Esso

Esso Petroleum Company Limited
MP06, Esso House
Ermyn Way
Leatherhead
Surrey KT22 8UX

Facsimile Cover Sheet

To : CHRIS HARRIS

Company : INPUT

Fax : 01895 - 637987

From : MAC CRIMP

Department : ISD

Phone : 01372 22 3172

Fax : 01372 223535

Date : 12/6/97.

Pages : 5. (including this cover page)

Comments :

Chris

As requested.

Regards

Mac

Inform Information Systems (IIS) Support & Development Contract

Both support and development are undertaken either at Esso premises at Leatherhead or from IIS's offices at Maidenhead which ever is deemed appropriate for the activity.

Contract until March 2000 with annual rate reviews due 1st January.

Contract let in February 1997 as a single tender action. No other bids were requested. IIS have previously worked for Esso since 1990 on short term spot contracts.

Technology

Predominately client server applications using Powerbuilder, SQL Server and DB2. Some work with Microsoft Access and Excel.

Esso infrastructure is based on Microsoft products and Windows NT No Unix applications either in support or under development.

IIS do NOT provide support or develop mainframe applications using traditional mainframe program languages. e g Cobol, PL/1.

Main Components of the Contract

The contract is split into support for the current portfolio of client server application and a no commitment provision for client server development work. The support contract is split into 2 components, core support and minor enhancement

Core Support

Core support is defined as immediate response to, and full resolution of all operational problems It covers on call support both during the evening and at weekends for various applications, expert advice and the maintenance of minimum standard of documentation.

Currently 4-5 people deliver core support for client server systems.

Guaranteed revenue of £275K p.a during 1997.

Minor enhancements of 3 5 hours or less are treated as core.

Rate increases are tied to benchmarking but with agreed percentage reduction to take account of delivered efficiencies

Enhancements (Computer Work Requests, CWCF)

Minor system enhancements under 1 month in duration, typically less than 1 weeks effort, to systems being supported as part of the core function

No guaranteed income but revenue in the region of £100K p.a. expected for 1997

Enhancements estimated as part of the core function in hours and fixed cost for the change is calculated using a day rate. Esso have option to accept fixed price and give IIS approval to proceed or to delete the work request due to the economics.

Currently 2-3 people working to deliver enhancements.

Annual increases tied to benchmarking, using British Computing Society grades.

Development

No commitment development contract.

1996 spend £500K Projected spend for 1997 is around £900K

Currently 10 -15 people from IIS working on development projects.

Non exclusive contract, CMG also provide client server development.

Some consultancy work, but predominately systems development.

Possible Companies Providing Similar Services

EDS, SEMA, FI, Admiral, Cap Gemini Sogeti, Logica.

ITnet Support Contract

Support provided from Birmingham utilising telecommunications links to access mainframe services.

Contract until March 2000 with annual rate reviews due 1st January.

Contract let in 1994 after a bid process which included the following unsuccessful companies. Hoskyns, CMG, Cray, FI Group, IIS, Data Sciences UK Ltd, Computer Task Group UK Ltd, EDS and CTG. The eventual shortlist included the top 5 companies listed along with ITnet.

Technologies supported

All supported systems are run on MVS or VM IBM mainframes with sub-systems such as PROFs, JES2, CA1, CA7, ACF2, IBM Infoman and Endevor. The most common program languages and applications in use are :

Cobol, PL/1, DB2, IMS, Nomad, Mark 4, UNI2000, Spitab.

ITnet do NOT provide support for SAP or our Client Server applications.

Main Components of the Contract

The contract is for a 'managed service' and is divided into of two separate areas

Core Support

Core support is defined as immediate response to, and full resolution of all operational problems. The provision of 'on call support' for designated systems, expert advice and the maintenance of minimum standards of documentation.

Minor enhancements of 3.5 hours or less are treated as core.

Currently approximately 10-12 people provided core support for the mainframe systems

Rate increases fixed for duration of the contract, guaranteed minimum annual income throughout the duration of the contract. 1997 spend £588K, subsequent years likely to be similar, the spend cannot reduce below £300K p.a. over the duration of the contract.

Mechanism in place to handle additions and deletions for systems in support.

Enhancements (Computer Work Requests, CWCF)

Minor system enhancement, under 1 month duration, typically less that 1 weeks effort to systems being supported as part of the core function

No guarantee of income but revenue of over £500K p.a. during the past 2 years

Enhancements estimated as part of the core function in hours and fixed cost for the change calculated using agreed day rate. Esso then have options to accept fixed price and give Trust approval to proceed, or to delete the request due to expense

Currently 10-12 people working to deliver enhancements Includes some work on year 2000 issues

Annual increase tied to benchmarking mechanism

Possible Companies Providing Similar Services

FI Group, SEMA, Anite Systems, Cap Gemini Sogeti, CSC, EDS, Admiral ?, IBM ?, CA ?

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3292

Mr. Chris Harris
Input Ltd.,
Cornwall House,
55-77 High Street,
SLOUGH,
Berks. SL1 1DZ

30 May 1997

Dear Chris,

Professional Prices Benchmarking Data

Further to our recent meeting and your letter of 9th May, we can provide the information you requested to help you in developing the process for the next stage and for benchmarking of other services as discussed.

