

**AMENDMENT 1 TO THE AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN  
SNOHOMISH COUNTY AND REDCLOUD CONSULTING, INC. FOR FINANCIAL  
ENTERPRISE RESOURCE PLANNING AND SYSTEM IMPLEMENTATION SERVICES**

This Amendment 1 dated August 5, 2024 (the “**Effective Date**”), to the Agreement for Professional Services between Snohomish County and RedCloud Consulting, Inc., executed on December 12, 2023( the “**Agreement**”), is made by and between Snohomish County, a political subdivision of the State of Washington (the “**Client**” or “**County**”) and RedCloud Consulting, Inc., a Washington corporation, hereafter (the “**Supplier**” or “**Contractor**”).

**RECITALS**

**WHEREAS**, the County and RedCloud Consulting, Inc. are the parties to that certain Agreement executed on December 12, 2023,: and

**WHEREAS**, on July 22, 2024, the parties agreed in Change Order 1 to the Agreement for the Contractor to provide a preliminary business analysis review and organizational change management review of the ERP project; and

**WHEREAS**, the increased cost for Change Order 1 is being incorporated into the costs included in Schedule A-1 and Schedule A-2 of this Amendment 1; and

**WHEREAS**, the County ERP project requires additional business analysis and change management analysis and reporting work to be performed by the Contractor; and

**WHEREAS**, the total additional cost to the Agreement for the work described in this Amendment 1 shall not exceed Eight Hundred Thirty Seven Thousand Dollars (\$837,000.00).

**NOW, THEREFORE**, in consideration of the mutual obligations set out below, the parties agree that the Agreement is amended as follows:

1. Contractor shall provide a preliminary organizational change management review of County ERP project and a preliminary business analysis review of the ERP project, as described in Change Order 1. Costs for the preliminary organizational change management review are included in Schedule A-1, Section 2.1 Compensation and cost for preliminary business analysis review are included in Schedule A-2, Section 2.1 Compensation.
2. Schedule A-1 Statement of Work – Organizational Change Management (“OCM”) Leader is hereby attached to this Amendment 1 and by this reference incorporated into the Agreement.
3. Schedule A-2 Statement of Work – ERP Business Analyst is hereby attached to this Amendment 1 and by this reference incorporated into the Agreement.
4. Section 1, Purpose of Agreement; Scope of Services, is replaced in its entirety with the following:

1. Purpose of Agreement; Scope of Services. The purpose of this Agreement is to acquire professional business consulting services, project management support, and advisory services in support of the County’s financial enterprise resource planning system implementation initiative. The scope of services is as defined in Schedule A, Schedule A-1, and Schedule A-2, attached hereto and by this reference made a part hereof. This contract is entered into pursuant to Snohomish County Code section 3.04.203.

The services shall be performed in accordance with the requirements of this Agreement and with generally accepted practices prevailing in the western Washington region in the occupation or industry in which the Contractor practices or operates at the time the services are performed. The Contractor shall perform the work in a timely manner and in accordance with the terms of this Agreement. Any materials or equipment used by the Contractor in connection with performing the services shall be of good quality. The Contractor represents that it is fully qualified to perform the services to be performed under this Agreement in a competent and professional manner.

The Contractor will prepare and present status reports and other information regarding performance of the Agreement as the County may request.

5. Subsection 3.a. Services, is replaced in its entirety with the following:

a. Services. The County will pay the Contractor for services as and when set forth in Schedule A, Schedule A-1, and Schedule A-2, which are attached hereto and by this reference made a part of this Agreement.

6. Subsection 3.f. Contract Maximum, is replaced in its entirety with the following:

f. Contract Maximum. Total charges under this Agreement, all fees and expenses included, shall not exceed \$1,251,000 for the term of this Agreement.

