability of the Oracle reporting tools namely, Smart View, Oracle Transaction Business Intelligence (OTBI), Financial Reporting studio, and OTBI power user access via knowledge sharing. Denovo has allocated 1,600 hours which are available at Customer's discretion to apply towards the development of selected and prioritized custom reports. The City/Customer will have the discretion on the selected custom reports being developed.

### Testing & Validation

The bulk of user testing occurs during our Test phase. Customer stakeholders will be required to work with our consultants to develop system integration testing (SIT), which is end-to-end process testing, and user acceptance (full system testing with roles and documentation) test scripts and your stakeholders will implement these tests under the guidance of Denovo consultants.

Issues are identified in each test cycle and resolved/retested until acceptable prior to accepting the results of that test cycle, the following test cycles will support the project:

- **During System Integrated Testing (SIT)**, the Customer's stakeholders (with assistance from Denovo consultants) use the test scripts to validate the end-to-end processes function correctly (including connectivity to outside systems). Denovo consultants again resolve issues or retesting by your stakeholders. The Customer will assist with any coordinated initial testing with 3<sup>rd</sup> party systems.
- **User Acceptance Testing (UAT)** is the final opportunity to validate that the system is ready to roll out to production. The stakeholders (with Denovo assistance) validate all aspects of the system and approve results. The Customer will assist with any coordinated end-to-end testing with 3<sup>rd</sup> party systems – a formal Payroll Parallel is not anticipated.
- **Data Conversion Validation** is a repetitive process to ensure that conversion routines function properly and that both the automatic and manually converted data results are expected. This validation is the responsibility of the Customer stakeholders.

The project will follow a structured testing methodology that includes:

- Create a Test Plan that is reviewed and agreed to by the key project team members and the Steering Committee.

- Create the test cases and scripts based on the best practice business flows.
- Determine the input data and expected results for each test.
- Execute the tests in a controlled environment.
- Address prioritized issues, and retest.
- Monitor and report the results of each test.
- Plan for, and regression test, where needed.
- Track and report the progress of the testing effort in the Project Status Reports and the Project Plan.
- Obtain formal approval from the testers and the Customer management that the test was successful and demonstrated that the system will support their business requirements.

During the Project Management Activities at the beginning of the project, Denovo and the Customer will create several deliverables together including a Test Management Plan inclusive of managing plans around quarterly updates. It contains the overall scope of what will be tested, the testing methodology that will be used, the types of tests that will be executed and the dependencies, assumptions and responsibilities for each test cycle.

### **Organizational Change Management**

Denovo concentrates highly on activities that harness employees' knowledge to create organizational knowledge. As such, the primary purpose of the Organizational Change Management (OCM) strategy is to facilitate a smooth transition to Customer's new Oracle Cloud HCM system. Denovo's Change Management lead, in consultation with Customer, shall develop an Organizational Change Management strategy based on a standard methodology, best practices from previous Denovo project implementations, and consideration of Customer's culture and bandwidth.

Once the change management strategy is created, Denovo and Customer's Change Management Lead will jointly be responsible for executing the plan. Guidance, coaching, and Denovo tools/templates shall be provided to support Customer's change management personnel for the execution of the OCM activities throughout the project lifecycle. Throughout the project the Customer will lead COM-related communications.

### **Training**

Denovo will collaborate with Customer to establish a training strategy, in concert with OCM activities. Throughout the project the Customer's core team (i.e., Super Users) will receive exposure to the solution, and informal training through knowledge sharing, participation in design, and hands on activities. This prepares the core team to be the lead trainers and the sole audience for Denovo's "Train-the-Trainer" model.

Denovo shall provide Customer role-based training using the Train-the-Trainer model whereby Denovo will conduct the first session of each topic to be leveraged for Customer's expanded training to end users. Denovo shall be responsible for creating training materials based on the standard base Oracle transactions, as well normal variations/use cases that have been solutioned for the customer. Exceptions, unique variations, manual tasks, policy related and other processes/transactions that go beyond the base transactions will be created by the customer's training team, re-using the Denovo provide base training material where possible. Denovo training documents will be provided in an MS Office format (or other agreed to formats where applicable), complimenting Oracle's online tutorials, training materials and videos. Customer may also enhance the training material by adding above mentioned exceptions and variations, non-system related policies, user procedures, and other examples or comments to enhance the materials.

End-User training is done by the core team (i.e., Super Users). At a point when Oracle Learning is in production and users enabled, Customer may add to catalog and assign to end users. If needed, Denovo can provide both Train-the-Trainer programs and End-User training if requested as additional services. Additionally, should the Customer desire to use members of a Learning and Development team instead of customer core team members, Denovo will analyze schedule

and effort impact, as typically adding non-core team members to perform training requires extensive activities to bring them “up to speed” on how to use Oracle and the related solution.

### Documentation

Following our methodology templates, Denovo will prepare the following system documentation/artifacts in addition to the project deliverables:

- Enterprise Structure design
- Requirements Questionnaires and RTM
- Pre-Planning, Strategy and Design documents
  - Change Management, Training, Data Conversion, Integration, Reporting
- Configuration Worksheets
- Test Scripts
- Training Materials
- Cutover Plan
- Technical Reference Manual (including System Architecture)

### Production Cutover Activities

Denovo will develop a deployment plan by compiling the cutover activities to migrate from their current application to the new solution. The deployment plan will be executed during the cutover period and Customer will be required to validate the application before taking over and commencing operations on the new solution.

### Post-Production Support

Denovo will provide four (4) weeks of “Hypercare” for each deployment. This Hypercare period focuses on managing critical issues that affect the production system and its operational use. In addition to critical issues, Hypercare provides the opportunity to address non-critical issues prioritized by the Customer. These non-critical issues are typically items end users identify as they start to use the system; often, it can be a business process that doesn’t work as they expected, requiring a work-around or items that they would like to change to provide a better user experience and/or transaction process. Hypercare does not include new development.