Please find attached a document compiled by Mac Crimp which should contain all the information you need.

If you need any further information, or wish to discuss any aspect, please contact Mac directly as I shall be on holiday from close of business today until 17th June.

Yours sincerely,

J.R.Rose
Procurement Supervisor
Contracts & Materials Dept.

cc: Mac Crimp.

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Contract until March 2000 with annual rate reviews due 1st January.

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Technologies supported

All supported systems are run on MVS or VM IBM mainframes with sub-systems such as PROFs, JES2, CA1, CA7, ACF2, IBM Infoman and Endevor. The most common program languages and applications in use are :

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Annual increase tied to benchmarking mechanism.

Possible Companies Providing Similar Services

FI Group, SEMA, Anite Systems, Cap Gemini Sogeti, CSC, EDS, Admiral ?, IBM ?, CA ?

Mr. Mac Crimp
ISD
Esso Petroleum
Mailpoint 6
Esso House
Ermyn Way
Leatherhead KT22 8UX
14 May 1997

Dear Mac

Response to your Survey Group Queries, 13-5-97

Thank you for your enquiry. I have reviewed the companies contacted in the 1996 criterion list and advise the following:

- 'GFM' is a typo and should read CFM - this is the services arm of ICL, a company well versed in mainframe/client server software development.

- Deloitte Touche are indeed a business consultancy, but we contacted Deloitte Touche ICS - who service the operational areas of software development.

- Software Design Associates are a Midlands based company who are perhaps less well known in the South East. They are a niche business and software development is their forte - as the name suggests.

- It is implausible that IBM is (only) a hardware company. It is the stated intention of Lou Gerstner to expand the IT services arm, and 1996 revenues show that one third of all IBM's revenues came from this area. It is also interesting to note that 30% of IBM's latest revenues came from business streams that weren't around two years ago. This illustrates how fluid the business is, and how rapidly the competitor sets change.

- The information supplied by Unisys came from their service centre. Companies such as this - and Wang and Bull etc. have been forced to restructure their businesses and move out of (or decrease their reliance on) hardware sales. We stand by our view that these companies have both the expertise and critical mass to offer a comprehensive range of software development services. According to our figures, Bull turned in $1.19 billion of European IT software and service revenues in 1995, and Unisys $0.8 billion over the same period.

I hope the above is of assistance - if you need further help, please give me a call.

Kind Regards
Chris Harris

Principal Consultant for Custom Research

01372 22 x 3292.

01372 22 3292

Mr. Jerry Rose
IT Procurement Advisor
Esso Petroleum
Mailpoint 14
Esso House
Ermyn Way
Leatherhead KT22 8UX

9 May 1997

Dear Jerry

Professional Prices Benchmarking Meeting 8th May 1997

We are pleased at the positive outcome from the first and second stages of professional services pricing benchmarking study completed by INPUT during last year. We also appreciate your invitation to discuss further possibilities. Given that we touched on quite a few issues, the following sets out our understanding of your requirements and respective actions required.

Regarding the benchmarking of fee rates for CMG phase III, you confirmed that you wish INPUT to provide software development fee rates as at 1.1.98 for (1) mainframes applications, (2) SAP applications and (3) client servers/LANS across seven CSSA professional levels. At present, the fee of £5000 in the proposal dated 30.5.96 allows for identifying increases/decreases in rates for the year commencing 1.1.98. However, given that you also want to use client server application development fee rates to benchmark I.I.S. , we suggest that for (3) above, you may also need actual rates for this activity. Please confirm whether this is the case, and if so whether you want actual rates for 1.1.97 or 1.1.98 or both.

Additionally, you also requested a proposal for INPUT to provide daily fee rate benchmarking information for (a) client server support and (b) IT mainframe support as at 1.1.97 and 1.1.98. This will be used to benchmark I.I.S. and ITNet respectively. In each of these cases, a pool of about fifteen criterion companies are required of which approximately eight will be used for benchmarking purposes. Where possible, you will provide us with the original list of companies that were approached for this work, and these may form the basis of the criterion group, depending on their suitability. We also agreed that it would be best to utilise CSSA definitions for this purpose, given that we need a 'common currency' of staff levels. For both cases, please confirm the number of staff levels you would like us to consider. The possibility of undertaking a pre-tendering procedure to

obtain other vendors' fee rates was considered and rejected on the grounds that Esso has no intention of changing its suppliers.

We agreed that although the proposal would be submitted no later than one month hence (20 June at the latest), in order to make the 1.1.98 fee rates as accurate as possible, the data would not be collected until November or December of 1997. Esso will provide detailed specs for the work being undertaken and if possible, an outline of the size of contracts to be pursued and or the number and levels of staff likely to be needed. (N.B. this would be useful, even if hypothetical).

We trust that the above is an accurate interpretation of your needs and look forward to hearing from you shortly.

