blue state digital

OFA/DNC Custom Development Proposal

April 28, 2009

Overview

Blue State Digital (BSD) currently provides the technology platform that powers the Democratic National Committee's (DNC) democrats.org site, as well as Organizing for America's (OFA) my.barackobama.com. The software for both of these sites is updated regularly as BSD develops new features. Historically, however, both organizations have desired features and functionality not present in the existing platform. To this end, BSD has done substantial custom development for both organizations, going back to 2005.

This proposal reviews the current state of custom development work and outlines a plan going forward to the 2010 and 2012 election cycles. This document provides several options for the DNC and OFA to structure their development.

Current Custom Development Structure

The DNC currently has a development retainer of 150 hours per month. This is billed in advance at an effective rate of $141/hour. Since last June, these hours have been used for a blend of OFA and DNC work.

Option #1: A La Carte Development

BSD can do custom development work on a flat hourly rate, with no monthly minimum hours guarantee. Our standard rate is $185/hour for all of our political and non-profit clients. However, we will discount this to $165/hour for OFA/DNC. Work done on an a la carte basis must be scheduled with your BSD Client Services representative. Because of the lack of commitment necessary from OFA / DNC, we don't guarantee a particular level of staff availability, so requested projects may be scheduled for weeks or months in the future.

Option #2: Development Retainer

To ensure rapid availability of developer time, a monthly development retainer is recommended. In this model, OFA/DNC agree to commit to a certain minimum number of development hours every month. BSD will ensure that developers are available to deliver on these hours. A preferred rate is offered as a reflection of the predictable revenue stream and staff allocation this provides us.

In this retainer arrangement, OFA/DNC commits to a fixed number of developer hours each month. If adjustments are needed, BSD will work with OFA/DNC to ensure that billing for additional hours begins commensurate with BSD's ability to deliver committed staff. BSD's rates are as follows:

Monthly Commitment	Rate
Less than 80 hours	$165/hour
80-160 hours	$140/hour
161-320 hours	$135/hour
321+ hours	$132/hour

Rollover of Hours

To accommodate for variations in demand from month to month, up to 50% of the retainer hours committed to any month will be rolled over to the following month if they are not used by the end of the month for which they were paid.

What This Pays For

Development time, whether a la carte or with a retainer, pays for more than just simple salary. Included in the hourly rate is:

- Developer and QA salary
- Fractional project manager salary (scheduling/prioritization)
- Client services manager support and engagement
- Development manager support
- Full BSD benefits package (including health insurance for all full-time staff)
- Work space, computer equipment, and IT support
- When new staff are added, all hiring and training time and costs
- Active participation of BSD's senior technical management staff in the design and planning of custom development work

What's Billed and What's Not

Billable Activities

The following activities count as billable hours for the purposes of an a la carte or retainer arrangement:

- Software development, modification, and enhancement
- UI development and implementation
- Quality assurance and testing

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- Developer time for planning, specification, and estimation of requested features, functionality, and changes, including UI prototyping
- Developer and system administrator assistance to OFA/DNC in-house staff with APIs and 3rd party integrations
- Staff time involved in data recovery, backup restoration, or other work necessitated by an error made on the part of OFA/DNC.
- Requested documentation for requested features, functionality, and changes

Non-billable Activities

The following activities DO NOT count as billable hours for the purposes of an a la carte or retainer arrangement:

- Client services support
- Project manager support for development
- Management support for development
- Projects and code updates deployed to OFA/DNC that are part of the normal BSD software development and maintenance process.

Process for Managing Custom Development

Points of Contact

BSD will provide a client services manager to serve as the primary point of OFA/DNC. This person will be responsible for communicating status, scheduling meetings, documenting plans, and generally insuring that OFA/DNC's needs are being met. To ensure effective delivery, OFA/DNC will provide a primary point of contact for BSD. This person will be responsible for coordinating the various teams within OFA/DNC and working with BSD to create a unified development priority list.

Weekly Status Meetings and Reports

BSD will hold a weekly conference call with OFA/DNC to discuss status of projects, development priorities, and upcoming plans. In addition to this call, BSD will provide OFA/DNC with a regular status report email highlighting recently completed development items and listing active and upcoming projects.

Ad-hoc Meetings and Discussions

As needed, BSD will schedule phone and in-person meetings between OFA/DNC to discuss product plans, feature requests, and to engage in brainstorming. The goals of these meetings will be to ensure that OFA/DNC's development needs are being met and that the things being built reflect the goals and priorities of OFA/DNC.

Travel Expenses

Although technology management and project manager time is not considered billable, if OFA/DNC desires on site meetings with such staff or with other non-DC based BSD employees, all reasonable travel expenses will be billed to OFA/DNC.

Technology Licensing and Hosting

Technology Licensing and Hosting is addressed in a separate proposal.

Next Steps

1. Review and discuss proposal
2. Agree to terms and sign revised contract
3. Agree on retainer start date at new rate and hourly commitment