

Change Order #1

Phase I PeopleSoft Implementation Transition and Support

September 18, 2006



eVerge
GROUP

Executive Summary

This is Change Order #1 to Statement of Work 2 dated March 28, 2005 between eVerge Group, Inc. (“eVerge”) and The School Board of Palm Beach County, Florida (“District”) under the Consulting Services Agreement dated December 21, 2004 between the parties (the “Consulting Services Agreement”) for PeopleSoft software implementation and business process redesign is presented to the District at the District’s request to provide transitional and short term post production support for the PeopleSoft modules implemented in Phase I. The PeopleSoft System release is 8.9, the latest available release.

The modules implemented in Phase I and in production are:

Human Capital Management Modules

- Human Resources
- eRecruit
- eRecruit Manager Desktop
- Benefits
- Benefits Administration
- Payroll
- Time & Labor
- HRMS Portal Pack

Financial Modules

- Accounts Payable
- Accounts Receivable
- Asset Management

- Billing
- eProcurement
- General Ledger
- Inventory
- Project Costing
- Purchasing
- Contracts
- Financial Portal Pack

Enterprise Portal

- PeopleTools
- WebSphere Web Server
- UPK Developer

Statement of Work

eVerge agrees to complete all Deliverables (as defined in the Consulting Services Agreement) included in Phase I, as specifically identified in the Statement of Work 2 dated March 2005, as amended (“Phase I”), at no additional cost to the District above the amount specified in such Statement of Work 2, as amended; provided that this sentence does not enlarge or diminish either parties existing rights or obligations under the Consulting Services Agreement and currently outstanding Statements of Work under the Consulting Services Agreement. This Change Order includes the staffing identified in the chart below and any additional staffing that is mutually agreed upon and is necessary to provide transitional activities as requested by the District.

Daily, Short-term and Transitional Activities

eVerge will provide the support personnel specified under “eVerge Consulting Services Support Personnel Recommendations” below in order to support the District’s efforts to perform the services described below, or in order to support the District’s running payrolls, overall problem resolution and business process reengineering or any other service as requested by the District from September 5, 2006 through October 13, 2006 or longer as directed by the District if the District has sufficient dollars as provided below under “Cost of Services” to pay eVerge as provided therein. . The District reserves the right to request modifications to the services outlined below; provided that no such request shall increase eVerge’s obligations to provide staff in addition to that specified under “eVerge Consulting Services Support Personnel Recommendations” below. All activities will be done with the objective of providing the District knowledge transfer, and the District agrees to provide qualified resources and staff to be part of the transitional team. The following describes which activities may take place on a daily basis, across the short-term. The District may choose to request eVerge to perform none, some or all of the services listed below, and eVerge will be obligated to provide only those services below that the District requests eVerge to provide by using the personnel specified under “eVerge Consulting Services Support Personnel Recommendations” below. The parties acknowledge and agree that eVerge’s ability to perform the services listed below may be limited by other requests the District may make of eVerge to perform services that are not listed below.

Daily Operations

System Administration Services –

- Monitor health of the system
 - Database performance – Monitor application performance by utilizing database tools. The team needs to develop benchmarks and establish appropriate monitoring and reporting procedures to adhere to the benchmarks.
 - Application Server – Usage of the application servers will be consistently monitored to ensure availability of the system. Items Monitored:
 - Memory Usage
 - Application Queuing
 - Server Recycling
 - Load balancing
 - Other items as deemed necessary.
 - Web Server - The Web Server will be monitored for availability and performance. Items monitored:
 - Memory Usage

- Throughput
- Wait Times
- Other items as deemed necessary.
- Schedule and monitor daily Refreshes of Reporting Database Instance as required only

Application Administration Services –

- Monitor daily processing
 - Scheduled batch processing – Daily processes will be monitored to assure completion and to respond to any issues.
 - Ad-hoc processing – User initiated processes will be monitored to determine effect on the system and timely completion.
 - Daily Reporting – Daily reports will be validated for completion and proper electronic distribution
 - Application Messaging – Web Services between PeopleSoft and external systems as well as internal processing will be monitored for successful completion and timeouts/delayed processing. Appropriate steps will be taken to restart affected messages and troubleshoot error messages.
 - Interfaces – Proper distribution of interface files to external vendors and governmental agencies as well as internal systems will be executed and monitored for completion.

Problem Management/Customer Services –

- React to trouble tickets using the following methodology
 - Assess situation
 - Formulate plan of attack
 - Re-creation of issue
 - Application Tracing of the issue
 - Solution
 - Open ticket with Oracle Support if necessary.
 - Execute Plan
- In addition, specialized steps will need to be taken to react to each Severity Level
 - Level 1 – Coordinate with the District to quickly mobilize all support personnel and enable the system to minimize system downtime
 - Level 2 – Immediately involve the necessary functional, technical, system, and Oracle Support resources to rapidly assess the situation and formulate a solution to ensure business continuity

- Level 3 and 4 – Assign appropriate resources to work with the affected users to determine and implement a solution.
- Manage Oracle Support cases

Data Information Security Services –

- eVerge will manage the Daily Security Operations including the following:
 - Application Security Changes
 - Database Security Changes
 - Regular Security Audit Reports
 - Troubleshoot Access issues
 - Create and Manage Permission Lists, Roles, and Users
 - Coordinate LDAP Integration

Short Term

System Administration Services –

- Maintain infrastructure requirements and maintenance schedules
 - Coordinate regular maintenance and downtime and communicate to users
 - Assess third-party software and hardware requirements and schedule implementation and upgrades in coordination with and as requested by the District.
- Develop schedule for and coordinate environment refreshes of QA, DEV, TEST, and Reporting environments
- Manage, execute, and promote any necessary environment configuration changes. All changes must go through the District's Change Control process, which needs to be provided by the District.