The logging and management of post-production support issues is based on the use of Denovo’s standardized Smartsheet based issue tracker (repurposed from prior testing/issue tracking events). Should the customer desire to use something different than Denovo’s standard Smartsheet tool Denovo will analyze schedule and effort impact, as Denovo’s methodology and timeline is build on leveraging our internal project best practices, process, tools and artifacts.

Hypercare generally includes:

- On-Demand Production Systems support
- Issue troubleshooting and resolution (excluding Oracle product defects)
- Coordination with Oracle Support
- Testing/Retesting Support
- Applicable Quarterly Release uptake in DEV, TEST & PROD environments during the four-week period

Denovo Responsibilities	Customer Responsibilities
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<ul style="list-style-type: none"> <li>• Provide process, tools, and approach for issue triage, logging and managing</li> <li>• Provide support management, functional and technical resources, with knowledge of the implemented solution; in most cases these will be team members who implemented the solution.</li> <li>• Manage and conduct triage, troubleshooting and ticket resolution.</li> <li>• Provide Knowledge Sharing to Customer's post-Hypercare support team</li> <li>• Produce bi-weekly Hypercare status report</li> </ul>	<ul style="list-style-type: none"> <li>• Identify and log tickets, meet when needed with Denovo support team to triage, troubleshoot, test, and approve production release of final ticket resolution.</li> <li>• Manage and conduct testing of resolution.</li> <li>• Review and align any recommended workaround/business process changes.</li> <li>• Participate in Knowledge Sharing from Denovo team</li> </ul>
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Denovo will leverage a ticket-based system to track issues to closure. Additionally, final system documentation, including updated configuration documents, will be delivered.

## 4 Project Deliverables

The following table includes the core deliverables for this project:

Project Stage	Deliverable	Type	Acceptance Criteria
<b>Initiate</b>	Project Kickoff	Event	Kick-off presentation prepared and delivered
	Project Plan and Schedule	Document	A project plan, aligned to duration depicted in the SOW has been published. The plan depicted major activities, high level tasks, resource assignment by organization, target end dates and dependencies.
	Organization Change Assessment Report	Document	An OCM Assessment report, resulting from interviews and observation, is published. The report contains findings related to executive and stakeholder alignment, organization transition readiness and recommendations to facilitate transition to the new solution.
<b>Design</b>	Design Workshops	Event	Scheduled design workshops have completed, results are documented, and a plan exists to resolve any remaining open issues. The City/Customer will have discretion should additional design workshops be required to leverage the system to its full capabilities.
	Future State Business Process Flows	Document	The high-level Future State process flows based on Oracle's Modern Best Practices are published and reflect process flow refinements identified during the design workshops.
	Fit/Gap Document	Document	A document identifying where the existing Oracle solution does not meet business process needs has been published. The document contains recommendations on how to close any gap in functionality. The City/Customer has discretion on which recommendations are accepted and executed.
<b>Configure</b>	CRP1 Complete	Event	CRP1 is completed, results are documented, and a plan exists to address configuration changes and/or remaining open issues.
	CRP 2 Complete	Event	CRP2 is completed, results are documented, and a plan exists to address configuration changes and/or remaining open issues.

<b>Test</b>	System Integration Testing (SIT) Complete	Event	System Integration Testing has completed, results are documented, and a plan exists to address High/Critical open issues.
	User Acceptance Testing (UAT) Complete	Event	User Acceptance Testing has completed, results are documented, and a plan exists to address High/Critical open issues.
<b>Deploy</b>	Training Delivered	Event	Train-the-Trainer Training delivered as per plan. Feedback gathered for end user training. Denovo will provide training documents to the City/Customer for customization.
	Solution Deployed to Production	Event	A go/no go decision has been completed. The solution configuration and supporting code has been migrated to production, as has business data. The system is available for operational use.
	Post-Production Support Period Complete	Event	Production Support and stabilization services ("Hypercare") delivered for four (4) weeks, including oversight of two (2) pay periods.

### **Deliverable Acceptance Process**

For purposes of acceptance of the Solution (or portions thereof), the parties intend to use the following staged acceptance procedure for system and non-system deliverables.

#### Non-System Event Deliverables

All completed non-system deliverables (e.g., documents or artifacts) will be reviewed by Denovo's Project Manager and emailed to the Customer Project Manager (or uploaded to the designated project repository). Denovo Project Manager shall notify the Customer Project Manager and submit a Deliverable Acceptance Certificate. Upon Denovo's submission of a completed Deliverable, Customer shall review the Deliverable and approve it or notify Denovo of the discrepancies and errors found in the Deliverable, within seven (7) consecutive business days, unless otherwise mutually agreed to in writing by the Project Managers of both the parties.

If Customer requires revisions to the submitted deliverables, all the required changes will be consolidated by the Customer Project Manager into one document and provided to Denovo Project Manager within the stipulated time period. Denovo will then revise the Deliverable or satisfactorily provide written explanation of the reasons for Accepting the Deliverable "as is" within seven (7) consecutive business days. Upon receipt of the revised Deliverable or receiving a satisfactory written explanation for the deficiencies identified, the Customer Project Manager will verify that the changes were incorporated and accept the deliverable within seven (7) consecutive business days using the Deliverable Acceptance Certificate. In the event that neither approval nor feedback from Customer is received within stipulated time period, the deliverable shall be considered approved.


#### System Event Deliverables

Upon completion of a system event (e.g. CRP Complete), the Denovo Project Manager shall submit a Deliverable Acceptance Certificate to the Customer Project Manager. Upon Denovo's submission, the Customer Project Manager shall verify the completion of the system event and provide an acceptance within seven (7) business days.

Except as otherwise provided herein, Customer shall not use the Deliverable in a production environment or in the ordinary course of the conduct of their business prior to Acceptance of the Deliverable and such use shall, without the written consent of Denovo, be deemed Acceptance of such Deliverable.

#### Deliverable Acceptance Certificate

This deliverable acceptance template will be utilized to formally document the completion of deliverables associated with payment milestones.