7. Section 27. Conflicts between Attachment and Text, is replaced in its entirety with the following:

27. Conflicts between Attachments and Text. Each schedule and exhibit listed below is by this reference hereby incorporated into this Agreement as though fully set forth herein. In the event of an inconsistency within this Agreement, the inconsistency shall be resolved by giving precedence in the following order:

1. Terms and conditions in the text or main body of this Agreement
2. Schedule A – Statement of Work
3. Schedule A-1 - Statement of Work – Organizational Change Management (“OCM”) Leader
4. Schedule A-2 Statement of Work – ERP Business Analyst

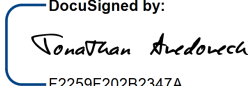
Except as expressly amended in this Amendment 1, the terms and conditions of the Agreement remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment 1 as of the day and year first written above.

SNOHOMISH COUNTY:

REDCLOUD CONSULTING, INC.:

\_\_\_\_\_  
Snohomish County Executive Date

DocuSigned by:  
  
 F2259E202B2347A  
 \_\_\_\_\_  
 By: Jonathan Avedovech Date  
 Title: Controller 8/5/2024

Approved as to Insurance Provisions:

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Risk Management

Approved as to form only:

Wendling, Rebecca Digitally signed by Wendling, Rebecca  
Date: 2024.08.05 09:51:36 -0700

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Deputy Prosecuting Attorney

## **Schedule A-1 Statement of Work**

### **Organizational Change Management (“OCM”) Leader**

#### **1. Description of Services**

Pursuant to and in conformance with any standards, guidelines and/or specifications which may be provided by Client to Supplier from time to time, Supplier will perform or deliver to Client under the Agreement as a work made for hire (collectively, the “Services”).

The Supplier resource(s) will deliver business consulting services, project management support, and advisory services in support of the enterprise resource planning system (“ERP”) implementation initiative for Client.

#### **Responsibilities – Key Stages**

The mission of the OCM Leader role will be to focus on “the people side of change”, helping employees and departments across Client’s organization to embrace and adopt changes related to business processes, systems, technology, job roles, and organizational structures.

#### **Pre-Implementation:**

- Develop and implement change management strategies and plans.
- Anticipate and address resistance from employees and departments impacted by the changes.
- Assess change readiness and identify key leaders and sponsors across the organization.
- Collaborate with project teams to integrate change management activities.
- Key Reporting and Deliverables:
  - Change Business Case Report, includes (i) identification and analysis of current issues and problems with existing finance and HR systems, a (ii) “benefits of change” assessment of what the new ERP systems will bring, and (iii) a cost/benefit analysis comparing the costs of a new ERP system vs. the benefits it will bring.
  - Change Readiness Assessment Report, includes (i) stakeholder analysis, (ii) organizational profiling, (iii) and a summary assessment of the County’s readiness to adapt to the proposed changes.
  - Change Impact Assessment Report, includes (i) a summary of the specific processes, areas, and functions within the organization that will be affected by the change, as well as (ii) an assessment of the nature, extent, and duration of the resulting impact.
  - Comprehensive Change Management Plan, includes organizational recommendations for the (i) formation of a change leadership team, (ii) change management strategy, (iii) stakeholder engagement plan, and (iv) tactics to continuously monitor the progress of the change.

#### **Implementation:**

- Apply a structured methodology to lead change management activities.
- Design, develop, and manage key communications.
- Provide input and support to the design and delivery of training programs.

- **Key Reporting and Deliverables:**
  - Communications Plan, includes recommended (i) communications objectives, (ii) key messages, (iii) communications channels, (iv) responsibilities matrix, and (v) feedback mechanisms to ensure two-way communications with stakeholders.
  - Resistance Management Strategy Report, includes (i) an identification of resistance sources, (ii) stakeholder analysis, and (iii) recommended strategies to address potential resistance.
  - Training and Adoption Plan, includes (i) a training needs assessment, (ii) training content creation, (iii) training delivery recommendations, (iv) required support channels, and (v) proposed feedback mechanisms.

