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Consulting Group

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May 7, 2009

Mayor Harold Perrin
City of Jonesboro
P.O. Box 1845
Jonesboro, AR 72403

RE: Engagement Letter for Business Continuity Plan

Dear Mayor Perrin:

On behalf of DD&F Consulting Group, Inc. ("DD&F"), I am pleased to submit this engagement letter (the "Engagement Letter") to provide business continuity consulting services (the "Services") for the City of Jonesboro (the "Client"). This Engagement Letter, and the attached Exhibits, set forth the terms of our engagement (the "Engagement").

Section 1. Consulting Services

DD&F will assist the City of Jonesboro with the development of a comprehensive business continuity plan designed to enable the organization to respond to and protect lives in emergency situations, minimize interruption of operations and continue critical functions during disruptions, and provide procedures for a prioritized recovery of operations in a disaster. A more detailed description of the services follows.

Business Continuity Plan

DD&F will provide the structure, training, resources, and assistance that will enable the development of a comprehensive business continuity plan. DD&F will guide the development process through planning phases that will result in a business continuity plan ready for approval, implementation, and testing. The responsibilities of DD&F and the Client are described in **Exhibit C** of this Engagement Letter. The services provided under each phase are detailed below:

Project Plan Development. DD&F will assist the Client in developing a project plan. Specifically, DD&F will:

- Work with management to designate a project contact for DD&F.
- Provide the project contact with a schedule and checklist of tasks for the development process.
- Assist the Client in designating BCP Committee/Crisis Management Team (CMT) members.

Phase 1: Information Gathering & Documentation. DD&F will gather information in order to assist the Client in performing the analyses necessary to provide a basis on which to develop the plan. Specifically, DD&F will:

- Submit a questionnaire and a document request for information required to begin development of the plan.
- Conduct a Business Impact Analysis. DD&F will assist the Client with identifying critical functions, assigning impact ratings of loss of functions, identifying dependencies such as providers, mission-critical systems, and vital records and data, and determining recovery priorities, maximum allowable downtimes, and recovery point objectives.

Phase 2: Assessment & Strategy Development. DD&F will conduct a risk assessment and assist the Client in developing strategies for disaster recovery. Specifically, DD&F will:

- Assist with identifying disaster recovery strategies, such as offsite storage locations, alternate locations, offsite recovery locations, backup communications and processing methods, and alternate key personnel.
- Perform a Disaster Risk Assessment and gap analysis with mitigation input provided by the Client. Risk factors will also be determined by assessment of threats related to the geographic location of the Client (ex. flood, earthquake, tornado, nuclear plants, etc.). The Disaster Risk Assessment identifies emergencies that have the potential to cause the greatest impact on operations while taking into consideration existing safeguards to reduce the risks associated with the emergency.
- Provide recommendations for further mitigation based on the results of the disaster risk assessment.

Phase 3: Plan Development. DD&F will work in conjunction with the Client to develop a plan for submission to management and the Board for approval. The plan will be developed based on information provided by the organization. Specifically, DD&F will:

- Develop a draft plan based on the needs of the Client that includes:
 - Emergency response plans, based on the results of the information-gathering phase and risk assessment
 - Command center operations and CMT organizational chart
 - Prioritized business & disaster recovery plan, based on strategies identified in Phase 2
 - Prioritized operational contingency and recovery plans, based on the results of the business impact analysis. These will be developed for each operational area within the scope of this engagement (includes six (6) operational areas, including Information Systems, Police, Fire, Finance, Public Works and 911).
 - Business resumption plan
- Provide a draft plan to the Client for review and revision.

- Incorporate changes made by the organization into the plan and provide the Client with a final plan for Board review and approval.
- Deliver final copies of the plan to the Client after Board approval.

Phase 4: Business Continuity Testing. Depending on the scope of the engagement, DD&F will meet onsite with management to:

- Provide a comprehensive review and tabletop walkthrough of the plan.
- Deliver a report detailing the results of the tabletop test, action items to be completed, and a checklist to be used by the Client to assist in completion of Appendix items.
- Provide a set of resources with which staff training can be conducted on the emergency plans and relevant components of the recovery plans. The resources will be delivered on CD, and will include a PowerPoint® training presentation, presenter resources, and participant materials. Optionally, DD&F will provide an on-site trainer to conduct the training presentation.

