

CONSULTING AGREEMENT FOR EXTENDED

THIS Consulting Agreement (“Agreement”) is made and entered into this _____, 20____ by and between _____ (hereinafter referred to as the “Sponsor”), a corporation duly authorized and existing under the laws of the State of _____ with offices at _____, and _____ (“Contractor”), a corporation duly authorized and existing under the laws of the State of _____ with offices at _____.

RECITALS

WHEREAS, Sponsor desires to engage Contractor from time to time pursuant to Work Statements to develop, create, test, and deliver certain programming materials, and Contractor is interested in accepting such engagements, subject to the parties’ agreement on the scope and terms of each such Work Statement; and

WHEREAS, Sponsor and Contractor mutually desire to set forth in this Agreement the terms and conditions applicable to all such engagements;

NOW, THEREFORE, Sponsor and Contractor, intending to be legally bound, have entered into this Agreement as follows:

Article 1

DEFINITIONS

When used in this Agreement and in each Work Statement issued hereunder, the following terms listed below shall have the following meanings:

- 1.1 Code.** Computer programming code. If not otherwise specified, “Code” shall include both Object Code and Source Code. “Code” shall include any Maintenance Modifications and Enhancements thereto in existence from time to time, and shall include any such Modifications and Enhancements thereto when added to the Code in connection with a Work Statement.
 - a. Object Code.** The machine-readable form of the Code.
 - b. Source Code.** The human-readable form of the Code and related system files, including all comments and any procedural code such as job control language.
- 1.2 Deliverables.** All Code, Documentation, and other materials developed and delivered by Sponsor or Contractor under this Agreement and under any Work Statement.
- 1.3 Derivative Work.** A work that is based upon one or more preexisting works, such as a translation, modification, translation, abridgement, condensation, expansion, or any other work, which, if preauthorized by the owner of the copyright in such preexisting work, would constitute an infringement. For purposes hereof, a Derivative Work shall also include any work that incorporates such a preexisting work.
- 1.4 Documentation.** User manuals and other written materials that relate to the development of the materials useful for design (for example, logic manuals, flow charts, and program listings).

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Documentation shall include any Maintenance Modifications of the Code and related Documentation that exist from time to time, and shall include Major Enhancements thereto. Documentation in connection with a Work Statement issued hereunder.

1.5 Enhancements. Changes or additions, other than Maintenance Modification Documentation, including all new releases, that improve functions, add features, or significantly improve performance by changes in system design or coding.

a. Basic Enhancements. Any Enhancements that are not Major Enhancements.

b. Major Enhancements. Changes or additions to Code and related Documentation that have a value and utility separate from the use of the Code and Documentation. In a practical matter, may be priced and offered separately from the Code and Documentation. (3) are not made available to any of Contractor's customers without separate approval.

1.6 Error. Any error, problem, or defect resulting from (1) an incorrect function, (2) an incorrect or incomplete statement or diagram in Documentation, if such error renders the Code inoperable, causes the Code to fail to meet the specifications in the Documentation to be inaccurate or incomplete in any material respect, causes incorrect functions to occur when any such materials are used.

1.7 Maintenance Modifications. Any modifications or revisions, other than Errors or Documentation that correct errors, support new releases of the operating system, or the Code is designed to operate, support new input/output (I/O) devices, or incidental updates and corrections.

1.8 Work Statement. A purchase order of Sponsor, a proposal of Contractor, or other instrument that meets the following requirements:

a. Includes substantially the following statement: "This is a Work Statement for a Service Agreement No _____".

b. Is signed on behalf of both parties by their authorized representatives; and

c. Contains the following five mandatory items:

i. Descriptions and/or specifications of the services to be performed and the Deliverables to be delivered to Sponsor.

ii. The name and address of a Technical Manager for each of Sponsor and Contractor.

iii. The amount, schedule, and method of payment.

iv. The time schedule for performance and for delivery of the Deliverables.

v. Completion and acceptance criteria for the Deliverables.

d. In addition, when applicable, the Work Statement may include:

i. Provisions for written and/or oral progress reports by Contractor.

ii. Detailed functional and technical specifications and standards for the Deliverables, including quality standards.

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- iii. Documentation standards.
- iv. A list of any special equipment to be procured by Contractor or pro use in performance of the work.
- v. Test plans and scripts.
- vi. Such other terms and conditions as may be mutually agreed on betw

Article 2

CONTRACT MANAGEMENT

- 2.1 **Contract Managers.** Upon execution of this Agreement, each party shall no the name, business address, and telephone number of its Contract Manager. of each party shall be responsible for arranging all meetings, visits, and con parties that are of a non-technical nature. The Contract Managers shall all receiving all notices under this Agreement and for all administrative matt payments, and amendments.
- 2.2 **Technical Managers.** Each Work Statement shall state the name, business a number of the Technical Managers of each party. The Technical Man designated for a particular Work Statement shall, be responsible for tech matters, and transmission and receipt of Deliverables and of technical info parties, insofar as they relate to such Work Statement.
- 2.3 **Issuance of Work Statements.** The initial Work Statement(s) agreed to by t as attachments to this Agreement. Additional Work Statements, regardless o to the same subject matter as the initial Work Statement(s), shall become eff by authorized representatives of both parties.

Article 3

CHANGE REQUESTS

- 3.1 Changes in any Work Statement or in any of the Specifications or Delivera Statement shall become effective only when a written change request is ex representatives of both parties.
- 3.2 Change requests that do not substantially affect the nature of Deliverables, their functionality, and that do not change schedules by more than two weeks more than 5 percent may be requested and/or accepted by the parties' Techni
- 3.3 All other change requests with respect to this Agreement, any Work Specifications or Deliverables must be requested and/or accepted by b Managers.
- 3.4 Contractor may not decline to accept any change requests that reduce the provided that an equitable adjustment in compensation is made for the out- performance or preparation already undertaken. Contractor further may no requests that increase the cost or magnitude of performance, provided

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