**Customer Contact Information**

<b>Project</b>	
<b>Author</b>	
<b>Preparation Date</b>	
<b>Customer Name</b>	
<b>Contact Name</b>	

By signing below, you are acknowledging the receipt and acceptance of the specific documents below and acknowledge that items shown as 'pending', if any, are being deferred to a later time.

**Pending Tasks or Comments**

	Task or Comments	Est. Completion Date

**Completed Deliverable(s)**

	Deliverable	Comments	Date Created / Completed

**Signature Block**

Resource	Entity	Signatures	Date

## 5 Project Governance

Denovo will deliver the Services under a governance structure formed by Denovo and Customer to enable the following objectives:

- Empower a strong cross-functional team with clear accountabilities and responsibilities.
- Enable transparent monitoring and reporting of all Project activity through weekly status reporting, project plan status, as well as regularly scheduled meetings.
- Manage risks and escalations effectively through the use of the RAID log and RACI chart, described in the Project Charter.
- Build control mechanisms to protect all employees and the program.
- Enable effective decision making at an appropriate level.
- Manage quality and compliance.
- Enable engaged and empowered employees across the organization.



In support of these objectives, the Project governance organization and Customer's role within it will be structured as depicted above.

Denovo will support Customer's management presentations to the Executive Steering Committee to provide status of Denovo services and/or answering clarifying questions about Denovo's activities.

Key governance committees and roles and their corresponding responsibilities are as follows:

Committee and/ or Role	Responsibilities
Executive Steering Committee ("ESC")	<p>Consisting of executives from Customer, the ESC will meet monthly throughout the Project and otherwise as needed. ESC members are the primary source for communicating Customer long-term goals and vision, setting priorities, approving scope changes, and resolving Customer issues. The ESC aids in promoting the Project throughout the organization.</p> <ul style="list-style-type: none"> <li>• Ultimate authority and accountability for the budget, scope, schedule, and success of the Project</li> <li>• Establish overall definition of success for the Project.</li> <li>• Monthly review of all key performance indicators and business value metrics</li> <li>• Final point of escalation for scope change, issue resolution, resources, and risk management</li> <li>• Executive stakeholder representation at all key milestone events</li> <li>• Verify alignment with Customer strategy and guiding principles.</li> <li>• Commit the required resources to the Project.</li> <li>• Set and measure the metrics for the Project and hold Customer Project team members accountable to those metrics.</li> <li>• Empower Project leadership and the project teams to make decisions.</li> <li>• Resolve escalated issues</li> </ul>
Project Management Office (PMO)	<p>The joint Denovo/City Project Management Office will provide end-to-end coordination, visibility and governance over planning and delivery to achieve the Project's defined strategic objectives and scope while keeping the various projects comprising the program on-schedule and within budget:</p> <ul style="list-style-type: none"> <li>• Provide a consistent disciplined approach to project management across the Project.</li> <li>• Manage communications to Project Sponsors and other Customer leadership forums.</li> <li>• Define and maintain the standards within the Project.</li> <li>• Development, distribution, and enforcement of standardized project management policies, processes, and procedures throughout the entire Project</li> <li>• Maintain focus on Project goals and objectives.</li> <li>• Develop metrics for project status reporting, including scope, schedule, cost, and risk.</li> <li>• Attend all ESC meetings and represent the Project to the Sponsors.</li> <li>• Provide updates and recommendations to the Project Executive Sponsors and ESC</li> <li>• Monitor issues and risks and escalate those that cannot be resolved.</li> </ul> <p>Denovo's PMO will:</p> <ul style="list-style-type: none"> <li>• Provide generic/blank project governance templates for Customer's consideration.</li> <li>• Provide input into Customer's governance strategy.</li> <li>• Provide input on Customer's project plan and assist Customer with the administrative gathering of information relating to status tracking of Denovo activities.</li> <li>• Support Customer to draft issues and risks and provide recommendations on actions to remediate based on Customer input; Customer needs to identify the issues and risks and determine the remediation plan.</li> </ul>

Unless otherwise agreed as part of the to be established governance process, the City Executive Sponsors and the City Project Manager will have overall responsibility and authority for timely driving all project decisions, reviewing and approving all deliverables, facilitating discussion and communication among stakeholders as needed, and securing any required City or third-party resources not under Denovo's control. The City Executive Sponsors and City Project Manager shall coordinate all activities related to this effort.

### Schedule Management

In relation to Schedule Management Denovo leverages a Smartsheet project plan/WBS that includes listing of activities, deliverables, and milestones and is available for all project team members to view in support of meeting schedule commitments. The Smartsheet project plan includes a planned start and finish date, duration, task dependencies, and resources assigned to each activity.

### Risk Management

Risk management is the process of identifying, assessing and controlling threats that may impact the successful implementation of this project. These risks stem from a variety of sources technology issues, resourcing estimation, and communication breakdown.

As risk is a shared exercise among business leaders and teams across the enterprise, the Parties share responsibility for identifying, mitigating and communicating potential risks and disruptions. One of the simplest ways to improve collaboration between project teams and business units is to improve communication between the two. Denovo will bring, as part of the Project Governance process and tools, a Smartsheet based Risk, Action Item, Issue, and Decision (RAID) log.

### Contract Management – Change Control

A Project's scope clarifies and defines the construct, depth, and breadth of project, as well as sets the foundation for the resources/effort, schedule and ultimately the expected realization of the project's benefit to the Customer. The Change control process works to support scope management to ensure the execution of the project is in alignment to the budget, effort, and schedule. Additionally, when one or more of these facets require an adjustment, the change control process provides clear direction to both Parties for managing adjustments/exceptions. Change control achieves this by providing a managed process to document, assess, review, and facilitate approval/rejection of a potential impacts to a project's progress, schedule, scope, and/or costs.

The Customer's Project Manager, in collaboration with Denovo's Project Manager, is responsible for managing changes to the project. Leveraging Denovo's Change Control Process and its artifacts both Parties' Project Managers will ensure changes are documented, reviewed, and agreed upon as part of the formal approval process.