The scope of the project does not include the development of supporting documentation (located in the appendices of the plan) unless specifically indicated under **Exhibit C**, or participation in the physical/practical testing of the plan. These services are available as needed on an hourly basis.

Section 2. Fees and Expenses

DD&F's fees for the services described herein will be billed hourly at our normal billing rates as described in **Exhibit A**. Estimates for the services are listed below, acceptance of which is indicated by your initials on the line to the right of the estimate. Estimates are based on contingency planning for six (6) operational areas, including Information Systems, Police, Fire, Finance, Public Works, and 911.

<u>Services</u>	<u>Estimated Fees</u>	<u>Acceptance</u>
Business Continuity Plan	\$26,000 not to exceed \$30,000	_____
Business Continuity Tabletop Testing	\$1,500	_____
Onsite Training	\$750 for one day of on- site training	_____

The fee estimates assume that the information required to perform the Services is made available on a timely basis and that the appropriate personnel are available during our time on-site. Additional work performed outside the scope of this Engagement Letter will be billed at our normal billing rates as described in **Exhibit A**. Out-of-pocket expenses for copies, express mail charges, travel, etc., will be billed separately and in addition to the professional fee.

The above services will be performed at a mutually agreeable time. The services will be billed monthly as fees are incurred.

Section 3. Indemnification

You hereby agree to indemnify, defend and hold harmless DD&F and its partners, affiliates, directors, officers, agents and employees in accordance with the terms and conditions set forth on **Exhibit B**, attached hereto and incorporated herein by reference.

Section 4. Use of DD&F Work Product

In its capacity as advisor and consultant to you, DD&F will, from time to time, provide various materials and information to you relating to the Engagement. You hereby warrant to DD&F that, without the express prior written consent of DD&F, you will not use any materials or information provided by DD&F in connection with this Engagement in any manner other than for completion of the Services and that you will not disclose the material in any fashion to any law firm (other than the Client's counsel), accounting firm (other than the Client's independent auditor), or consulting firm without DD&F's prior written permission.

Section 5. Confidentiality

DD&F acknowledges that all information and documents disclosed by the Client to DD&F, or which come to DD&F's attention during the course of its performance of the Services, constitute valuable assets of and are proprietary to the Client. DD&F also acknowledges that the Client has a responsibility to its constituency and employees to keep the Client's records and information confidential and proprietary. Therefore, DD&F agrees not to disclose, either directly or indirectly, to any person, firm, or corporation information of any kind, nature or description concerning matters affecting or relating to the business of the Client except as may be necessary to carry out the Services or unless the information is already in the public domain.

Section 6. Nonsolicitation

At all times during the term of this Engagement Letter and for a period of three (3) years thereafter, the Client agrees that it shall not, directly or indirectly, on its own behalf or on behalf of or in conjunction with others, encourage, solicit, seek to hire or hire any employee of or consultant to DD&F, or in any other manner attempt to persuade any such employee or consultant to discontinue his or her status with DD&F or to become employed in a business or activities likely to be competitive with the business of DD&F.

Section 7. No Joint Venture

DD&F and the Client are and shall be independent of one another, and nothing herein shall be deemed to cause this Engagement to create an agency, partnership, joint venture or the relationship of employer and employee between DD&F (including any of its employees) and the

Client. DD&F shall have no authority to bind the Client to any contractual arrangement with a third party as a result of this Engagement.

Section 8. Termination and Survival

This Engagement may be terminated upon written notice by either party to the other; provided, however, that notwithstanding such termination, DD&F will be entitled to such fees and expenses as are due under Section 2 of this Engagement Letter.

In the event of termination of this Engagement by either party, it is understood and agreed that the indemnification provisions contained in Section 3, above, and **Exhibit B**, attached, will survive indefinitely.

