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**STATEMENT OF WORK
No 3**

For Project:

**Minor Enhancements to QHHR –ECC
System**

Master Agreement:

**HR Business Solution
Software and
Services GITC
Agreement dated
30/11/05**

Release No: v0.2

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Customer Statement of Services for CorpTech

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1. Introduction

This Customer Statement of Work (the "SOW") describes the work to be undertaken (the "Services") by IBM Australia Limited ABN 79 000 024 733 ("IBM") under the terms and conditions of the Master Agreement, number Q-11 dated 30th November 2005, HR Business Solution Software and Services, HRBS (the "Agreement"). The Services and Deliverable Materials to be provided by IBM Australia Pty Ltd, as well as the Estimated Schedule and any Assumptions made by IBM, are described within this SOW. In addition, the responsibilities of the Department of Public Works ("CorpTech") ABN46 7806 44908 are listed

2. Scope

2.1. Overview

For the QHHR ECC system Customer has requested IBM implement minor enhancements into the QHHR solution. These changes are a result of issues identified by the business as being of high priority.

These changes will be designed and built in accordance with the Customer's requirements as detailed in the SIMS ticket and subsequent output from the impact assessment process.

These changes have been given a high priority by Queensland Health and approved in accordance with the CAB change management processes.

2.2. Project Activities

The estimates for the work described in this SoW have been developed based on information and the requirements provided to IBM by the Customer.

There are four enhancements covered by this SOW:

1. SIMS 888811/881798 Identification of when a loan value is due to an Overpayment on the Payslip.
2. SIMS 891 813 On-call for Senior Nurses
3. SIMS 863874 Pay rule 456518 added to 124 calculation groups
4. SIMS 849600 Change in bank details mid-period

No 1: Identification of when a loan value is due to an Overpayment on the Payslip.

Overview: Company Loan functionality is used in SAP to record amounts owing due to an overpayment or an amount which is to be cumulated for agreed purposes (an employee can enter into an arrangement with Queensland Health to pay for corporate uniforms, rail tickets and car parking tickets through fortnightly payroll deductions).

QH Requirement: To reconfigure wage type text and IT0045 Employee Debt to allow for the following text to appear on Payslip.

1. The text for "Payment - Loan \$(G1 Gross)" to change to - **Overpaid Wages (Gross)**
2. The text for "Debt Amt - Salary/Wage Overpayment (Net)" to change to - **Overpaid Wages - Payment to be Recovered (Net or Gross)** whichever applies.
3. The text for "Repayment Salary/Wages Overpayment (Net)" to change to - **Repayment of Overpaid Wages (Net or Gross)** whichever applies.

No 2: On-call for Senior Nurses

Overview:

This requirement was provided by QH as a part of their priority list presented to CAB in the week ending 25/06/2010

QLD Health have requested the additional configuration of specific oncall rules associated to specific calculation groups to allocate and assign oncall shifts for correct and accurate payments.

This enhancement has been developed as per the requirements provided by QH in SIMS 891813

QH Requirement:

update configuration to apply the oncall rule 107026 to the following calc groups;

123 QH_QPH_FT_SNR_NURSING
137 QH_QPH_PT_SNR_NURSING
204 QH_QPHSD_CAS_SNR_NURSING
205 QH_QPHSD_FT_SNR_NURSING
206 QH_QPHSD_PT_SNR_NURSING

No 3: Pay rule 456518 added to 124 calculation groups

Overview:

This requirement was provided by QH as a part of their priority list presented to CAB in the week ending 25/06/2010

QLD Health have requested Pay rule 456518 be added to 124 calculation groups

This enhancement has been developed as per the requirements provided by QH in SIMS 863874

QH Requirement:

Pay rule 456518 added to 124 calculation groups
124 calc groups

Containing 34,072 Employees.
No modification to how rules logic works

No. 4: Change in bank details mid-period

Incident - Change in Bank: Details mid pay period. An employee may change their Bank Details payment method changed mid pay period. Pay period 20/2009 was from the 08.03.2010 to 21.03.2010, the employee was on a cheques payment method from the 08.03.2010 to the 14.03.2010, then on a payment method of EFT transfer. This meant that the employee appears on the cheque payment, and would be processed as a cheque paid employee, using the 9C00 wage type. To prevent this in future I would suggest a user exit on info type 0009 to force changes on info type 9 to be only valid at the start date of the current pay period, or form the employees hire date when the employee commences mid pay period. Further the user exit on info type 0009 should only allow one main bank account to be valid for the pay period.