Kind Regards
Chris Harris

Principal Consultant for Custom Research

CC Mr. Mac Crimp

1.0 Objectives and Scope

Esso Petroleum wishes to develop a "criterion group of companies", who through INPUT field research would create a benchmark of standard day rates for software development across the following disciplines:

1. Mainframe applications support
2. SAP applications support
3. Client server/LAN support.

For the following staff levels:

- Programmer (BSC/ISM level 2)
- Analyst/ Programmer (BSC/ISM level 3)
- Senior IT Analyst/Senior Software Developer (BSC/ISM level 4)
- Technical team leader (BSC/ISM level 5)
- 'Project leader/Database Consultant' (BSC/ISM level 6)
- Project Manager (BSC/ISM level 7)
- Senior Project Manager (BSC/ISM level 8)

On the basis of this information, the objectives of the proposed research would be to:

1. Backdate the criterion group fee scales to match the Esso - CMG IT services contract which commenced on 1/1/96

2. Use this fee scale benchmark as a foundation to evaluate future annual CMG contract renewals on 1/1/97 and 1/1/98 and possibly up to two years thereafter

3. In relation to (2), in years two and three, conduct an additional study to identify percentage fee scale increases/decreases, in an *abridged format*, i.e. aggregated to provide a single percentage for each of the staff levels across each of the three disciplines. This information would be used by Esso to compare the renewed CMG contract rates and derived from secondary information sources only, in order to reduce the INPUT contract costs charged to Esso

4. If (and only if) the percentage rates provided by INPUT were disputed by CMG, INPUT could be commissioned to undertake an updated study of the fee rates, of a level of detail equivalent to the initial benchmarking study. This research would be billed by INPUT additionally and separately.

2.0 Methodology

INPUT understands that it would be required to provide independent advice to assist in the formulation of the approved contractors list, and the outcome, mutually agreeable between Esso and its contractors, would be a pool of 15 companies of which approximately 8 would be expected by INPUT to supply comprehensive fee rates.

Although some companies may be represented in more than one pool, owing to the specialist nature of the IT services, the list of criterion companies would vary across each of the three disciplines noted above. INPUT would charge Senior Consultant day rates for this **Phase 1** service.

Once the criterion group has been approved by Esso, INPUT proposes to subdivide professional day rate research into three further phases, dealing with mainframe applications fee rates in **Phase 2,** SAP software development fee rates in **Phase 3** and LAN client/server applications fee rates in **Phase 4**

In Year One, in order to provide a solid benchmark, the field data would be summarised by INPUT in the form of the following three tables illustrating typical standard day rate situations:

2.1 Phase Two- Mainframe Applications

Standard Day Rates

Benchmark	Typical charge out rate per day
Senior Project Manager	
Project Manager	
Technical team leader	
Senior IT/ Business Analyst	
Senior IT Analyst	
(Experienced) Analyst/ programmer	
Programmer	

2.2 Phase Three SAP software Applications

Standard Day Rates

Benchmark	Typical charge out rate per day (£)
Senior Project Manager	
Project Manager	
Technical team leader	
Senior IT/ Business Analyst	
Senior IT Analyst	
(Experienced) Analyst/ programmer	
Programmer	

2.3 Phase Four- LAN Client Server Applications

Standard Day Rates

Benchmark	Typical charge out rate per day (£)
Senior Project Manager	
Project Manager	
Technical team leader	
Senior IT/ Business Analyst	
Senior IT Analyst	
(Experienced) Analyst/ programmer	
Programmer	

INPUT cannot guarantee to provide comprehensive fee information across all grades. However, INPUT is experienced in gathering sensitive field data of this nature and undertakes to use best endeavors to provide an accurate and detailed study capable of meeting Esso's requirements.

2.4 Fee Rate Information Pertaining to 1997 & 1998

In subsequent years, the percentage fee rate information designed to evaluate CMG's revised rates for 1/1/97 and 1/1/98 would be supplied in the form of an abridged document containing aggregated data derived from secondary sources. A percentage increase/decrease from the 1/1/96 benchmark would be provided for each of the three disciplines across each of the staff grades defined in section 1.0, together with a description of main drivers affecting salary trends in the intervening period.

Timeline

The time line for **Phase one** research is programmed to take four days. **Phase two** could be completed within twenty working days after this date, **Phases three** and **four** a twenty to twenty five working days after phase two.

In succeding years, percentage trends in fee rates could be provided in twenty working days of Esso's notification to proceed.

Responsibility and Experience

INPUT feels well placed to conduct this study for Esso Petroleum since it is focused on an area already thoroughly researched by INPUT. INPUT has conducted continuous research on the service area since 1974, and in the UK from 1979. Chris Harris, INPUT's Senior Consultant for custom consulting, would be responsible for the overall conduct of the study and has similar pricing experience in allied fields.

Professional Fees

The professional fees for this research are as follows:

Initial Benchmarking Study, Backdating Data to 1/1/96

Phase One

Senior Consultant charge out rate - £750 / day four days = £3,000

Phase Two

£500 per 'criterion' contractor (excluding V.A.T.) and excluding any expenses which would be unlikely to exceed 5% of the total project fee, assuming a minimum of 5 contractors researched.

Phase Three

£550 per 'criterion' contractor (excluding V.A.T.) and excluding any expenses which would be unlikely to exceed 5% of the total project fee.

Phase Four

£550 per 'criterion' contractor (excluding V.A.T.) and excluding any expenses which would be unlikely to exceed 5% of the total project fee.

