

Project Charters

Issues for Consideration

Precise: This document is intended to define the business relationship between Henry Wadsworth Longfellow, the designated Project Manager for the Integrated Instrumentation, Control and Telemetry System(IICATS) Project, and Ralph Waldo Emerson, the manager/sponsor/opportunity owner, responsible for all internal project stakeholders for The Sydney Water Board.

Project Management Authority

1. Henry Longfellow, is given the authority to act in behalf of the Sydney Water Board on matters pertaining to the execution of the IICATS Project.
2. In executing the duties required, Henry is authorized to commit the Sydney Water Board through initial agreements or change order management to financial obligations not to exceed \$100,000.00 per incident and an aggregate over the life of the IICATS project of \$1,000,000.00. Further discretion will be reviewed by the Change Control Board and require the approval of the Board of Directors. All legal instruments associated with these commitments will be approved in advance by the Office of General Counsel.
3. Henry Longfellow will obtain human resources from respective Functional Managers upon request. The IICATS project has received Code IIA and as such will receive the following priority for requests and will operate under the following rules;
 - A. All Functional Managers must contribute one nominated lead person specifically requested by the Project Manager if currently available. If said person is under commitment and the Project Manager continues to request said lead, Ralph Emerson will resolve existing conflict.
 - B. All Functional Managers must make available no less than 10% of their resource pool at all times throughout the IICATS project. Requests exceeding that allocation may be made for intervals not to exceed 30 working days. Henry may secure outside subcontractors to supplement resource needs when resources are not available within the Sydney Water Board. Any costs associated with the engagement of consultants or other third parties, which exceed the allocated budget will be the responsibility of Henry Longfellow. Any conflicts which arises as a result of these policies, will be resolved by Ralph Emerson.
 - C. Henry Longfellow will have the option of returning 10% of non-performing staff assigned by each Function Manager without cause. Any requests above that level will require justification and when

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disagreements occur, Ralph Emerson will resolve said conflict. It is understood that all staff must agree and sign the Team Charter. Should a potential staff member refuse to comply, his return to the personnel pool of the respective Functional Manager will not constitute part of the 10% resource return allowed herein.

- D. Henry Longfellow will supply semi-annual personnel reviews to the Function Manager. The Functional Manger must notify Henry in advance regarding all changes in reimbursement to the assigned personnel, which occur during their assignment on the IICATS project. Any adjustment outside of the company reimbursement schedule must be approved by Henry Longfellow. Henry Longfellow will not obligate the Sydney Water Board to additional permanent reimbursement changes for any staff person.
- E. It is understood that where assigned personnel are working on multiple projects, the priority of individual task assignments and their execution will first be determined by Project Code. The project with the higher code rating will have priority in using the resource but not to the exclusion of other projects sharing that resource. When projects of equal code share the same resources, task time required for critical path activities will take precedence. Where there are conflicting needs between projects for critical path task scheduling, Ralph Emerson will resolve the conflict.
- F. The IICATS Project Manager will have an administrative assistant and a cost scheduler available as needed throughout the project.

Information Management

1. Henry Longfellow will receive the total cooperation of all departments within the Sydney Water Board in the conduct of the IICATS project and specifically as outlined below.
2. All pre-project information will be made available to Henry including but not limited to Initial Project Risk Assessment, the Project Business Case and all documents prepared in support of said business case, all personnel records including salary information and burden rates applicable to the IICATS project. All Marketing and Sales personnel involved in the negotiation of the contract for this project will be at the disposal of Henry Longfellow throughout the project to answer any queries or assist in any negotiations with the appropriate Project Stakeholders. It is recognized that a proportion of their compensation will be tied to the success of the IICATS project.
3. The IICATS project is a “for profit” project and The Sydney Water Board expects to realize benefits representing a minimum of 13.5% IRR at conclusion.

4. After completing the prescribed Risk Analysis, the IICATS project will be allowed to allocate 7% of its operating budget toward a combination of opportunity optimization and risk mitigation and contingency funds. Henry may apply for funds from the Management reserve to mitigate risks that may occur outside of the risk management assessment. Access to funds will be restricted to 5% of the total yearly and overall budget of the IICATS project and must be approved by Ralph Emerson and the Board of Directors.
5. Henry Longfellow will provide the following metrics to Ralph Emerson or his designee relating to IICATS performance on a monthly basis.
 - A. Cash Flow analysis
 - B. Number of tasks started
 - C. Number of task completed
 - D. Number of Risk events which have passed
 - E. Head Count & Resource Utilization
 - F. Earned Value Analysis included To Complete Performance Index and Earned Value Schedule Conversion.
 - G. A description of all deviations exceeding 10% of plan.

Any requirements for additional metrics made upon Henry Longfellow will be accompanied by additional funding and time allotments and must be approved by Ralph Emerson and the Board of Directors.

6. Henry will maintain an electronic copy of the Project Control Book as well as an original. Ralph Emerson will have access to the online file as well as read only access to the schedule.

Client Management

1. The Sydney Water Board will appoint an independent Third Party to interview all external stakeholders to this project. The intent will be to gain opinions and surveys from all parties regarding the conduct of the project. Said Third Party will report their observations on a quarterly basis, first to the Project Manager, and then they will together report to Ralph Emerson and The Board of Directors on a semi-annual basis.
2. It is expected that Henry Longfellow will strictly interpret the provisions of the contract in the favor of The Sydney Water Board. While attempting to “delight our customers” it is recognized that issues will arise that may only be resolved at Ralph Emerson’s level of authority. In those cases, it is the customer management policy of the Sydney Water Board that Ralph Emerson may, at his discretion; contradict the position taken by Henry Longfellow. Further details involving the implementation of the Customer Management Policy will be discussed.