Assessment:

Classification: Enhancement

Function: Manage Payroll

Summary: Additional validation to stop mid-period payment method changes

Description: Implement a new user exit for Infotype 0009 so that changes in payment methods are not performed mid period

Business Benefit

Stop difficult situations from arising that cause lengthy investigations for payroll reconciliation

2.3. Implementation of minor enhancements – Roles and Responsibilities

The table below provides detail around the roles and responsibilities in relation to the implementation of the minor enhancements as detailed in section 2.1

Activity	Deliverable	Accountable/Responsible		
		IBM	CorpTech	QH
	N/A		A/R	
Complete an Impact Assessment document that details all support stack changes from the current production system		A/R		
Perform required configuration and development to support the implementation		A/R	R (for any SAP BASIS, Security, SAP FI and SAP XI configuration or SAP XI development)	
Communicate solution scope impacts to CorpTech		A/R	R	
Communicate solution scope impacts to production system users	N/A		A/R	

System integration testing and regression testing (including reconciliation process)		A/R	R	
UAT testing	N/A		A/R	A/R
Completion of solution documentation.	Updated solution documentation as identified in impact assessment Includes, functional, technical specifications, configuration documents, PDR's, training documents.	A/R		<u>R (CTD and any other business requirement updates)</u>
Deploy software changes into production including production cutover activities	N/A		A/R	

2.4. Project Assumptions

The following provides a summary of the key assumptions underlying the scope, price and approach described in this Statement of Work. Changes to these assumptions may result in amendments to effort, price and/or timelines indicated in this proposal.

2.4.1. General Assumptions

- a. IBM submits this Statement of Work and CorpTech accepts such with the understanding that any estimates are based on information provided by CorpTech therefore represents current knowledge. The time and cost estimate for the work proposed in this document is based on the scope defined in the CorpTech RFC of each individual change, performed under this Statement of Work.
- b. Any additional business requirements, changes, or previously undisclosed information may have a direct impact on the estimates contained within this proposal.
- c. Delays that are due to CorpTech may extend any deliverable milestones or timetables.
- d. All RFCs are to be requested and completed by CorpTech. No work will be undertaken by IBM unless RFC documentation and approvals have been completed and provided to IBM.
- e. Written authorisation must be provided by CorpTech before any work can commence.
- f. CorpTech to provide written approval to deploy to production at the completion of UAT.

2.3.2. Staffing Assumptions.

- a. CorpTech and Queensland Health employees will provide expertise in the areas of business process, corporate policies and procedures, and organisational knowledge.

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- b. CorpTech's functional and technical personnel have the knowledge and ability to contribute to the analytical and development efforts.
- c. CorpTech will allocate experienced, empowered business resources to the project as required and will ensure continuity of service from these resources
- d. IBM reserves the right to discuss with CorpTech's management the non-performance of any of the customer's project team members, and where agreed, seek the provision of a replacement resource
- e. Time spent on administrative activities by IBM such as meetings will be limited to that deemed appropriate and reasonably required by project management. Time over this threshold will be subject to change control procedures

2.3.3 Documentation / Approval Assumptions

- a. Reasonable documentation exists regarding CorpTech's current environments.
- b. The maximum turn-around time for decisions by CorpTech is five business day, or as agreed between IBM and CorpTech.
- c. The maximum turn-around time for Project Documents to be reviewed and/or signed off by CorpTech is five business days. If no response is received in this period the document is deemed accepted as delivered and further change will be subject to Change Control procedures.
- d. When an issue has been presented for confirmation of resolution, if no decision/instruction is received by IBM from CorpTech within ten (10) business days it is assumed as approved. Any reversal of business decisions will be subject to additional costs.
- e. CorpTech will be responsible for the verification and sign-off of all project deliverables.