Section 9. Legal Fees/Choice of Law

In the event any action is brought to enforce or interpret the terms of this Engagement Letter, the prevailing party shall be entitled to recover its reasonable attorneys' fees and expenses incurred in connection with such action.

This Engagement Letter shall be governed by and construed in accordance with the laws of the State of Arkansas.

Section 10. Entire Agreement

This Engagement Letter constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings between the parties with respect to such matters.

Sincerely,

Approved:

DD&F CONSULTING GROUP, INC.

CITY OF JONESBORO



By: _____
John Hargrave
Principal

By: _____
Harold Perrin
Title: Mayor

Date: _____

Exhibits attached

EXHIBIT A

DD&F CONSULTING GROUP, INC.

SCHEDULE OF STANDARD BILLING RATES

I. Hourly Billing Rates

Principal	\$175 - \$400 per hour
Senior Consultant	135 - 190 per hour
Consultant	75 - 135 per hour
Analyst	50 - 75 per hour
Administrative	35 - 50 per hour

II. Expenses

All out-of-pocket expenses incurred by DD&F Consulting Group, Inc. on the project will be billed to the client.

EXHIBIT B

DD&F CONSULTING GROUP, INC.

INDEMNIFICATION

The Client hereby agrees to indemnify, defend, and hold harmless DD&F and its partners, affiliates, directors, officers, agents, and employees from and against any losses, claims, damages, or liabilities (or actions in respect thereof) related to or arising out of the services rendered by DD&F in connection with the consulting services, and the Client agrees to reimburse DD&F and any other party entitled to be indemnified under this paragraph for all expenses (including legal fees) as they are incurred by DD&F or any such other indemnified party in connection with investigating, preparing, or defending any such actions or claim, whether or not in connection with pending or threatened litigation in which DD&F is a party. The Client will not be responsible for any claims, liabilities, losses, damages, or expenses that result from DD&F's bad faith or gross negligence.

Promptly after receipt by DD&F of notice of any claim or the commencement of any action or proceeding with respect to which an indemnified party is entitled to indemnity hereunder, DD&F will notify the Client in writing of such claim or of the commencement of such action or proceeding, and the Client will assume the defense of such action or proceeding, and the Client will employ counsel satisfactory to DD&F and will pay the fees and expenses of such counsel. Notwithstanding the preceding sentence, DD&F will be entitled to employ counsel separate from counsel employed by the Client and separate from counsel from any other party in such action if DD&F reasonably determines that a conflict of interest exists, which makes representation by counsel chosen by the Client not advisable. In such event, the reasonable fees and disbursements of such separate counsel will be paid by the Client.

In the event DD&F appears as a witness in any action brought against the Client or any participant in the transaction covered hereby in which an indemnified party is not named as a defendant, the Client agrees to reimburse DD&F for all expenses, including attorney's fees, incurred by DD&F in connection with its appearing as a witness.

EXHIBIT C

DD&F CONSULTING GROUP, INC.

DD&F AND CLIENT RESPONSIBILITIES

The list below details responsibilities of DD&F and the Client concerning the development of the Client's written Business Continuity Plan.

Responsibilities of DD&F Consulting Group, Inc.

- Develop a project plan/ schedule
- Provide Client a list of duties for each crisis management area of responsibility to assist Client in designating practicable individuals for the BCP Committee/Crisis Management Team (CMT) and Response Team Leaders (RT Leaders)
- Complete a Command Center organizational chart indicating CMT members, RT Leaders, and their areas of responsibilities
- Conduct an onsite Business Impact Analysis (BIA), via interviews with department heads and IT staff and submit the report of results to Client for review and approval
- Conduct a disaster risk assessment, based on answers from questionnaire and analysis of risks in the area via web resources, along with a gap analysis and recommendations for disaster recovery plans
- Develop a Business Continuity Policy and submit the draft to Client for review and approval
- Develop Emergency Response Plans based on results of the disaster risk assessment and submit the draft to Client for review and approval
- Gather information from Client for documentation of disaster recovery plans and backup plans for IT, communications, locations, utilities, etc., as well as procedures for relocation and communication with critical parties. Document the plans and submit the draft Business & Disaster Recovery Plan to Client for review and approval.
- Develop Departmental Recovery & Contingency Plans, based on the results of the BIA and submit the draft to Client for review and approval
- Incorporate any revisions made by Client to components of the plan
- Distribute final copies of the plan to designated individuals (will include section tabs for convenience and will be distributed in 3-ring notebook binders)
- (Optional) Work with BCP Committee to develop implementation plan to ensure that BCP is fully implemented. This can be performed at an additional hourly-cost rate.