Application Administration Services –

- Implementation, Testing, and Promotion of Application configuration changes
- Development and Reporting - coordinate and execute development initiatives with the District, including the following
 - Create and implement procedures for approving, assigning, developing, and promoting development requests
 - Process requests for Customization and Reporting
 - Work with user to gather requirements

- Create schedule for development, testing and promotion of development items
- Execute development plan

Software Administration and Upgrade Services –

- Coordinate, plan, schedule, and implement regular Updates and Fixes, Supplemental Releases, and PeopleTools releases to the application. This will include the following:
 - Maintain Application Update schedule
 - Stay up to date with PeopleSoft Update release schedules
 - Apply regular updates and coordinating testing and promotion with Users.

Training services

- Prepare training materials using the latest updated processes and resources for classes or overview sessions.

Transitional Planning

System Administration Services –

- Coordinate transitional system strategies and extended environment planning to include future requirements for environment refreshes, upgrades, and testing needs.

Software Maintenance and Upgrade Services –

- Planning major Product and Standard Release implementations.
 - Develop upgrade release schedule
 - Provide upgrade assessment resources to determine scope of upgrade
 - Determine impact of upgrade
 - Work with users to create upgrade plan and eVerge and District resource requirements

eVerge Consulting Services Support Personnel Recommendations

The following eVerge staff will concentrate the following respective percentages of time on completing loading of G/L transactions, which is agreed to be part of Phase I completion and will not be billed: Martha Thompson (50%), Chuddie Jones (100%), Koti Kalgara (70%), Jason Mathieu (50%), and Brandon Johnson (10%). Their remaining time will be allocated to post production support, which will be billed as provided under "Cost of Services" below. Other staff identified may also be utilized on a split basis to complete Phase I activities which will be identified, and such Phase I activities will also be at no extra cost to the District.

The following Matrix represents staff allocation and support areas for post production support.

	Human Resources	Benefits	Payroll	Tech Support	G/L	Purchasing Receiving	Asset management	Inventory	A/R Billing	Treasury	Accounts Payable	Leaders	
Betsy Snyder or Kim Gulka	X		X										
Holly Hall-Perry	X		X										
Melanie Green		66%											She has a 2 week vacation
Brad McKenzie			P										Phone Support Only
Tessie Gabay	X		X										
Jason Mathieu										X			He is available 50% as 50% will be in G/L support
Matt Knoepke			X									X	
Rena Martin						X							
Melissa Ford							X	X					
Martha Thompson									50%				
Brandon Johnson				90%									
Koti Kalagara				30%									
Bob Lewis				X									Ends 9/30/2006
Maury Zuber	X	X	X										Offsite support
Karthik Alameda				X									
Matt Culp											X		
Ken Forest												X	
Harish Bejjinki				X									

Additional resources or changes to the above Matrix of staff may be made upon mutual agreement between eVerge and the District

Cost of Services

Unless otherwise requested or noted, the above staff will be allocated thru Friday October 13, 2006 or until the dollars totaling \$841,080 are exhausted. School Board approval will be needed for any work beyond this amount.

eVerge and the District are currently working without a contract, this Change Order addresses only general post production support as described here which began on September 5, 2006. The support and transition plan is not intended to address all the short term needs, or long term support.

The cost (hourly rate @\$205.00) will be paid based upon the effort needed. No single week of support and transition services shall exceed \$140,000

Terms and Conditions

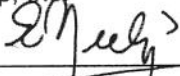
1. The District will assign in writing a business process owner including a direct line manager who can be reached on a 24/7 basis by the supporting team.
2. For the payrolls being supported under this Change Order, the District agrees to the following Schedule:

The Payroll Department will have a rotating shift with a minimum of 3 staff during each payroll. The next payroll, pay end date September 22nd, 2006 must include the Payroll Director. eVerge will provide a general steps overview to the entire Payroll department prior to the Friday cut-off dead-line.
3. As stated above a reasonable shift should be in place for payroll so that eVerge begins to transfer knowledge to the District. eVerge will assist the personnel involved in running and verifying on a one-to-one basis.
4. Periodic performance audits will be conducted on a joint basis to ensure the District is following up on, and enforcing recommended guidelines and procedures.
5. The parties agree to define the role of eVerge consulting team needs beyond those identified in this agreement quickly in order to reduce the risk of losing consultants.

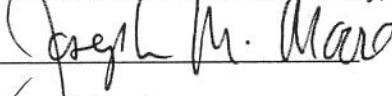
6. This terms and conditions are in addition to the existing Consulting Services Agreement terms and conditions.
7. All fees under this Change Order (a) will be invoiced on the 15th day and last business day of each month, (b) will be due net 15 days after receipt and acceptance of the invoice in accordance with acceptance procedures found in the original Consulting Services Agreement, (c) will not be subject to holdback or retainage under Section 4.1(i) or (iii) of the Consulting Services Agreement.

IN WITNESS WHEREOF, each of the Parties has caused this Change Order to be duly executed by its authorized officer or representative whose signature appears below, effective as of September 18, 2006.

eVerge Group, Inc.


By: 
Name: Esteban Nuly
Title: President
Date: Sgt. 18/2006

The School Board of Palm Beach County, Florida

By: 
Name: Joseph M. Moore
Title: Chief Operating Officer
Date: 9/18/06

Attest By: _____
Superintendent of Schools

Reviewed to form and legal sufficiency:

By: 
Name: Gerald Williams _____
A.