**Post-Implementation:**

- Establish a network of user groups and support teams to address user queries post-launch of ERP system.
- Measure training and adoption effectiveness and address underperforming areas as needed.
- Collect feedback from users for ongoing improvements.
- **Key Reporting and Deliverables:**
  - Post Implementation Review and Lessons-Learned Report, includes (i) findings and analysis of the projects performance, (ii) a lessons-learned survey summary, and (iii) actionable recommendations based on the findings to improve future projects.

**Additional Responsibilities – All Key Stages**

**Cross-functional Collaboration:**

- Work closely with various departments, including IT, finance, operations, and HR, to ensure seamless integration of the ERP system.
- Foster collaboration and communication among different teams to promote a unified approach.

**Risk Management:**

- Identify potential risks and issues related to the ERP implementation and develop mitigation strategies.
- Monitor and resolve issues that may arise during the project to keep it on track.

**Quality Assurance:**

- Establish and maintain quality assurance processes to ensure the ERP system meets Client's requirements and standards.

**Reporting and Communication:**

- Provide regular project updates and status reports to senior leadership.
- Create clear and concise documentation for all project activities and decisions.

**Additional Support**

- The Supplier resource will provide additional advisory, project management, and/or business-management as may be required for select initiatives by the project director.

**Assumptions:**

The following assumptions are the basis of the SOW. If they do not hold, additional time and costs may

be incurred, and shall be memorialized in a change order in accordance with Section 6 of the Agreement.

- Supplier may require additional input for content and accuracy as necessary
- Permanent seating on Client Campus is not required. Supplier consultant does not need to work from client offices on a daily basis. They will be on campus for collaboration and meetings as needed, but can work remotely to serve the needs of the engagement.
- Supplier may be unavailable for all Client-observed holidays unless previously agreed upon with the Client
- Client may choose to adjust the priority and order of the below deliverables.

All Services shall be treated as Client Confidential Information unless otherwise designated by Client.

## **2. Deliverables/Delivery Schedule and Fees**

As outlined in Section 3 of this Agreement, Supplier shall submit to Client a properly executed invoice indicating the hours of work performed and progress achieved toward each deliverable and the amount due from the Client no more often than monthly. Subject to Section 8 of this Agreement, the Client shall pay such invoices within thirty (30) calendar days of receipt. The hourly rate will remain firm, fixed at \$141 per hour for the initial term of this agreement.

### **2.1 Compensation**

Key Stages	Deliverables	Estimated Hours	Estimated Cost	Not to Exceed
<b>1. Pre-Implementation</b>				
	a. Work Sessions including:			
	OCM Interviews and Assessments	400	\$ 56,400.00	
	Organizational Sponsor Assessments	150	\$ 21,150.00	
	OCM Project Planning	150	\$ 21,150.00	
	b. Change Business Case Report	200	\$ 28,200.00	
	c. Change Readiness Assessment Report	200	\$ 28,200.00	
	d. Change Impact Assessment Report	200	\$ 28,200.00	
	e. Comprehensive Change Management Plan	200	\$ 28,200.00	
<b>Subtotal</b>		<b>1500</b>	<b>\$ 211,500.00</b>	
<b>2. Implementation</b>				
	a. Work Sessions including:			
	Execution of defined change mgmt activities	150	\$ 21,150.00	
	Comms plan administration	150	\$ 21,150.00	
	ERP Roadshows and education programs	150	\$ 21,150.00	
	Training and adoption planning and design	150	\$ 21,150.00	
	b. Communications Plan Report	100	\$ 14,100.00	
	c. Training and Adoption Plan Report	100	\$ 14,100.00	
	d. Resistance Management Strategy Report	100	\$ 14,100.00	
<b>Subtotal</b>		<b>900</b>	<b>\$ 126,900.00</b>	
<b>3. Post-Implementation</b>				
	a. Work Sessions including:			
	User group and support team facilitation	150	\$ 21,150.00	
	Training and adoption analysis and support	200	\$ 28,200.00	
	Continuous improvement initiatives	150	\$ 21,150.00	
	b. Post Implementation Review Report	200	\$ 28,200.00	
<b>Subtotal</b>		<b>700</b>	<b>\$ 98,700.00</b>	
<b>Total for All Key Stages</b>		<b>3,100</b>	<b>\$ 437,100.00</b>	
<b>Agreement Total Not to Exceed</b>				<b>\$441,000.00</b>

