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Re: **Proposal from Data Boiler Technologies**

Dear ██████████:

On behalf of Data Boiler Technologies (DBT), I am pleased to provide ██████████ (██████). with our proposal. Included within the proposal and Statement of Work (SOW) are descriptions of the work to be accomplished, the expected outputs/deliverables to ████████ as well as the tentative schedule and professional fees to complete this project.

Based on our conversations, which outlined the business requirements for this project, there are several components that will be critical for ████████ in order to achieve its business objective (i.e. to develop a commercially viable analytic product to revitalize the business):

Data Boiler's Strengths	Value to ██████████
Business acumen	DBT crystalizes the situation, focus on the right tasks/actions to bring in concrete results. DBT is "fit-for-purpose" and is a trusted solution provider for ████████
Professional data analytics	DBT provides meaningful business intelligence with high commercial values.
Agile product development	DBT provides value-added solution for ████████ to fend-off competition at the most efficient costs.
Commercially viable product	DBT enables ████████ to realize excellent ROI with a new stream of revenue.

The values mentioned above make DBT uniquely qualified to manage this critical project for ████████ We look forward to serving your needs and exceeding your expectations. Thank you.

Sincerely,

Kelvin To, Founder and President
Data Boiler Technologies, LLC

cc: ██████████



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The Proposal

Overview and Understanding:

██████████ (████) is in the business of providing ██████████ (████) related data to clients in the ██████████. Clients use █████'s data for ██████████ purposes, for which they pay an annual subscription fee.

Situation:

The market where █████ operates has recently been disrupted by new encumbrances (e.g. ██████████) offering similar types of data online for FREE. █████ believes they may have more data points than the competition. However, there has not been a comparison between █████'s data quality and their competition's. The fact that no single vendor has perfected accurate information on these █████ of █████ is a market problem. The fact remains a disruptive force by the competition (particularly ██████████ who has raised millions in capital) and has commoditized the business of █████

In response to the market challenge, █████ wants to push analytical products to offer higher values for their clients. █████ has previously leveraged ██████████ to study their database for some sort of analytical solutions. However, there seems to be a lack of traction to obtain clients' buy-in. █████ realizes the need to hire professional services in order to develop commercially viable analytical product(s) to fend-off the competition.

Based on initial conversations between █████ and Data Boiler Technologies (DBT), DBT believes █████ would likely have better success with the ideas of (1) ██████████, or (2) ██████████, rather than having a far-fetched goal in trying to ██████████.

In preparing for this proposal, DBT has reviewed the sample data provided by consisting of ██████████ records containing █████ columns (data points) of █████ based in ██████████. DBT has determined from the sample file that █████'s collected data has very limited information pertaining to ██████████. DBT does offer an infomediary service to source data or form a strategic alliance for clients to pursue portal opportunities. DBT anticipates it will be a substantial effort to augment █████'s database with the necessary ██████████ related information, therefore DBT feels the ██████████ idea cannot be justified at this moment.

This proposal represents DBT's strategic recommendations for █████ to focus on developing an analytical solution for ██████████. Not only is this a familiar market segment for █████ to penetrate, but this analytical product will be low hanging fruit for █████ to quickly revitalize its business. DBT is confident in coming up with a superior analytical solution that is relevant to the market. Please refer to the Statement of Work section in this document for details of how DBT will deliver a customized professional analytic solution for █████



Objectives:

- Perform meaningful business analytics using data and derived data from █'s database.
- Identify key attributes/variables that will determine/predict █, █, █, etc.
- Strategize how to use those analytics to come up with a commercially viable product.
- Design and develop the product (a web application), then turn over the technology to █ for hosting and maintenance.
- Make recommendations on how █ can better capture data for fine tuning the analytics in the future.

Approach and Methodology:

In attaining the above objectives, DBT will apply a systemic approach to structurally analyze the approximate █ data available in █'s database. DBT recommends █ to consider analyzing the █ as a 2nd phase project, which is outside scope of this proposal.

Note: DBT has found veracity issues with certain sample data provided by █ (see appendix 1). To prevent distortion of our analysis or outputs caused by inaccurate or inconsistent data inputs, it is essential for DBT to examine all █ data points in █'s database and discern what may or may not be usable variables for the predictive formula. The right data fields will be compared for correlation studies (see high level findings of sample data analytics in appendix 2) with findings substantiated by supporting data. This systemic approach may prolong the overall project duration, however it will enhance the credibility of the business analytics and ensure "fit for purpose".

In designing a commercially viable product for █, DBT will access the market to benchmark competitor's product(s) and develop superior formula(s) and relevant algorithms pertaining to █, █, █, etc.

In developing the product (a web application), DBT will follow project management's best practices to closely communicate with █ throughout the system development life cycle. DBT will craft out the preliminary user interface (UI) of the web application. █ is expected to be engaged in providing inputs to the UI design as well as approval and confirmation of the functional specifications before program coding. █ should clearly and timely inform DBT of their database and system standards so any connection between the new product with █'s existing database and/or system can be deployed smoothly. Also, █ is expected to jointly participate in system testing together with DBT.

