

OUTSOURCING CONSULTING AGREEMENT

THIS AGREEMENT made effective as of the ____ day of _____, _____.

BETWEEN:

_____ (insert name of customer)
_____ (insert complete address)
(the "Customer")

OF THE FIRST PART

- and -

_____ (insert name of consultant)
_____ (insert complete address)
(the "Consultant")

OF THE SECOND PART

WHEREAS:

- A. The Consultant is engaged in the business of providing consulting and other services in the field of Information Management and Technology;
- B. The Customer desires to retain the Consultant to assist in the planning, development and maintenance of its Information Management and Technology Resources, and to provide additional consulting services (as hereinafter set forth) to the Customer, and the Consultant desires to accept such retainer;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties hereby agree as follows:

1. Definitions

Wherever used in this Agreement, the following terms shall have the meanings ascribed to them below:

- (a) "Application Software" means a software product or products designed and developed by a third party for commercial distribution or otherwise, to perform Information Management functions in support of a business. Application Software does not include System Software or Process Control Software.
- (b) "Consultant's Business" means the business operations carried on by and the consulting services provided by the Consultant, including consultation with respect to the planning, design, implementation and use of Information Technology and Information Management systems and processes; training and education, strategic and tactical planning for the design and use of Information Management and Technology; Information Technology architecture planning; evaluation, selection and implementation of Methodologies, tools and techniques for specification, design and construction of Information Management systems; evaluation and recommendations for selection of hardware system components and System Software, Process Control Software and Application Software; implementation of Information Management systems; Work System Design and Implementation; and consulting services with respect to telecommunications, office automation, systems integration, facilities management and point-of-sale Information Management.
- (c) "Employee Total Annual Compensation" means the amount of total taxable compensation paid by the Consultant to each of the Consultant's employees.
- (d) "Information Management" means the capture, manipulation, use, movement, storage and destruction of information and includes System Delivery Services.

- (e) "Information Services & Technology Unit" or "ISTU" means that department or unit of the Customer's business which is responsible for providing System Delivery Services and operations management to the Customer;
- (f) "Methodology" shall mean the Consultant's proprietary methodology which the Consultant has licensed to the Customer. It shall also mean any other tool or methodology proprietary to the Consultant which will be used by the Consultant to perform the Services hereunder.
- (g) "Non-Personnel Expenses" means all reasonable out-of-pocket expenses necessarily and actually incurred in the provision of the Services during the term of this Agreement which are not attributable to the recruitment, development and termination of SDS Staff or part of the Consultant company benefits provided to the SDS Staff.
- (h) "Outsourcing Agreement Committee" means a committee consisting of _____ (*insert number*) authorized representatives of the Customer and _____ (*insert number*) authorized representatives of the Consultant. The parties may appoint additional members to the Outsourcing Agreement Committee from time to time upon the unanimous consent of the then existing Outsourcing Agreement Committee members.
- (i) "Outsourcing Agreement Factor" means the multiplier that will be used to calculate the fees paid to the Consultant for its Services, as hereinafter provided.
- (j) "Project Staff" means those employees of the Consultant assigned to the Customer in addition to the SDS Staff.
- (k) "SDS Staff" means these employees of the Consultant which are assigned on a full time basis to the SDS Unit. Employees recruited by the Consultant on behalf of the Customer and assigned to the SDS Unit in the _____ (*insert number*) days following the date of this Agreement shall be referred to as "SDS Staff A". Other the Consultant employees assigned to the SDS Unit shall be referred to as "SDS Staff B".
- (l) "Services" means Information Management, System Delivery Services, Technical Services and Operations Management.
- (m) "System Delivery Services" means those services set out in Schedule "A" attached hereto.
- (n) "System Software" means a system software product or products developed, for commercial distribution or otherwise, by a third party for the purpose of managing computer functions.
- (o) "Systems Development Services Unit" (SDS) means that part of the ISTU responsible for providing System Delivery Services to the Customer.
- (p) "Technical Services" means those services set out in Schedule "B" attached hereto.
- (q) "Technology" means electronic and any other mechanical devices designed and used to perform Information Management.
- (r) "Work System Design and Implementation" means the analysis, design and facilitation of implementation of work processes and job responsibilities associated with using office automation systems and performing automated functions, but excluding organizational design, human resources responsibilities, and the design of any work processes not related to Information Management.

2. Scope of Agreement

2.1 The Customer agrees to retain the Consultant to provide the Services and the Consultant agrees to render the Services, all subject to and in accordance with the terms and conditions of this Agreement.

2.2 During the term of this Agreement and so long as the Consultant is not in default under this Agreement, the Customer grants the Consultant the exclusive right to be its sole supplier of all Services within the scope of the Consultant's Business, except during those times when the Consultant is not able to or cannot supply consultants, within a reasonable period of time, to render the required Services. During such times, the Customer shall be at liberty to retain additional outside consultants as needed to render the Services.

2.3 In order to effectively deliver the Services to the Customer, the Consultant will create the Systems Development Services Unit on the Customer sites located in _____ (*insert address(es) of location(s)*) and will provide SDS Staff as well as Project Staff.