Assuming 8 criterion companies, the total cost of this initial benchmarking exercise would be:

Start up	£3,000
Mainframe support:	£500 x 8 = £4,000
SAP support:	£550 x 8 = £4,400
Client/server support:	£550 x 8 = £4,400
	£15,800

Subsequent Annual Research for Percentage Fee Rate Increases/Decreases Across each of the staff grades in Section 1

Mainframe support:	= £1,400
SAP support	= £1,800
Client/server support	= £1,800
	£5,000 p.a.

Authorisation

To authorise this research project as specified above, please sign and return a copy of this proposal to INPUT, Ltd. at Cornwall House, 55-77 Slough High Street, Slough, Berks SL1 1DZ.

For the initial benchmarking exercise, one-half of the professional fees for phases one to four are due and payable at the beginning of the project and the remainder, plus disbursements for telephone, travel and report production, will be billed at competition of phase four.

Similarly, for subsequent annual research, one-half of the professional fees are due and payable at the beginning of the project and the remainder, plus disbursements for telephone, travel and report production, will be billed at competition.

Authorised by:

Esso Petroleum Co. Ltd.	**INPUT, Ltd.**
Signature	Signature
Name	Name
Title	Title
Date	Date

Dave Allen.
862314
01895-88

Market Field Study Research

for

Esso Petroleum Company Ltd.

Benchmarking Study for Software Application Development Resource

from INPUT, Ltd.

Cornwall House
55-77 Slough High Street
Slough, Berks SL1 1DZ

September 1996

Table of Contents

1 Background to the Project

This report has been commissioned by Esso Petroleum Company Limited as the second part of a three phase benchmarking analysis into typical standard day rates for software development resource. The rates are those applicable across the following disciplines:

- Mainframe Applications Support
- SAP Applications Support
- Client Server/LAN Applications Support.

For the following staff levels (specified in more detail in appendix A):

- Programmer (BSC/ISM Level 2)
- Analyst/Programmer (BSC/ISM Level 3)
- Senior IT Analyst/Senior Software Developer (BSC/ISM Level 4)
- Technical Team Leader (BSC/ISM Level 5)
- Project Leader / Database Consultant (BSC/ISM Level 6)
- Project Manager (BSC/ISM Level 7)
- Senior Project Manager (BSC/ISM Level 8).

The figures supplied in this report pertain to the anticipated day rates of the criterion group of companies (see appendix B) as at 1 January 1997.

2 Project Methodology

In accordance with the INPUT proposal dated 30.5.96, it was agreed that percentage fee scale increases/decreases for phases two and three of the benchmarking study would be supplied in an abridged format, derived from secondary sources where necessary.

In practice, it has been possible for INPUT to provide a more comprehensive analysis than the above methodology. With the exception of four management consulting companies who provided spot rates in the phase one benchmarking research, all other criterion companies have submitted comprehensive updates on their proposed rates for 1997.

For comparitive purposes, it has been agreed between Esso and INPUT that the fee rates supplied by the management consulting companies in phase one are stripped out of the 1.1.96 analysis. This amended data is included in Appendix C. By doing so, it is possible to make valid comparisons of the changes that have taken place, or plan to take place between 1.1.96 and 1.1.97.

For phase three, INPUT will endeavour to use the same methodology to obtain 1998 rates, with the proviso that the pool of companies remain active in the same sectors and continue to cooperate in the release of comprehensive fee rates.

In accordance with phase one methodology, a questionnaire was developed to act as a medium for collection of standard day rates as at 1 January 1997.

The questionnaire contains a table of staff levels with explanatory notes on the environment in each discipline. Vendors were requested to supply daily rates in as many level categories as were applicable to their offerings.

The individual returns were collated and aggregated to provide the basis of the results tabulated in Section 3. In all cases except one, it was possible to achieve a minimum sample size of eight. In the one instance where this was not possible, two of the companies surveyed stated that they did employ staff at level 2 for SAP R/3 activities.

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phase II report (Draft)

1 9 9 6

Benchmarking Study for Software Application Development Resource

Research Project for ESSO Petroleum Ltd.

Company

October 1996

INPUT®

Frankfurt • London • New York • Paris • San Francisco • Tokyo • Washington D.C.

Table of Contents

1 Background to the Project

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In practice, it has been possible for INPUT to provide a more comprehensive analysis than the above. With the exception of four management consulting companies who provided spot rates in the phase one benchmarking research, all other criterion companies have submitted comprehensive updates on their proposed rates for 1997. These participating companies are identified in Appendix B.

For comparitive purposes, it has been agreed between Esso and INPUT that the information supplied by the management consulting companies in phase one is stripped out of the 1.1.96 analysis. This amended data is included in Appendix C. By doing so, it is possible to make a useful evaluations of the changes that have taken place between 1.1.96 and 1.1.97.

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The individual returns were collated and aggregated to provide the basis of the results tabulated in Section 3. In all cases except one, it was possible achieve a minimum sample size of eight. In the one instance where this was not possible, two of the companies surveyed stated that they do not employ staff at level 2 for SAP R/3 activities.