**2.2 Travel Expenses:**

There are no travel expenses anticipated while performing the Services under this agreement.

## **Schedule A-2 Statement of Work**

### **ERP Business Analyst**

#### **1. Description of Services**

Pursuant to and in conformance with any standards, guidelines and/or specifications which may be provided by Client to Supplier from time to time, Supplier will perform or deliver to Client under the Agreement as a work made for hire (collectively, the “Services”).

The Supplier resource(s) will deliver business consulting services, project management support, and advisory services in support of the enterprise resource planning system (“ERP”) implementation initiative for Client.

#### **Responsibilities – Key Stages**

The mission of the ERP BA role will be to ensure alignment between the newly selected ERP system and Client’s strategic operational goals.

#### **Pre-Implementation:**

- Capture detailed requirements for blueprinting, solution design, and functional testing for the selected ERP system.
- Map current state process and future state solution
- Provide business process analysis to identify and execute on ERP-readiness and process-improvement initiatives.
- Key Reporting and Deliverables:
  - Business Requirements-Gathering and County Engagement Project Plan, includes (i) a full list of stakeholders, (ii) a list of key questions and information needed from each, and (iii) proposed timelines for engaging with each department.
  - Functional and Non-Functional Requirements Documents, outlining (i) what the new ERP system should do, (ii) features and functionality the new ERP system must have to meet organizational needs, (iii) how the new ERP system should perform, and (iv) its minimum required quality attributes, performance standards, and operational constraints.
  - Data Mapping and Data Migration Plan, includes (i) data maps for each key ERP system, (ii) checklists for pre-migration preparation and clean-up work, (iii) data migration timelines, and (iv) post-migration test plans.
  - System Mapping and Application Consolidation Plan, includes (i) inventory of all ERP-related software applications in use at the County, (ii) diagrams to show the relationships and integrations between said current applications in use, and (iii) recommendations for application upgrades, consolidation, or replacement.

#### **Implementation:**

- Onboard and educate selected ERP vendor(s) including knowledge transfer sessions.

- Facilitate implementation scoping sessions between internal Subject Matter Experts (SMEs) and teams with the ERP Systems Integrator (SI) vendor, translating vendor recommendations into action plans.
- Document key processes and process-changes into operational manuals and playbooks for County use.
- Drive the solution development, test, and launch plans in partnership with the SI vendor
- Oversee process and change control governance for solution design.
- Key Reporting and Deliverables:
  - Test Strategy and User Acceptance Test Plan, includes (i) proposed test scope and schedules, (ii) list of test scenarios and cases, (iii) roles and responsibilities matrix, and (iv) acceptance criteria.
  - Training and Adoption Plan, includes (i) a training needs assessment, (ii) training content creation, (iii) training delivery recommendations, (iv) required support channels, and (v) proposed feedback mechanisms.

**Post-Implementation:**

- Drive analysis and optimization of inter-relationships between business processes, systems, and organizational structures.
- Measure training and adoption effectiveness and address underperforming areas as needed.
- Key Reporting and Deliverables:
  - Post Implementation Review and Lessons-Learned Report, includes (i) findings and analysis of the projects performance, (ii) a lessons-learned survey summary, and (iii) actionable recommendations based on the findings to improve future projects.

**Additional Responsibilities – All Key Stages**

**Cross-functional Collaboration:**

- Work closely with various departments, including IT, finance, operations, and HR, to ensure seamless integration of the ERP system.
- Foster collaboration and communication among different teams to promote a unified approach.