The following steps describe change control process needed for any material change:

#	Step	Description
1	Identify a Change	Any team member can identify a change to scope, schedule and/or budget/effort. The team member communicates the identified change to the Project Manager(s).
2	Generate Initial Change Request	The Denovo Project Manager creates and logs an initial Project Change Request (PCR) form to formalize the request using Denovo's standardized PCR form. The PCR is assigned to a Denovo analyst to progress Research and Impact analysis of the potential change.
3	Research Change Request	Research and Impact Analysis is performed by a Denovo analyst(s), and an internal Denovo review cycle is initiated. The PCR is updated accordingly based on the results of the internal Denovo review.  The following items are considered as part of research into a specific Change Request.

#	Step	Description
		<ul style="list-style-type: none"> <li>• Business Need/Impact – What is the impact on the business if this change is implemented? What are the benefits to be achieved with this change?</li> <li>• Cost — What are the financial aspects of the change? How is the budget affected?</li> <li>• Timeline — What happens to commitments that the program team has already made?</li> <li>• Deliverables — What modifications must be made to existing deliverables?</li> <li>• Effort and Resources — What resources are required? What is the expected effort to make the change?</li> <li>• External Impacts — Impacts to other related programs and/or teams.</li> <li>• Other Implications — Risks or quality considerations? Implications of no change?</li> </ul>
4	Recommend Resolution to Customer	The PCR is provided to customer's Project Manager, as well as presented to key stakeholders to confirm understanding, share the impact and support customer's evaluation of the recommendation in the PCR
5	Customer Review and Guidance	Customer's Stakeholders review the PCR and recommendations, providing clarity and guidance as required prior to the formal submission of the PCR by Denovo.
6	Formal Approval/Rejection	The Change is formally submitted, with details regarding the change and impact. The customer reviews the change and either approves it or rejects it.
7	Finalize the Change	If the change is rejected, the overall change log is updated to reflect the change status. If the change is approved, it is incorporated into the project as documented in the change request and progressed as approved.

In addition to the process steps above, the following applies to the Change Order process:

- Either Party may request changes to the Services and/or Deliverables, the Project Schedule, the parties' respective responsibilities, the inclusion of additional Services, as well as other aspects of the SOW (each represents a "Change Request"). Denovo will prepare a Change Request describing any applicable change, the effect that the change will have on the Services, Deliverables, parties' respective responsibilities, schedule, or other aspect of the SOW.
- The Customer Project Manager will evaluate proposed Change Requests to determine whether such proposed Change Request will be (i) mutually approved, (ii) rejected, (iii) sent for further analysis or identified as requiring additional detail ("Impact Analysis"), or (iv) deferred. The proposed Change Request will be assigned to a team comprised of representatives of both Parties to complete this analysis.
- To the extent the changes to be implemented in accordance with a Change Order impact the fees, Denovo shall promptly submit materials and information showing the anticipated impact of such Change Order. No Change Request or Change Order shall be implemented unless and until Denovo and Customer have approved such Change Order in writing. These types of Change Orders will have to be escalated by Customer Program Manager to the Executive Steering Committee and Sponsor Team for final approval and acceptance.
- Approved Change Requests will be subject to amendment to the Contract.

### Escalation Procedures

It is the intent of Customer and Denovo to resolve disputes and other issues in a constructive manner that reflects the concerns and commercial interests of each party. Each team, committee or board shall work in good faith to promptly and fully resolve all disputes or issues submitted for their review. Where possible, disputes or issues will be resolved by the appropriate levels of authority without the need for escalation. From time to time, however, disputes may arise that cannot be resolved despite the best efforts of the members of the applicable team, committee, or board. In such cases, the following steps are to be followed in escalating disputes or issues between the parties.

1. Customer and/or Denovo may decide that escalation is appropriate when resolution of an issue appears unachievable at the work stream, Denovo cloud transformation program manager or City Project Manager levels of the project organization.

2. **Escalation:** If a resolution is not reached in the levels described above, the issue will be escalated. If an issue is escalated:
  - **Documentation:** The relevant team will consult with the City Project Manager to develop a short briefing document called 'Statement of Issue for Escalation' that describes the dispute, relevant impact of the dispute, and the position of each party. Denovo Project Manager may assist the City Project Manager in the creation of this briefing document.
  - **Executive Sponsor Authority and Executive Steering Committee:** City Executive Sponsors will be assisted by Denovo Sponsors to resolve a dispute or an issue. If the Executive Sponsors are not able to resolve the matter, a meeting will be scheduled with the Executive Steering Committee as promptly as possible. Such a meeting may be carried out by telephone or video conference. The Statement of Issue for Escalation will be sent in advance to the committee.
3. **Final Resolution:** If, for any reason the members of the Executive Steering Committee are unable to resolve a dispute after the dispute is first escalated, either party may proceed to pursue any rights and remedies not prohibited by the SOW.

### Communications Management

The communications management aspect of project management is, by definition, the media component of the project. Through a communications management plan, system the data is managed and transferred from origin to the various action centers. Denovo recognizes communications management is the key to getting things done.

The basic components in the process are the human resources utilizing their respective skills and knowledge; the hardware and software systems; the decision-making procedures; and the language interpretation processes.

Denovo shall not engage in any communication with the media or the public related to the Work without the prior written consent of the City.

### Project Documentation Repository

A Project Repository (Smartsheet and SharePoint) will be used for document collaboration. This includes all documents and logs including, but not limited to, deliverables, supporting documents for deliverables, RAID logs, status reports, minutes of meetings, design documents, and configuration data. The project repository tool will be used as the central repository for the project. Customer and Denovo Project Managers will create the structure for the repository, and in partnership with Customer, will determine the access levels of the project team members for the artifacts. A separate communication will be sent to the project team members to inform them on the location, structure, accessibility, process for creating, uploading, modifying, and viewing the artifacts within the repository.

The project repository will be hosted by Denovo with access being provided to key team members of the Project. All Customer-specific collateral will be available for download for sixty calendar days at the end of the project.

## 6 Team Roles and Expectations

Denovo will work cooperatively with City staff and, if applicable, the staff of other City contractors to ensure the completion of the Work. City may, in its sole discretion, use other contractors to perform activities related to the Work that are not contained in the Contract or to perform any of the City's responsibilities. In the event of a conflict between Denovo and any other City contractor, the Parties will resolve the conflict through the Escalation Procedures in Section 5.

Denovo will ensure that all tasks and reporting requirements are completed on time and to the City's specifications.

Denovo will meet regularly with the City Project Manager to discuss updates and any significant deviations from the milestone schedule outlined below. The frequency of these meetings will be weekly with the timing determined by the Denovo and City Project Managers. The meetings should include discussion of potential and real project risks. Denovo

shall use the project plan in these regular meetings with the City Project Manager and will update the project plan as necessary before these meetings.

This section describes the project team roles and responsibilities, and Customer engagement expectations.

### High Level Tasks and Responsibilities

The tables below identify the lead responsibility for Denovo and Customer for key tasks on the project.

<b>Lead</b>	The party that is responsible for performing the task and performing majority of the work.
<b>Co-Lead</b>	The parties shall share responsibilities for performing the tasks and work.
<b>Assist</b>	The parties assist in actively creating part of the Deliverable or performing the activity

The designated Customer participants shall be made available during the project for the interview, system demonstrations, system testing, decision-making, and other tasks related to this project.

Role/ Resource	Responsibility	Denovo	Customer
<b>Executives Sponsors</b>	Project Oversight	Co-Lead	Co-Lead
	Resolution of Escalated Issues	Co-Lead	Co-Lead
<b>Project Manager</b>	Planning and Management	Co-Lead	Co-Lead
	Status Reporting and Project Team Communication	Co-Lead	Co-Lead
	Steering Committee Reporting/Communications	Assist	Lead
	Project Communication to Stakeholders	Assist	Lead
	Risk Management	Co-Lead	Co-Lead
	Issues Management	Co-Lead	Co-Lead
	Denovo Resource Allocation	Lead	-
	Customer Resource Allocation	-	Lead
	Scope Control	Co-Lead	Co-Lead
	Change Order Processing	Lead	Assist
	Deliverable Review and Approval	Assist	Lead
	Stage Gate Signoff	Assist	Lead
	Customer System 3rd Party Vendor Management	-	Lead
<b>Change Management / Training Lead / Trainers</b>	Initial OCM Analysis	Co-Lead	Co-Lead
	Develop Change Management Strategy	Co-Lead	Co-Lead
	Execute Change Management Strategy	Assist	Lead
	Communicate organization changes	Assist	Lead
	Identify impacted stakeholders	Assist	Lead
	Manage Customer Change/Acceptance	Assist	Lead
	Conduct Go-Live Readiness Assessment	Co-Lead	Co-Lead
	Training Plan Development	Co-Lead	Co-Lead
	Training Curriculum Definition	Lead	Assist
	Training Plan Execution – Train-the-Trainer	Lead	Assist
	Training Plan Execution – End-User Training	Assist	Lead
<b>Enterprise / Solution Architects</b>	Functional Design	Lead	Assist
	Technical Architecture	Lead	Assist
	Technical Design	Assist	Assist
	Quality Assurance	Assist	Assist
<b>Process Owners / Business Lead &amp; SMEs / Functional Leads</b>	Process Decisions	-	Lead
	Functional Design	Lead	Assist
	Business Process Standardization	Assist	Lead

Role/ Resource	Responsibility	Denovo	Customer
	Solution Regulatory Compliance, with the exception of requirements identified within the Contract	-	Lead
	Conduct CRPs	Lead	Assist
	Functional Issues Resolution	Lead	Assist
	Configuration Documentation	Lead	Assist
	Data Cleanup and Validation	Assist	Lead
	Create Test Scenarios	Assist	Lead
	Create Test Plan	Co-Lead	Co-Lead
	Create Test Scripts	Lead	Assist
	Data Reconciliation (for conversion and integration)	Assist	Lead
	Unit Testing	Lead	Assist
	System Integration Testing (SIT)	Lead	Assist
	User Acceptance Testing (UAT)	Assist	Lead
	Create Train the Trainer Material	Lead	Assist
	Document Functional Use Cases	Lead	Assist
	Training Delivery	Assist	Lead
Technical / Conversion / Integration Leads	Technical Design	Lead	Assist
	Configuration and Build Activities	Lead	Assist
	Data requirements and templates	Lead	Assist
	Data extracts from legacy and third-party systems	-	Lead
	Data cleanup	-	Lead
	Data loads	Co-Lead	Co-Lead
	Data Reconciliation (for conversion and integration)	Assist	Lead
	Interface Development	Lead	Assist
	Reporting Development	Co-Lead	Co-Lead
	Security Configuration (setup users, roles, etc.)	Co-Lead	Co-Lead
	System Integration Testing (SIT)	Lead	Assist
	User Acceptance Testing (UAT)	Assist	Lead
	Compliance of technical configurations with Customer standards for Security, IT Compliance	Assist	Lead

### Customer Engagement Expectations

The following table highlights the “Total Estimated Project Average participation” by Phase, role and project stage for Customer team member engagement. It is important to understand the demand of this workload on the Team to help manage their day-to-day activities and still be able to participate in the project for a successful transformation.

Moreover, Denovo acknowledges that Customer personnel may fill more than one role and be involved in multiple phases, impacting allocation levels over time. As such, the Denovo and Customer Project Managers will reconfirm and/or refine the time allocations by role and update the Project Plan, Project Team as needed based on Holidays, Vacation or Company work demand.

Role	Initiate	Design	Configure	Test	Deploy
Executive Sponsors	5%	5%	5%	10%	10%
Project Manager	75%	75%	75%	75%	75%
Change Mgmt. Lead	0%	5%	10%	40%	80%
Process Owners	10%	60%	40%	60%	60%
Functional Lead(s)	10%	40%	40%	80%	80%
Technical Lead	10%	80%	80%	80%	80%
Data Conversion Lead	10%	40%	80%	80%	80%
Integration Lead	10%	40%	80%	80%	80%
Additional SMEs	0%	20%	20%	60%	60%

Role	Initiate	Design	Configure	Test	Deploy
Additional Testers	0%	0%	0%	60%	60%

## 7 Assumptions

The scope, timeline and estimated cost are based on the following assumptions. A change in these assumptions may impact the project.

### Scope and Solution Assumptions

1. Denovo's scope and estimates are based on our current understanding of the and various important assumptions we made about the project, including assumptions about how your organization will share in the project work. Any change to the project assumptions could impact the overall project cost and may require the Contract Change Request process to be followed.
2. Onsite travel assumed as 20-25% for onshore resources per the typical model. Denovo will work with Customer to align expectations for onsite delivery.
3. Oracle Cloud provides good documentation and videos for training. Customer will take a leadership role in pulling together and organizing the training collateral to ensure it aligns with their business processes. Denovo will provide working examples and assist with this process.
4. No additional third-party solutions (e.g., time clocks, etc.) are required. The cost of any such solution, configuration and related activities is not included in the SOW price.
5. Oracle Cloud does not support any direct database access. All integrations must be supported by direct file integrations (HDL, etc.) or supported Oracle APIs.

### Project Execution Assumptions

6. **Standard Processes** – Customer will accept standard Oracle business flows and 'Modern Best Practices'. City/Customer will have final authority on acceptance to ensure 'Modern Best Practices' align with the City/customer needs.
7. **Standard Functionality** – The Oracle software is designed to provide configurable capabilities to Enable commonly used modern best practices. The Customer agrees they will leverage standard functionality without customization and adopt Oracle modern best practices where feasible and practical for their business. Where necessary, the Customer agrees to modify their current business processes or practices to leverage the capabilities of the Oracle software as it was designed. The City/Customer will have final authority in identify the business processes to be modified. In situations where the software does not support a requirement of the business, Denovo will work with the Customer to find a suitable work around, including a manual process, if necessary, to avoid customizations of, or extensions to, the application.
8. **Personalizations** – The Oracle software provides capabilities for user defined personalizations, including but not limited to hiding and moving fields, adding additional validation or navigation logic, customizing the look and feel of a page, etc. Personalization's have not been identified at this stage (as they are dependent on personal/organizational preference) but may be included in the project via Change Request.
9. **Environments/Instances:** Where this document refers to environments/instances, it is referring to one of the following environments to be established for this project: DEV, TEST, PROD.
10. **Data Conversion** - Customer will be responsible for all data extraction, mapping and data cleansing activities to support the data conversion effort. Data conversions will be limited to active data and whatever data is needed to properly utilize the functionality within Oracle. Denovo will supply Customer with a data format for all information to be converted. Data quality issues resulting from incorrect or duplicate data are the Customer's responsibility and may result in additional effort and cost for Denovo.
11. **"Train-the-Trainer" Model** - Our methodology assumes a "train-the-trainer" model, which means we train the core project team, who will be responsible for training end users. Denovo will mentor the customer's team through this process.

**12. Data Cleansing** - Customer will take a leadership role in cleansing their legacy data and organizing the information to be imported into Oracle HCM Cloud. Data cleansing includes:

- Eliminating unnecessary data records,
- Identifying and correcting inaccurate data,
- Merging duplicate data, e.g., multiple vendor master files, which will need to be consolidated for a single vendor,
- Reformatting and standardizing data so that it can be converted,
- Gathering information that does not exist in any legacy system but is required in the Denovo solution, Learn the Oracle Cloud import process.

**13. Journeys** – journeys required to complete the proposed solution are described in this SOW based on the information provided by Customer. Additional journeys may be included in the project via Change Request and estimated individually.

**14. Approval Workflows** – approval workflows required to complete the proposed solution are described in this SOW based on the information provided by Customer. Additional workflows may be included in the project via Change Request. The following assumptions can be used as guidelines to understand how the complexity affects the underlying work effort and associated estimates that have been presented for the workflows envisioned for this project. The City/Customer will be at the discretion in the identification of workflows that are selected.

- **Low complexity** means a workflow with one (1) level of approval, no FYI notifications to system users, and any workflow triggers are aligned to standard available fields in Oracle (excluding any custom DFF, values, and/or other data unique to the customer). Development, testing and related full lifecycle implementation effort required for LOW complexity items is generally 20 – 40 person hours.
- **Medium complexity** means a workflow with one or more of the following attributes; two (2) levels of approval, fewer than two FYI notifications to system users. Additionally, any workflow triggers are aligned to standard available fields in Oracle (excluding any custom DFF, values, and/or other data unique to the customer). Development, testing and related implementation effort required for MEDIUM complexity items is generally 40 – 80-person hours.
- **High complexity** means a workflow with one or more of the following attributes; three (3) or more levels of approval, three or more FYI notifications to system users, workflow triggers extend beyond the standard available fields in Oracle and utilize custom DFF, values, and/or other data unique to the customer. Development, testing and related implementation effort required for HIGH is generally 80 – 120-person hours.

**15. Fast Formulas** – required to complete the proposed solution are described in this SOW based on the information provided by Customer. Additional Fast formulas may be included in the project via Change Request. The following assumptions can be used as guidelines to understand how complexity affects the underlying work effort and associated estimates that have been presented for the Fast Formulas envisioned for this project.

- **Low complexity** means fast formula requires means does not require custom set ups with complexity of calculation logic is easy (no conditions, few inputs). Development, testing and related full lifecycle implementation effort required for LOW complexity items is generally 30-50 person hours.
- **Medium complexity** means a fast formula requires means it requires additional custom set ups with complexity of calculation logic is moderate (some logic and conditions). Development, testing and related implementation effort required for medium complexity items is generally 50 – 100 person hours.
- **High complexity** means a means fast formula requires means it requires additional custom set ups with complexity of calculation logic is complex (advanced logic and multiple rules). Development, testing and related implementation effort required for High is generally 120-160 person hours.

**16. Interfaces, Reports, Conversions** – the technical components required to complete the proposed solution are described in this SOW based on the information provided by Customer. Additional technical components may be included in the project via Change Request. The following assumptions can be used as guidelines to understand how the complexity affects the underlying work effort and associated estimates that have been presented for the technical work envisioned for this project.