3 Management Summary

3.1 Fee Rates as at 1.1.97

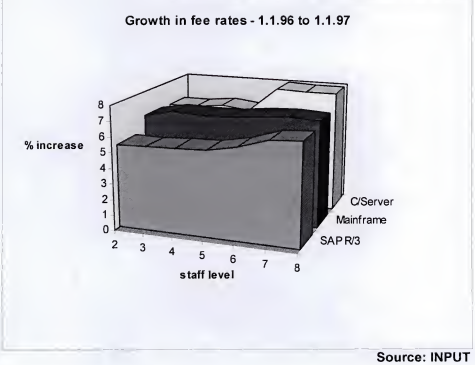
From Exhibit 1, over the period 1.1.96 to 1.1.97 it can be seen that on aggregate, Mainframe rates have climbed from between 6.4% for staff level 2 to a maximum of 7.0% for staff level 7.

On aggregate, Client Server fee rates have increased ~~by~~ in a range of between 6.4 % (level 2) and 8.0% (level 6) over the same period.

Surprisingly, SAP R/3 staff rates have shown the most modest increase, rising from a mimimum of 5.4% (level 2) to 6.6% (level 8) over the same period.

These figures mask greater variance at company level: one company reported a year-on-year increase of only 3% for client server application support, whilst a competitor's rates had increased by 15% over the same period.

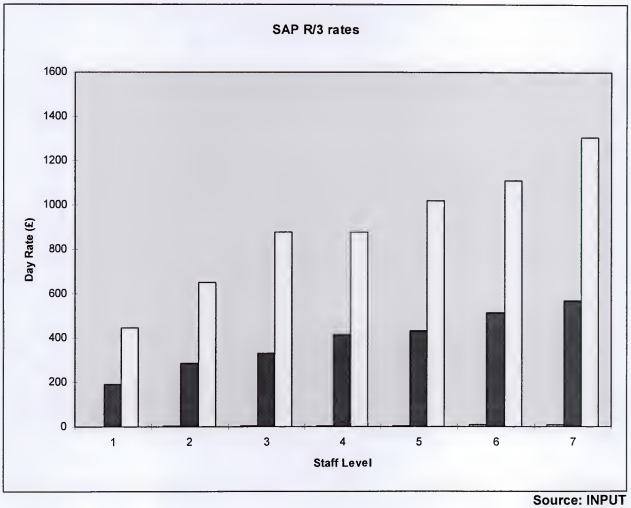
Exhibit 1



Source: INPUT

In absolute terms, the rates quoted for SAP R/3 personnel were considerably higher, representing the extent of current demand and shortage of trained personnel at all levels. This is illustrated in Exhibit 2 overleaf, which shows the lowest and highest recorded rates for this platform, as at 1.1.97.

Exhibit 2



Source: INPUT

Statistical analysis of the 1.1.97 fee rates is shown overleaf, in tabulated form.

Professional Fee Rates Commencing 1.1.97

MAINFRAME RATES

1.1.97 RATES	LEVELS	2	3	4	5	6	7	8
	Returns	10	10	10	10	10	10	10
	Maximum	484	624	759	816	985	1235	1458
	Minimum	168	263	284	291	372	382	438
	Average	**319**	**419**	**516**	**589**	**674**	**775**	**918**
	Median	**305**	**405**	**486**	**577**	**666**	**785**	**926**
	Std Deviation	97	122	164	172	195	235	275

Average Growth Reported % 1.1.96 To 1.1.97	6.4	6.8	6.7	6.7	6.9	7.0	6.9

(sample size = 10 for all levels)*

CLIENT / SERVER RATES

1.1.97 RATES	LEVELS	2	3	4	5	6	7	8
	Returns	9	11	11	11	11	11	11
	Maximum	465	675	923	923	1183	1235	1458
	Minimum	210	305	368	438	458	546	618
	Average	**338**	**469**	**570**	**644**	**735**	**838**	**978**
	Median	**305**	**430**	**486**	**577**	**666**	**792**	**921**
	Std Deviation	87	120	182	163	222	225	266

Average Growth Reported % 1.1.96 % To 1.1.97	6.4	6.4	6.6	6.4	8.0	7.9	7.9

(sample size = 9 for level 2 and 11 for all other levels)*

SAP R/3 RATES

1.1.97 RATES	LEVELS	2	3	4	5	6	7	8
	Returns	6	8	8	8	7	8	8
	Maximum	500	880	1000	1000	1183	1235	1458
	Minimum	296	389	469	577	671	815	1000
	Average	**425**	**600**	**757**	**836**	**950**	**1048**	**1186**
	Median	**442**	**562**	**714**	**840**	**976**	**1050**	**1155**
	Std Deviation	73	152	165	145	166	137	166

Average Growth Reported % 1.1.96 To 1.1.97	5.4	5.4	5.5	5.5	5.9	6.5	6.6

(sample size = 6 for level 2, 7 for level 6 and 8 for all other levels)*

** N.B. for meaningful comparison, only those companies supplying data over two consecutive years have been included in this analysis.*

3.2 Conclusions

Between 1.1.96 and 1.1.97, there has been a narrowing of the gap between the charge-out rates for Mainframe software development resource support and the rates charged for Client Server support and SAP R/3 support. We attribute this to the growing demand for programmers with traditional programming skills (such as Cobol), given the Year 2000 problem. According to INPUT assessments, this Year 2000 work should have reached a peak in late 1997 early 1998. However, evidence suggests that many IT users have yet to tackle the problem. It is therefore reasonable to assume that supply-side restrictions will not impact until 1998.