DBT believes this approach is in the best interests of █. Instead of taking any shortcuts, it will foster professional diligence with the analysis, product design and development, as well as ensuring the final deliverables will be a commercially viable product with superior quality.



Statement of Work

When signed by DBT and ■■■, this Statement of Work (SOW) will set forth the relationship between the parties for this engagement.

Tasks, Assumptions, and Accountabilities:

DBT will execute the following tasks in order to conduct the engagement:

Task 1: Project initiation

To start the engagement, DBT will meet onsite with the assigned ■■■ associate(s) to cover various planning items, including possible kickoff dates, a list and schedule of participant interviews, and a list of documents and systems for review. Once these planning items are completed, DBT will schedule and conduct a kickoff meeting or a conference call with ■■■ to go over the project objectives, degree of participation and work commitment during the course of the engagement.

Task 1: Outputs and Deliverables

- DBT to provide initial project plan (to be finalized within one week of the kickoff meeting)
- Kickoff meeting presentation

Task 1 Tentative Schedule – week one

Task 2: Access and validate data

DBT expects to receive the data file from ■■■ in ■■■, or ■■■, or ■■■ format. ■■■ may use ■■■ to compress and encrypt the data file when sending it over to DBT via a commonly agreed mean of file transfer. The sent file from ■■■ will be properly stored and used by DBT in a secured environment. Upon completion of this engagement, ■■■ may instruct DBT to purge the data file accordingly, or request DBT to retain the data file for 1 year for potential phase 2 development. DBT will follow ■■■'s information security policy to carefully handle their data throughout the duration of the entire project.

Task 2: Outputs and Deliverables

- DBT to check the received data file is in good order and send a confirmation email back to ■■■
- Clarification email(s) to ensure common understanding of ■■■'s data dictionary

Task 2 Tentative Schedule – week two

Task 3: Data analysis

DBT will examine all ■■■ data points in ■■■ database and discern what may or may not be usable variables for the predictive formula. Data points without substantial representation may be dropped from the analysis. DBT may use a mixture of ■■■'s existing data points to come up with new “derived data” to augment the analysis where applicable. DBT will compare the relevant data fields for correlation studies with findings substantiated by supporting data. Also, DBT will perform multiple



regression analysis to come up with predictive formula(s) for subsequent product commercialization exercise.

Task 3: Outputs and Deliverables

- Predictive formula(s)
- Hypothesis test results with graphical illustration to prove the formula

Task 3 Tentative Schedule – week two to six

Task 4: Product development strategy

DBT will meet onsite with ■ management to go over the predictive formula(s) and facilitate a planning session to strategize how a commercially viable product may be developed. DBT is methodical in guiding clients through the entire product development lifecycle, including effect determination of product requirements, accessing values in prioritizing features and review of competitive landscape. ■ will benefit from DBT's strategic support in crafting out a go-to-market strategy.

Task 4: Outputs and Deliverables

- Product requirements showcasing key features and expected performance
- Product strategy presentation

Task 4 Tentative Schedule – week seven

Task 5: Application development

Once ■ agrees on a product strategy, DBT will begin the application development. DBT will seek agile development opportunities by maximizing re-use of program codes available in ■'s existing applications (e.g. user management – login/new account creation/forgot password), as well as use of Java open source language for programming of the application. DBT envisions a user interface of the application with no more than ■ input variables (drop down lists, slide bars, radio buttons, etc.). The application is expected to perform calculations based on those inputs and then provide an output screen to profile out the ■ for ■ purposes. The output screen will include possibly a table and 3 relevant graphs. There will be an export button shall the users desire to export the content on the output screen to an Excel spreadsheet. Regarding data integrity, there will be mechanism to validate/evaluate attributes to ensure data consistency as necessary. DBT assumes the database file has approximate ■ records in a single ■ formatted file. Ordering and payment are not part of this estimate. Also, DBT assumes ■ will host and maintain the application themselves, thus DBT will render all related source codes, functional specifications and user manual to ■ accordingly.

Task 5: Outputs and Deliverables

- Functional specifications signed off by ■
- Mock up input/output screens and user interfaces

Task 5 Tentative Schedule – week seven to week fourteen



Task 6: Application testing

To ensure achievement of desired performance, DBT will work closely with [REDACTED] assigned associate(s) to determine system acceptance criteria as early as the beginning of application development and signed off of functional specification. The acceptance criteria will detail out the minimum conditions for expected system performance. Also, there will be a user acceptance test for [REDACTED] to verify that all functions of the application are working properly according to the functional specifications. Upon satisfactory completion of the user acceptance test, DBT will work on a user manual/procedural document so it will be easy for [REDACTED] to host and maintain the application going forward.

Task 6: Outputs and Deliverables

- System test results
- User acceptance test results

Task 6 Tentative Schedule – week thirteen to fifteen

Task 7: Documentation

To ensure the proper transition of the application to [REDACTED] for hosting and maintenance, DBT will conclude this project by rendering related source code of the application to [REDACTED] as well as provide a comprehensive user manual/procedural document for [REDACTED] reference.