- **Low complexity** means a report or integration (BI, RDF or other) which references only one object (table, view, package) to return or load required data. Effort required for LOW complexity items is generally 20 – 40-person hours.
  - **Medium complexity** means a report or integration (BI, RDF or other) which references two to three objects (table, view, package) to return or load required data. Effort required for MEDIUM complexity items is generally 40 – 80-person hours.
  - **High complexity** means a report or integration (BI, RDF or other) which references four or more objects (table, view, package) to return or load required data. Effort required for HIGH complexity items is generally 100 – 160-person hours.
- 17. Decisions** - The customer's management and key project participants will make timely decisions concerning issues raised by the project team. Expectations of decision making are:
- Critical/Urgent decisions, defined as impacting forward progress or schedule, must be made in 2-3 business days.
  - Standard decisions, based on the project calendar, must be made in 5 business days.
  - Note: If decisions are delayed and dates are missed, a change order for those days may result.
- 18. Material Changes to Design** – After the completion of the final conference room pilot in the configure stage, including the resolution of any issues that represent major gaps (would not go live without the gaps resolved) in the design that came out of testing, the design of the software including the application modules as configured, the interfaces and reports as developed and tested is to be deemed complete. Any material changes to that design requested beyond this point in the project are considered out of scope and the effort and time to redesign the solution will require a change request.
- 19. Standard Methodology** – Denovo's implementation methodology including the project management process has been developed over years of implementing Oracle software and adherence to a proven methodology is required for the project to be successful. Any material changes to the methodology must be approved in writing as evidenced by a change request.
- 20. Work Location** – Denovo resources will perform work both onsite and remotely; offshore resources will also be engaged. Onsite schedules will be established within the Initiate (Planning) stage of each phase and maintained by Denovo Project Manager.
- 21. Remote Working** - All parties are expected to have adequate equipment to conduct work in a remote manner, as needed.

## Customer Participation

- 22.** The timely and successful execution of this project requires active participation and engagement from the Customer. In addition to fulfilling the responsibilities described in this SOW, the following requirements must be met to ensure the effective execution of this project:
- With appropriate notice, Customer must make decisions or provide input on as agreed to by the parties, typically within two to five business days. Denovo will endeavor to provide ample time for requests requiring significant effort, but even in absence of specific timelines set forth for completion, Customer agrees to put forth the effort to respond to requests in a timely manner and not unduly withhold decisions or input so as to not hinder the progress of the project.
  - If there is time lost to the project due to the inability of the Customer to fulfill their obligations in a timely manner or time lost to the project due to the Denovo team being asked to provide an inordinate amount of assistance to facilitate the Customer's progress, Denovo may request a change order and additional budget or time.
  - Customer agrees to assign employees in the business process owner roles that are competent, capable and empowered with the authority to make decisions on the Customer's behalf.
  - The Steering Committee exists to provide executive support for the project and decision- making authority when issues or decisions have been escalated to their level. Customer agrees to provide access to the Executive Sponsors where decisions can be made on the project's behalf.
  - Customer agrees to manage their team, and their responsibilities as set forth in this SOW. Denovo is responsible for providing the overall project approach and managing the overall project according to

their methodology and project management process, but direct management of Customer resources shall be the Customer's responsibility.

- Customer agrees to assign and adequately allocate a Project Manager as a single point of contact with regards to managing Customer's responsibilities and meeting obligations and deadlines described in this SOW. Where needed, Customer agrees that project stakeholders and managers or supervisors of Customer staff assigned to the project will assist to make sure that project work is given the appropriate level of priority to not unduly impact the project schedule. Failure on the Customer's part to intervene on the project's behalf to address staffing shortfalls that are causing project delays will likely result in a change request.

### **Customer General Obligations**

**23.** Listed below are general obligations that the Customer is expected to be responsible for:

- Obtain licenses for any necessary Oracle programs or subscriptions before the commencement of services associated with this project.
- Procure and provide the appropriate number of environments necessary to support the development, testing, and data conversions activities required throughout the project.
- Select, purchase and install any supporting equipment such as workstations, printers, routers, wide area network ("WAN"), network cabling and printers to ensure that such equipment is configured properly and operating by the targeted dates defined in the project work plan.
- Load all necessary software on project workstations and end-user workstations.
- Assume responsibility for any required interface updates to your third-party systems.
- Provide data for interface testing and any testing environment required.
- Assume responsibility for defining the policies and procedures necessary for Customer's audit and control requirements.
- Provide adequate workspace, access resources and normal business supplies for the duration of the Project. Workspace and resources include for example: desks, telephones, network lines, copiers, and printers' access.
- If Contractor requires access to any City computer system to complete the Work, Contractor shall have and maintain all hardware, software and interfaces necessary to access the system without requiring any modification to the City's system. The contractor shall follow all City policies, processes and procedures necessary to gain access to the City's systems.

## 8 Services Fees, Hourly Rates, and Travel Expenses

Denovo will perform the professional services associated with implementation on a fixed fee basis, totalling \$2,800,000 (USD) in labor cost for the Oracle implementation services to be paid in accordance with Schedule A. All travel related expenses will be in addition to the labor fees and will be billed based on actual incurred travel expenses with no mark-up or administration fees.

### Rates for Additional Consulting Hours

The following Denovo resource rates will be used for any additional work beyond the fixed fee scope and any budgeted and paid discretionary hours:

Consulting Roles	Hourly Rate (USD)
Director / Solution Architect	\$250.00
Sr. Project Manager	\$225.00
Sr. Business Analyst/Lead	\$205.00
Sr. Technology Analyst/Lead	\$200.00
Business Analyst	\$185.00
Technical Analyst	\$185.00
Off-Shore Sr. Technical Analyst	\$85.00
Off-Shore Technical Analyst	\$65.00

**Note:** Above hourly rates do not include travel or other non-labor expenses, are valid through December 31, 2027, and are subject to a five (5) percent annual increase beginning January 1, 2028.

### Travel Expenses

Denovo will manage travel expenses within the Customer-established budget of 8 - 12% of the total implementation services fees. The City will reimburse up to the 12%, any overages will not be the responsibility of the City. All planned travel will be reviewed and approved by Customer based on an estimate of travel event costs submitted by Denovo. Customer will reimburse Denovo's out of pocket expenses based on the following schedule.

Expense	Action*	Detail/Notes
Airfare	Actual Cost	Per City of Costa Mesa Travel Policies and/or Guidance
Meals	Per Diem	
Lodging	Actual Cost	
Auto Mileage	Actual Cost	
Parking	Actual Cost	
Taxis, Car Rentals, Gasoline	Actual Cost	
Other incidental expenses	Actual Cost	

\*Actual Cost, Per Diem, Not to Exceed, or Not Reimbursed

Notwithstanding, if Customer has specified that its travel and expense policy shall be following in the Contract, Denovo will follow that policy. Denovo shall adhere to the U.S. General Services Administration (GSA) Travel guidelines for travel-related activities. All travel expenses shall comply with prevailing per diem rates, lodging limits, and transportation

standards as outlined by the GSA. Denovo will utilize lodging within the City of Costa Mesa. Any exceptions shall be raised by the Denovo project manager, in writing, prior to materially beginning project activities.

**Terms**

Related to rates and invoicing, the following items apply to this Statement of Work:

- The Statement of Work is established with a fixed fee schedule for Services and Deliverables whereby the payments will be made upon Acceptance of the applicable payment milestones and Retainage Amounts will be released in accordance with Schedule A.
- Services may be added, revised, or deducted in accordance with the change order process set forth in the Contract. Change orders require the written approval of both Parties. Additional services may be delivered at the discounted hourly rates as outlined above.
- Any taxes applicable to the Consulting Services shall be added to each invoice for Services or materials rendered under this SOW. Customer shall pay any such taxes unless a valid exemption certificate is furnished to Denovo for the City of use.
- Payment terms are thirty (30) days via ACH.

**9 Approvals**

**IN WITNESS WHEREOF**, Denovo and the Customer have executed this Consulting Services Statement of Work as of the date set forth above.

**City of Costa Mesa**

**Denovo Ventures, LLC**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## 10 Schedules and Appendices

### Schedule A - Payment Milestone Schedule

#### Payment Milestones

The following table lists the payment schedule to be invoiced based on completion of the applicable milestone.

ID	Stages	Payment Milestones	Milestone Amount	Retainage Amount	Net Fees
<b>Phase 1</b>					
P1 - 1	Startup/Plan	Project Kickoff	\$114,800	\$11,480	\$103,320
P1 - 2	Startup/Plan	Project Plan & Organization Change Assessment Report	\$154,000	\$15,400	\$138,600
P1 - 3	Discover/Design	Design Workshops	\$212,780	\$21,278	\$191,502
P1 - 4	Discover/Design	Future State Business Process Flows	\$173,610	\$17,361	\$156,249
P1 - 5	Discover/Design	Fit/Gap Document	\$196,050	\$19,605	\$176,445
P1 - 6	Construct	CRP 1 Complete	\$212,780	\$21,278	\$191,502
P1 - 7	Construct	CRP 2 Complete	\$173,610	\$17,361	\$156,249
P1 - 8	SIT/UAT	System Integration Testing (SIT) Complete	\$193,240	\$19,324	\$173,916
P1 - 9	SIT/UAT	User Acceptance Testing (UAT) Complete	\$193,240	\$19,324	\$173,916
P1 - 10	Deploy	Training Delivered	\$97,980	\$9,798	\$88,182
P1 - 11	Deploy	Solution Deployed to Production	\$114,800	\$11,480	\$103,320
P1 - 12	Deploy	Post-Production Support Complete	\$84,050	\$8,405	\$75,645
<b>Phase 1 Totals:</b>			<b>\$1,920,940</b>	<b>\$192,094</b>	<b>\$1,728,846</b>
<b>Phase 2</b>					
P2 - 1	Startup/Plan	Phase Kickoff	\$56,000	\$5,600	\$50,400
P2 - 2	Discover/Design	Design Workshops	\$97,980	\$9,798	\$88,182
P2 - 3	Discover/Design	Future State Business Process Flows	\$97,980	\$9,798	\$88,182
P2 - 4	Discover/Design	Fit/Gap Document	\$97,980	\$9,798	\$88,182
P2 - 5	Construct	CRP 1 Complete	\$97,980	\$9,798	\$88,182
P2 - 6	Construct	CRP 2 Complete	\$84,050	\$8,405	\$75,645
P2 - 7	SIT/UAT	System Integration Testing (SIT) Complete	\$89,545	\$8,954.50	\$80,590.50
P2 - 8	SIT/UAT	User Acceptance Testing (UAT) Complete	\$89,545	\$8,954.50	\$80,590.50
P2 - 9	Deploy	Training Delivered	\$56,000	\$5,600	\$50,400
P2 - 10	Deploy	Solution Deployed to Production	\$56,000	\$5,600	\$50,400

P2 - 11	Deploy	Post-Production Support Complete	\$56,000	\$5,600	\$50,400
<b>Phase 1 Totals:</b>			<b>\$879,060</b>	<b>\$87,906</b>	<b>\$791,154</b>
<b>Project Total:</b>			<b>\$2,800,000</b>		

Retention and Release

Denovo shall provide Customer with an invoice upon completion and acceptance of each payment milestone described in Schedule A, which Customer shall pay in full, less the specified retainage amount ("Retainage Amount"), in accordance with the payment terms.

Each invoice will describe the Services performed, the payment milestone(s) achieved, the applicable Retainage Amount, the Net Fees due and owing and, if applicable, a reasonable itemization of reimbursable expenses.

The total Retainage Amount for each phase as described in Schedule A shall be paid in full upon completion and Acceptance of all payment milestones for the given phase. Denovo shall provide Customer with an invoice for release of each Retainage Amount. Customer can apply funds available in the deposit collected as part of Section 4(A) of the MSA with proper communication to Denovo.