APPENDICES

APPENDIX A

STANDARD RESOURCE DEFINITIONS

The following replicates the Standard Resource Definitions as defined by Esso in the form supplied to respondent vendors:

Definitions of Skills

The client has defined the following Levels of skill which he associates with the Job Descriptions in the RH column of the table below. We shall use Level as a reference in the questionnaire section against which we invite you to supply ranges of daily charge out rates. If these definitions do not allow you to express your rates in a meaningful way, please feel free to use your own schematic to respond.

LEVEL	BS Code	ISM Title	Typical Job Descriptions
2	DLP2	Initially Trained Practitioner	Programmer, Analyst/Programmer, Systems Programmer
3	DLP3	Trained Practitioner	Experienced Programmer, Experienced Analyst Programmer, Experienced Systems Programmer, Software Developer, Analyst Designer
4	DLS4, DLAD4, DLM4	Fully Skilled Practitioner	Senior Software Developer, Senior Analyst Designer, Business Analyst, Team Leader, Database Design or Performance Specialist
5	DLM5	Experienced Practitioner/ Supervisor	Principal Software Developer, Senior Business Analyst, Senior Team Leader, Database Design or Performance Expert
6	DLM6	Senior Practitioner/Manager (limited scope)	Project Leader, Database Consultant
7	DLM7	Senior Specialist/Manager (extended scope)	Project Manager
8		Principal Specialist/ Experienced Manager	Senior Project Manager

Environment

The client categorises his development environment as comprising three segments:

1. **MAINFRAME:** IBM MVS, IMS and DB/2, mainly COBOL. Team size of some 40-45 people.

2. **CLIENT/SERVER:** Intel processor Servers, Microsoft NT, MS Windows 3.1 Clients. The main development tool used is Powerbuilder. Team size 10-15 people.

3. **SAP R/3:** In the planning stage. Projected initial team size 5-10 people.

APPENDIX B

List of Participating Vendors

The following vendors submitted responses in the indicated sectors:

SECTORS	MAINFRAME	CLIENT/ SERVER	SAP R/3
121 Consulting			X
Bull Information Systems	X	X	X
CFM	X	X	
Diagonal Computer Services	X	X	
Druid	X	X	X
FI Group	X	X	
Hoskyns Group	X	X	X
IBM	X	X	X
Origin			X
Plaut (UK)		X	X
SHL Technology Solutions	X	X	
Software Design Associates	X	X	
Unisys	X	X	X

APPENDIX C

Daily Fee Rates as at 1.1.96, Minus Spot Rate Data Supplied By Four Management Consulting Companies

MAINFRAME RATES

	LEVELS	2	3	4	5	6	7	8
	Returns	10	10	10	10	10	10	10
	Maximum	465	600	730	785	883	1107	1306
1.1.96 RATES	Minimum	152	238	268	275	350	360	412
	Average	**299**	**392**	**484**	**552**	**631**	**724**	**859**
	Median	**294**	**389**	**468**	**555**	**641**	**746**	**889**
	Std Deviation	97	118	159	168	187	219	256

CLIENT / SERVER RATES

	LEVELS	2	3	4	5	6	7	8
	Returns	9	11	11	11	11	11	11
	Maximum	446	648	701	754	802	898	1046
1.1.96 RATES	Minimum	190	285	333	412	432	514	570
	Average	**318**	**441**	**535**	**605**	**681**	**777**	**906**
	Median	**294**	**390**	**468**	**555**	**641**	**746**	**889**
	Std Deviation	88	117	177	160	192	195	230

SAP R/3 RATES

	LEVELS	2	3	4	5	6	7	8
	Returns	6	8	8	8	7	8	8
	Maximum	500	845	960	1000	1100	1107	1306
1.1.96 RATES	Minimum	287	378	455	560	651	791	946
	Average	**403**	**570**	**718**	**792**	**897**	**984**	**1112**
	Median	**412**	**504**	**655**	**760**	**890**	**950**	**1046**
	Std Deviation	76	156	170	152	155	121	140

3 Management Summary

3.1 Fee Rates as at 1.1.97

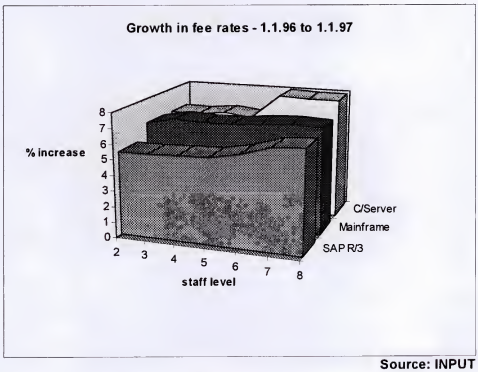
From Exhibit 1, over the period 1.1.96 to 1.1.97 it can be seen that on aggregate, Mainframe rates have climbed from between 6.4% for staff level 2 to a maximum of 7.0% for staff level 7.

On aggregate, Client Server fee rates have increased in a range of between 6.4 % (level 2) and 8.0% (level 6) over the same period.

Surprisingly, SAP R/3 staff rates have shown the most modest increase, rising from a mimimum of 5.4% (level 2) to 6.6% (level 8) over the same period for the same type of services.

These figures mask greater variance at company level: one company reported a year-on-year increase of only 3% for client server application support, whilst a competitor's rates had increased by 15% over the same period.

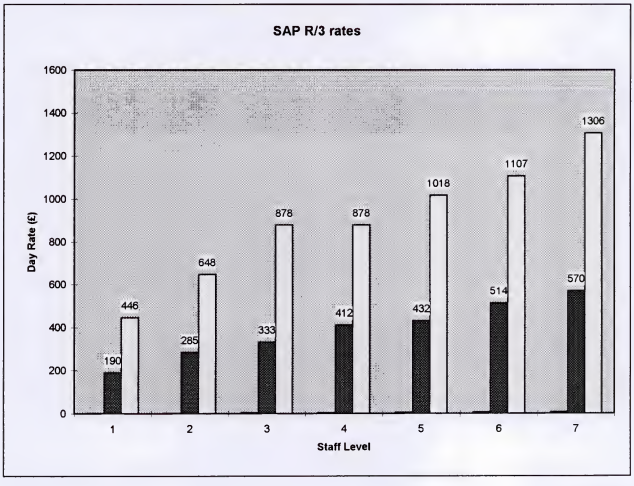
Exhibit 1



Source: INPUT

In absolute terms, the rates quoted for SAP R/3 personnel were considerably higher, representing the extent of current demand and shortage of trained personnel at all levels. This is illustrated in Exhibit 2 overleaf, which shows the lowest and highest recorded rates for this platform, as at 1.1.97.

Exhibit 2



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Statistical analysis of the 1.1.97 fee rates is shown overleaf, in tabulated form.

3 Management Summary

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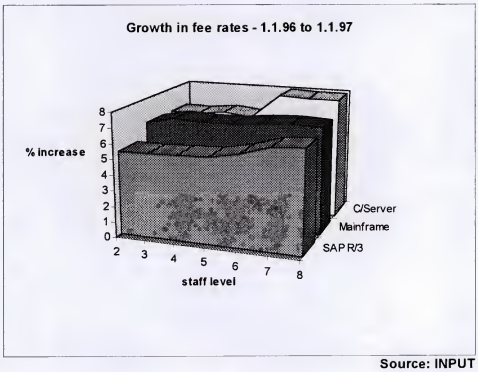

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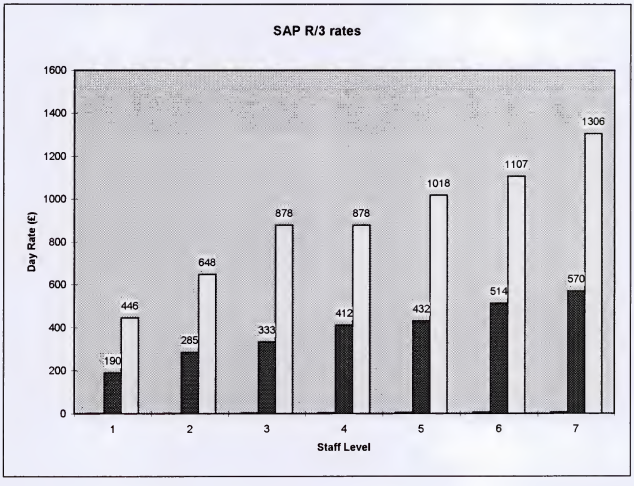

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Professional Fees : Market Changes 1.1.96 to 1.1.97

MAINFRAME RATES

LEVELS	2	3	4	5	6	7	8
Returns	10	10	10	10	10	10	10
Average Growth Reported % 1.1.96 To 1.1.97	6.4	6.8	6.7	6.7	6.9	7.0	6.9

(sample size = 10 for all levels)*

CLIENT / SERVER RATES

LEVELS	2	3	4	5	6	7	8
Returns	9	11	11	11	11	11	11
Average Growth Reported % 1.1.96 To 1.1.97	6.4	6.4	6.6	6.4	8.0	7.9	7.9

(sample size = 9 for level 2 and 11 for all other levels)*

SAP R/3 RATES

LEVELS	2	3	4	5	6	7	8
Returns	6	8	8	8	7	8	8
Average Growth Reported % 1.1.96 To 1.1.97	5.4	5.4	5.5	5.5	5.9	6.5	6.6

(sample size = 6 for level 2, 7 for level 6 and 8 for all other levels)*

** N.B. for meaningful comparison, only those companies supplying data over two consecutive years have been included in this analysis.*

3.2 Conclusions

Between 1.1.96 and 1.1.97, there has been a narrowing of the gap between the charge-out rates for Mainframe software development resource support and the rates charged for Client Server support and SAP R/3 support.

This narrowing is attributed to the growing demand for programmers with traditional mainframe programming skills (such as Cobol), given the Year 2000 problem.

According to INPUT's earlier assessments, this Year 2000 work should have reached a peak in late 1997 to early 1998. However, recent evidence suggests that many IT users have yet to tackle the problem. It is therefore reasonable to assume that supply-side restrictions will not impact until 1998.