DD&F Responsibilities do not include the following:

- Development of a cost-benefit analysis on implementation of any disaster recovery or backup plans
- Contacting vendors for implementation of plans
- Completion of supporting documentation located in the Appendix of the plan, unless specifically indicated in the List of Appendix Items (see attached list). However, assistance with completion of Appendix items is available as needed on an hourly-cost basis. Descriptions or instructions are provided within the Appendix for most items.

Responsibilities of Client

- Assign a practicable individual of the organization to be the project contact for DD&F
- Designate practicable individuals of the organization as members for the BCP Committee/CMT and RT Leaders, based on a list of duties provided by DD&F for each crisis management area of responsibility
- Provide documents requested by DD&F to assist DD&F in gaining information on Client's organization and IT operations within a reasonable time to meet scheduled target date on project schedule
- Designate individuals to participate in onsite interviews or interviews via telephone for information-gathering, such as for the development of the BIA, documentation of disaster recovery plans and backup plans, relation and crisis communication procedures, etc. Schedule times for the individuals to be available to participate in the interviews, according to project schedule.
- Complete a questionnaire to assist DD&F in conducting a risk assessment, gap analysis, and recommendations for disaster recovery plans, within a reasonable time to meet scheduled target date on project schedule
- Review, revise if necessary, and approve all individual components of the plan developed by DD&F. Respond to DD&F with any revisions and/or approval within a reasonable time to meet scheduled target dates for completion of individual components.

List of Business Continuity Appendix Items	
Item	Item Description
1	Calling Tree/ Response Team Contact List <i>*(DD&F will assist with filling in individual names and areas of responsibilities. Client will need to complete phone numbers.)</i>
2	List of organization's facilities/locations and contact information of locations
3	Facility Emergency Data, Utility Hotline, and Shut Off Locations
4	Employee Contact List/ Employee Emergency Contact Information
5	External Contacts (service providers, shareholders, etc.)
6	Organizational chart
7	Equipment and Supplies (blank chart provided) <i>*(DD&F will assist with identifying needed resources during BIA)</i>
8	Shopping List (blank chart provided)
9	IT Environment Description <i>*(DD&F will assist with summary)</i>
10	Hardware & Software Inventories
11	LAN/WAN Diagram
12	Inventory & Location of Duplicates/Backups/Redundancies (blank chart provided)
13	Data Backup Procedures
14	List of Recoverable Items & Location (blank chart provided)
15	List of Unrecoverable Items & Loss Risk (blank chart provided)
16	Offsite Storage Inventory List (blank chart provided)
17	Key and Access Code List (blank chart provided)

18	Contingency Processing Items List (used for organizations with core system or disaster recovery facility service providers)
19	Power down/Computer shut off procedures <i>*(Sample of procedures will be provided)</i>
20	Critical System Restoration Procedures
21	Operating/Manual Processing Procedures
22	Evacuation diagrams & Emergency Signs, Documents, or Forms
23	Maps of facilities or locations (incl. alternate or offsite recovery locations)
24	List of all insurance policies
25	Third party contracts/agreements related to disaster recovery or IT support/maintenance
26	Initial disaster report <i>*(Sample blank report will be provided)</i>
27	Disaster declaration letter/checklist
28	DR/BCP Testing program and results
29	Annual evaluation checklist <i>*(Sample checklist will be provided)</i>
30	Annual evaluation and reports to the Board on BCP
31	Disaster Risk Assessment results <i>*(DD&F will provide)</i>
32	Business Impact Analysis <i>*(DD&F will provide report of results)</i>