2.3.4 Testing Assumptions

- a. Prior to delivery into User Acceptance Testing, IBM will perform unit and system tests.
- b. Queensland Health will provide sufficiently trained and experienced resources to carry out User Acceptance Testing activities.
- c. The customer project team functional resources will assist with test preparation and execution.
- d. IBM will not be responsible for providing performance test software. It is CorpTech's responsibility to provide performance test software, environment and personnel skilled in the preparation, execution and analysis of performance/stress tests using such software as they see fit.
- e. IBM will not be responsible for the provision of a performance test environment, and a performance test tool.

2.3.5 Technical Infrastructure Assumptions

- a. IBM is not responsible for the performance of CorpTech's communications network or performance of hardware and software environment.

- b. This SOW is contingent on there being no changes to CorpTech's infrastructure. Changes to hardware, operating systems, dalabases, application servers, and other 3rd party software required by the Contractor.

2.3.6 Change Management Assumption

- a. Change management is not in the scope of this statement of work.
- b. CorpTech is responsible for determining and implementing the most appropriate Change Management Strategy.

3. Acceptance Criteria

3.1. Deliverables Subject to Acceptance Procedure

Serial No.	Milestone Phase or date	Deliverable Description	Acceptance Criteria
1	14/8/2010 =	Minor Enhancement Completion Report	Report to confirm the following work product has been created and accepted: List of SAP transports and Workbrain Release applied to production.

4. Pricing

4.1. Pricing Structure

The total fixed price for this Statement of Work is **\$32,850.00 (excluding GST)**.

4.2. Payment Schedule

Contractor will invoice the Customer for the SOW Services on a milestone basis, as described below:

Milestone Description	Deliverables Included by Serial Number/Acceptance Criteria	Milestone Completion Date	Payment Milestone (\$)
	Deliverable No1,	14 th August 2010	32,850.00

Invoices will not be raised until the applicable milestone has been achieved. A milestone is not achieved unless and until the relevant deliverables have been accepted (if acceptance is applicable) or, the period of time defined by the contract for this to occur has been exceeded and no response has been received.

5. Term

5.1. Term

This SOW will remain in effect until September 30, 2010.

6. Limit of Terms & Conditions

6.1. Limit of Terms & Conditions

Parties agree that the terms and conditions set out in this SOW 3 apply solely to services or work undertaken, including all Deliverable Materials, provided thereunder. The parties expressly exclude the extension of these terms and conditions to any other services or work or Deliverable Materials provided under the Customer Contract (the Agreement).


7. Signatures

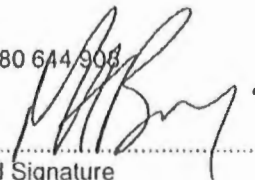
Parties agree that this SOW is the complete and Exclusive Statement of Services between the parties, superseding oral, written and all other communication between the parties relating to the subject matter herein.

This Statement of Services is agreed to, and accepted to by

IBM Australia Limited
ABN: 79 000 024 733

CorpTech
ABN: 45 780 644 908

By: 
Authorised Signature

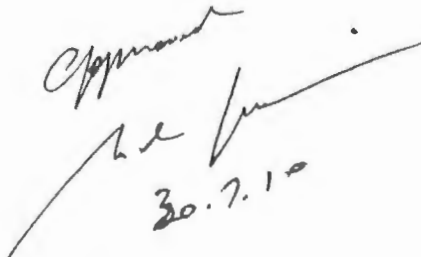
By: 
Authorised Signature

Kevin Killey
Partner
IBM Global Business Services

Margaret Berenyi
Executive Director, CorpTech
Qld Department of Public Works

Date: 5/8/10

Date: 29/7/10


30.7.10