

SpyGlass Snapshot Audit Agreement

This agreement, effective as of the later of the dates of signature below ("Effective Date"), is between the City of Manitowoc ("City"), and The SpyGlass Group, LLC, an Ohio limited liability company ("Auditor").

1. **Primary Audit Services.** City is engaging Auditor as an independent contractor to analyze its primary telecommunications service accounts (local voice, long distance voice, data, Internet, and wireless) to seek cost recovery, service elimination and cost reduction recommendations. Auditor will deliver the recommendations to City, implement recommendations that City elects for Auditor to implement, and deliver a complete telecommunications inventory to City.

While Auditor is performing its analysis, City will not make changes or perform internal cost reduction analysis with respect to provider accounts which City has included within the scope of Auditor's review.

2. **Fees.** City will pay Auditor the applicable fee set forth below ONLY for Auditor recommendations implemented within 12 months of Auditor delivering the recommendation to City:

- 50% of any "Cost Recovery", as defined below
- 12 times the amount of any "Service Elimination Savings", as defined below
- 12 times the amount of any "Cost Reduction Savings", as defined below

"Cost Recovery" is any refund, credit or compensation received by City relating to past services or charges.

"Service Elimination Savings" is any monthly cost reduction received by City relating to cancellation of any service, including monthly usage cost reduction (calculated as the average of the last 2 months of usage costs associated with the cancelled service).

"Cost Reduction Savings" is any monthly cost reduction received by City relating to the modification, consolidation or negotiation of any service, account or contract, including post discount usage rate improvement (calculated as the (a) decrease in post discount per unit pricing realized by City for any service multiplied by (b) the average of City's last two months usage levels measured in such units for the modified service).

3. **Invoicing and Payment.** Fees for Cost Recovery are due as a one-time payment within 30 days of verification that City has been issued the refund, credit or compensation resulting in such fees. Fees for Service Elimination Savings and Cost Reduction Savings are due as a one-time payment within 30 days of verification that the cancellation or other activity resulting in the Service Elimination Savings or Cost Reduction Savings has been completed. Auditor may issue separate invoices as different fees are earned.

4. **Miscellaneous.** This agreement is governed by the laws of the State of Wisconsin and may be executed by facsimile and simultaneously in multiple counterparts. City agrees that Auditor does not warranty the overall performance, City satisfaction, or data accuracy of any telecommunications related carrier, provider, software manufacturer or vendor at any time whatsoever during or after the term of this agreement. Auditor shall not be liable to City for incidental, consequential, special or punitive damages, including, without limitation, lost profits or business interruption, whether such liability is asserted on the basis of contract, tort or otherwise, even if either party has been warned of the possibility of any such loss or damage in advance. In addition, in no event shall auditor's liability to company exceed the fees actually paid by company to auditor.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the Effective Date.

CITY OF MANITOWOC

THE SPYGLASS GROUP, LLC

Signature: _____

Signature: _____

Mayor Justin M. Nickels

Print Name: Edward M. DeAngelo

Date: _____

Date: _____

Signature: _____

Jennifer Hudon, City Clerk/Deputy City Treasurer

Date: _____