Task 7: Outputs and Deliverables

- Source code, user manual/procedural document
- [REDACTED] to [REDACTED] on-site review or knowledge transfer session, as needed

Task 7 Tentative Schedule – week sixteen

Task 8: Ongoing support *

[REDACTED] may instruct DBT to purge the data file upon finish of this project, or request DBT to retain the data file for 1 year for possible phase 2 developments. It is critically important to [REDACTED] that ongoing efforts are made to ensure fine tuning of the predictive algorithm(s) to reflect changes over time. DBT may suggest additional data point(s) and/or meta-data to be captured or seek strategic partnership to align [REDACTED] with other data/ technology vendor(s) in pursuing [REDACTED] opportunities.

Task 8: Outputs and Deliverables

- Confirmation email to purge the data file
- List of suggested data point(s) and/or meta-data to be captured
- Proposal for possible phase 2 developments

** Task 8 is to be considered out-of-scope for the purposes of this SOW. A separate formal proposal will be provided upon request for this work-task.*



Changes to Scope

All requests by █ for changes to the SOW must be in writing and must set forth with specificity the requested changes. As soon as practicable, DBT shall advise █ of the cost and schedule implications of the requested changes and any other necessary details to allow both parties to decide whether to proceed with the requested changes. The parties shall agree in writing upon any requested changes prior to DBT commencing work.

As used herein, “changes” are defined as work activities or work products not originally planned for or specifically defined by this SOW. By way of example and not limitation, changes include the following:

- Any activities not set forth in this SOW
- Any deliverables not specifically set forth in this SOW
- Any change in the respective responsibilities of DBT as set forth in this SOW
- Any rework of completed activities or accepted deliverables
- Any additional work caused by a change in the assumptions set forth in this SOW
- Any changes requiring additional analyst/programmer time or resources.

Professional Fees

The professional fees for this engagement are shown in the following “low” and “high” estimates, plus applicable taxes, if any. Travel and related reasonable out-of-pocket expenses will be billed at cost. Travel expenses are not expected to exceed █% of professional fees, and will not exceed █% without prior authorization.

Descriptions	Unit price US\$	Low Estimate QTY	High Estimate QTY	Low Estimate US\$	High Estimate US\$
Total (before applicable tax and traveling costs):					



Terms of Business:

DBT will submit invoices for payment as follows:

- [REDACTED] percent ([REDACTED]%) of the professional fees based on the average estimates, or \$ [REDACTED], will be due upon [REDACTED]'s authorization to proceed on this project.
- [REDACTED] percent ([REDACTED]%) of the professional fees based on the average estimates, or \$ [REDACTED], will be due upon DBT's delivery of a functional specification for [REDACTED] sign-off approval.
- Professional fees will be due upon completion of Task 7, subjected to satisfactory completion of user acceptance test and DBT surrendering of related source codes to [REDACTED].
- [REDACTED] percent ([REDACTED]%) of professional fees, (hereinafter "Final Amount"), will be invoiced until the engagement is completed, subject to the following:
 - After Task 7 (final task) is completed, either the following will occur:
 - If [REDACTED] is satisfied that DBT has met its substantive commitments, one hundred percent (100%) of the final amount will be paid when invoiced.
 - If [REDACTED] believes that DBT has underachieved on its substantive commitments, [REDACTED] percent ([REDACTED]%) of the final amount will be paid when invoiced.
 - Client satisfaction will be gauged at the discretion of [REDACTED], acting in good faith. Factors contributing to client satisfaction include, by way of example:
 - Quality and utility of deliverables as indicated by acceptance according to predefined criteria; effective management of the project
 - DBT's responsiveness, DBT's contribution to timeliness of project
 - Acceptance of this engagement's deliverables is not contingent on [REDACTED]'s authorization of the proposal for on-going support
 - DBT and [REDACTED] will approach and manage this engagement in the spirit of a business partnership, with open communications regarding all aspects of the engagement.
 - Travel will be billed [REDACTED] as incurred
 - Invoices are payable [REDACTED] calendar days from [REDACTED]'s receipt of invoice.

If [REDACTED] requires a purchase order (PO) number, please specify the PO number in the Authorization section and forward a copy of the PO with this agreement. Any preprinted terms on the PO that are in addition to or in contradiction of the terms of this agreement shall be inapplicable.

Fee estimate for ongoing support

A separate proposal and SOW will be prepared for the ongoing support phases of work. Based on DBT understanding of likely requirements to execute these ongoing phases, the professional fee estimate for ongoing work is approximate \$ [REDACTED] for the annual assessments and fine tuning of formula.



Proposal Validity Period

This proposal is valid for [redacted] calendar days from the date on this proposal.

Authorization

By signing below, [redacted] agrees to the terms of this Statement of Work (SOW) will set forth the relationship between [redacted] and DBT for this engagement.

Submitted on behalf of Data Boiler Technologies, LLC

Signature

Kelvin To, Founder and President

Print Name and Title

Date

Agreed on behalf of [redacted]

Signature

[redacted]
Print Name and Title

Date

Billing address:

[redacted]
[redacted]
[redacted]
[redacted]
[redacted]

Client PO number:
