



PROCUREAMERICA  
BUSINESS INTELLIGENCE SERVICES

## Statement of Work

**1.) STATEMENT OF WORK:** Procure America (PA) is pleased to provide the following cost reduction consulting services to Client (as selected by Client) with the resolve and purpose of reducing or recovering costs.

- |  |   |
|--|---|
| <input type="checkbox"/> Waste & Recycle     | <input checked="" type="checkbox"/> Utilities |
| <input type="checkbox"/> Document Management | <input type="checkbox"/> Treasury Services    |
| <input type="checkbox"/> Telecommunications  | <input type="checkbox"/> Risk Management      |

PA shall use its best efforts to obtain cost savings for Client's benefit by analyzing Client's policies, procedures, supplier contracts, past invoices and other pertinent information as it relates to the above selected expense categories set for review. PA will gather information as to Client's needs (past, present and future) from Client's service providers so as to build a solution that not only lowers cost, but also matches Client's operational and corporate requirements and expectations. After analyzing Client's current spending patterns, PA shall provide Client with a findings report outlining PA's observations. PA's report will include a review of operations, cost reduction recommendations and potential service level enhancements. The report's recommendations will also include a comparison to the Client's historical cost or "Established Rates" to clearly outline the cost savings generated by this project. It is understood that despite PA's recommendations, the Client has the right not to proceed with any of PA's result findings or proposals.

**2.) POST REVIEW PHASE:** In the event that the Client wishes to proceed with PA's recommendations as set forth in PA's findings report, for the entire balance of the relationship with Client, PA will continue to consult with Client in an effort to continuously look for efficiencies in the chosen areas of focus. Periodically, the PA team will review Client's invoicing and deliverables to ensure accountability by Client's service providers with respect to the spirit and intent of the agreement between Client and the third-party service provider. This review will take into account service levels, cost controls and overall client satisfaction. Further, PA will continuously consult with Client to anticipate changes in service needs to ensure that the proper service provider, contract and procedures are in place to address Client's go forward requirements.

**3.) REVENUE SHARE:** Client has in place certain existing costs as it pertains to the requested expense categories selected for review ("Established Rates"). PA's findings report will document the Established Rates and specific recommendations for each service or product chosen for review and outline the methodology used to generate PA's report. Client and PA will then discuss and agree on the Established Rates for the targeted service or product as outlined in PA's findings report. If Client elects to proceed with any or all of the recommendations as set forth in PA's findings report, Client agrees to compensate PA for the savings outlined with the findings report. The Revenue Share to PA is fifty percent or half of the actual realized savings measured by the difference between the agreed upon Established Rates and Client's new costs as set forth in PA's findings report and documented through actual realized savings.

***\*As it pertains specifically to work on the Pacific Gas & Electric Time-of-Use Optimization Program (TOP); it is understood that in March of 2021, the client will mandatorily migrate to the new TOU rates and as such, the savings generated by a TOP study will expire at that time. As a result, PA would only be entitled to TOP contingency savings compensation to March of 2021. It is further understood that PA will be required to conduct a historical cost analysis in April of 2021 to verify and validate the savings delivered to the Client resulting from the TOP study for the entire period (now until March 2021).***

***The stated contingency fee is 50% of the actual and realized savings delivered to the Client, measured by the current rate structure in comparison to the deployed TOP result findings.***

In some cases, the PA staff may discover over billing, credits, rebates or other sources of revenue. This income is to be considered expense reduction for purposes of this Agreement and will be accounted for in the same manner as the expense reduction savings. This revenue shall be shared with PA after the refunds or other credits are realized by Client. In other cases, PA may have the ability to recover rebates or other compensation by contractors or service providers. PA shall disclose this compensation to Client and both parties shall share this revenue as savings at the time the revenue is received. It may be necessary to institute cost reduction strategies within a specific expense category in stages. If this occurs, then each stage of implementation will be viewed with its own billing cycle.

**4.) CLIENT PARTICIPATION:** Client shall give its full cooperation to PA in providing all required documents, invoices, contracts and staff consultation time to PA's evaluation team in order to conduct the expense reduction review. During the review process, Client agrees not to renegotiate, amend or extend in place contracts or introduce operational procedures/changes that will effect cost/pricing and or contractual obligations of the Client to the supplier. Any cost reduction made during the assessment process will be credited to PA's presence and is therefore treated as such and factored into the shared revenue structure. During the course of the relationship between PA and Client, Client and PA understand that despite PA's recommendations, suggestions, potential suppliers and other proposals, Client has the right not to proceed with said proposals. However, if Client does pursue any or all of the documented review recommendations (with or without PA's further assistance), PA is entitled to the appropriate revenue share as outlined in Section 3 above. Client agrees to grant PA the right to review any materials (books, records, invoices, contracts or other information) related to the review category selected by Client in Section 1 above. PA is authorized to obtain information relating to the provider accounts directly from the providers personnel and provider websites. Any additional Client request or engagements, written or otherwise, to review supplementary expenses or income streams will also be governed by this Agreement.

This Agreement shall commence with the Client's first PA invoice per expense category and will be in effect for an initial 36 month term. Each expense reduction category carries its own 36 month term/billing cycle commencing on the first invoice for that particular practice group. If the savings is implemented in stages, each stage will carry its own 36 month term. PA and Client shall have the option to terminate this Agreement after the initial term with a 30 day prior written notice to the other party.

**5.) CONFIDENTIALITY:** Each party shall maintain in strict confidence all information received from the other party in the performance of this Agreement. Client acknowledges and agrees that any intellectual property developed or used by PA shall be the property of PA.

IN WITNESS WHEREOF, Client has executed this Agreement to be effective on the date below.

Client: Mr. Drabow Winifid  
Title: Chief Business Officer  
Date: 5.27.20

By: Dr. Lisa Gonzalez  
Signature: \_\_\_\_\_