**Risk Management:**

- Identify potential risks and issues related to the ERP implementation and develop mitigation strategies.
- Monitor and resolve issues that may arise during the project to keep it on track.

**Quality Assurance:**

- Establish and maintain quality assurance processes to ensure the ERP system meets Client's requirements and standards.

**Reporting and Communication:**

- Provide regular project updates and status reports to senior leadership.
- Create clear and concise documentation for all project activities and decisions.

**Additional Support**

- The Supplier resource will provide additional advisory, project management, and/or business-management support to the project director for select initiatives as may be required.

**Assumptions:**

The following assumptions are the basis of the SOW. If they do not hold, additional time and costs may be incurred, and shall be memorialized in a change order in accordance with Section 6 of the Agreement.

- Supplier may require additional input for content and accuracy as necessary
- Permanent seating on Client Campus is not required. Supplier consultant does not need to work from client offices on a daily basis. They will be on campus for collaboration and meetings as needed, but can work remotely to serve the needs of the engagement.
- Supplier may be unavailable for all Client-observed holidays unless previously agreed upon with the client
- Client may choose to adjust the priority and order of the below deliverables.

All Services shall be treated as Client Confidential Information unless otherwise designated by Client.

**2. Deliverables/Delivery Schedule and Fees**

As outlined in Section 3 of this Agreement, Supplier shall submit to Client a properly executed invoice indicating the hours of work performed and progress achieved toward each deliverable and the amount due from the Client no more often than monthly. Subject to Section 8 of this Agreement, the Client shall pay such invoices within thirty (30) calendar days of receipt. The hourly rate will remain firm, fixed at \$127 per hour for the initial term of this agreement.

**2.1 Compensation**

Key Stages	Deliverables	Estimated Hours	Estimated Cost	Not to Exceed
<b>1. Pre-Implementation</b>				
	a. Work Sessions including:			
	Detailed Requirements Gathering	300	\$ 38,100.00	
	Process Mapping	300	\$ 38,100.00	
	ERP-Readiness and Process-Improvement Initiatives	300	\$ 38,100.00	
	b. Requirements Gathering Project Plan Report	150	\$ 19,050.00	
	c. Business Requirements Documents	150	\$ 19,050.00	
	d. Data Map and Migration Plan Report	150	\$ 19,050.00	
	e. System Map and App Consolidation Plan Report	150	\$ 19,050.00	
<b>Subtotal</b>		<b>1500</b>	<b>\$ 190,500.00</b>	
<b>2. Implementation</b>				
	a. Work Sessions including:			
	SI Vendor Onboarding	100	\$ 12,700.00	
	Implementation Scoping Sessions	100	\$ 12,700.00	
	Process Documentation and Playbooks	100	\$ 12,700.00	
	Solution design, test and launch support	100	\$ 12,700.00	
	Implementation change-control governance	100	\$ 12,700.00	
	b. Test Strategy and UAT Test Plan Report	200	\$ 25,400.00	
	c. Training and Adoption Plan Report	200	\$ 25,400.00	
<b>Subtotal</b>		<b>900</b>	<b>\$ 114,300.00</b>	
<b>3. Post-Implementation</b>				
	a. Work Sessions including:			
	Training and adoption analysis and support	300	\$ 38,100.00	
	Continuous improvement initiatives	200	\$ 25,400.00	
	b. Post Implementation Review Report	200	\$ 25,400.00	
<b>Subtotal</b>		<b>700</b>	<b>\$ 88,900.00</b>	
<b>Total for All Key Stages</b>		<b>3,100</b>	<b>\$ 393,700.00</b>	
<b>Agreement Total Not to Exceed</b>				<b>\$396,000.00</b>

**2.2 Travel Expenses:**

There are no travel expenses anticipated while performing the Services under this agreement.