1997 PRACTICE CODES

@ May 6, 1997

Project + No. + Year + Country	Britain (B)	Germany (D)	France (F)	USA (U)	Europe (E)
ELECTRONIC BUSINESS PROCESSES PRACTICE *(PRO)*					
Research Bulletins			PRB7 (1-12)		
Electronic Banking	*PBK*	*PBK*	*PBK*	*PBK*	*PBK*
1	B17B	B17D	B17F	B17	B17E
2	B27B	B27D	B27F	B27	B27E
3	B37B	B37D	B37F	B37	B37E
nd	BF7B	BF7D	BF7F	BF7	BF7E
Electronic Commerce	*PCM*	*PCM*	*PCM*	*PCM*	*PCM*
1	C17B	C17D	C17F	C17	C17E
2	C27B	C27D	C27F	C27	C27E
3	C37B	C37D	C37F	C37	C37E
nd	CF7B	CF7D	CF7F	CF7	CF7E
Electronic Government	*PGT*	*PGT*	*PGT*	*PGT*	*PGT*
1	*PG17B*	*PG17D*	*PG17F*	G17	*IA*
2		**** ON HOLD ****		G27	
3				G37	
				GF7	
				GA7	
				GV7	
				GR7	
			(Added @ 5/97)	G 7	
			(AR)	G 7	
			(FA)	G 7	
ELECTRONIC BUSINESS ENABLERS PRACTICE *(ENA)*					
Research Bulletins			ERB7 (1-12)		
Enterprise Applications Solutions	*EAS*	*EAS*	*EAS*	*EAS*	*EAS*
1	EA17B	EA17D	EA17F	EA17	EA17E
2	EA27B	EA27D	EA27F	EA27	EA27E
3	EA37B	EA37D	EA37F	EA37	EA37E
nd	EAF7B	EAF7D	EAF7F	EAF7	EAF7E
Internet/Intranet Technologies & Solutions	*EIN*	*EIN*	*EIN*	*EIN*	*EIN*
1	E 17B	E 17D	E 17F	E 17	E 17E
2	E 27B	E 27D	E 27F	E 27	E 27E
3	E 37B	E 37D	E 37F	E 37	E 37E
nd	E F7B	E F7D	E F7F	E F7	E F7E
ELECTRONIC BUSINESS SUPPORT & SERVICES PRACTICE *(SAS)*					
Research Bulletins			SRB7 (1-12)		
Customer Services & Support	*SCS*	*SCS*	*SCS*	*SCS*	*SCS*
1	C17B	C17D	C17F	C17	C17E
2	C27B	C27D	C27F	C27	C27E
3	C37B	C37D	C37F	C37	C37E
nd	CF7B	CF7D	CF7F	CF7	CF7E
Operational Services	*SOP*	*SOP*	*SOP*	*SOP*	*SOP*
1	O17B	O17D	O17F	O17	O17E
2	O27B	O27D	O27F	O27	O27E
3	O37B	O37D	O37F	O37	O37E
nd	OF7B	OF7D	OF7F	OF7	OF7E
IT SOFTWARE & SERVICES INDUSTRY ANALYSIS PRACTICE *(ITA)*					
Market Forecasts	*IMF*	*IMF*	*IMF*	*IMF*	*IMF*
1	M17B	M17D	M17F	M17	M17E
2	M27B	M27D	M27F	M27	M27E
3	M37B	M37D	M37F	M37	M37E
nd	MF7B	MF7D	MF7F	MF7	MF7E
Vendor Analysis	*IVA*	*IVA*	*IVA*	*IVA*	*IVA*
200 (1-200)	VA7B	VA7D	VA7F	VA7	
CUSTOM	*Y(XXX)*				
Custom Project Codes (Individually assigned)	Y(XXX)B	Y(XXX)D	Y(XXX)F	Y(XXX)	
MULTICLIENT	*X(XXX)*				
Multiclient Project Codes (Individually assigned)	X(XXX)B	X(XXX)D	X(XXX)F	X(XXX)	

Table of Contents

1 Background to the Project

This report has been commissioned by Esso Petroleum Company Limited as the second part of a three phase benchmarking analysis into typical standard day rates for software development resource. The rates are those applicable across the following disciplines:

- Mainframe Applications Support
- SAP Applications Support
- Client Server/LAN Applications Support.

For the following staff levels (specified in more detail in appendix A):

- Programmer (BSC/ISM Level 2)
- Analyst/Programmer (BSC/ISM Level 3)
- Senior IT Analyst/Senior Software Developer (BSC/ISM Level 4)
- Technical Team Leader (BSC/ISM Level 5)
- Project Leader / Database Consultant (BSC/ISM Level 6)
- Project Manager (BSC/ISM Level 7)
- Senior Project Manager (BSC/ISM Level 8).

The figures supplied in this report pertain to the anticipated day rates of the criterion group of companies (see appendix B) as at 1 January 1997.

2 Project Methodology

In accordance with the INPUT proposal dated 30.5.96, it was agreed that percentage fee scale increases/decreases for phases two and three of the benchmarking study would be supplied in an abridged format, derived from secondary sources where necessary.

In practice, it has been possible for INPUT to provide a more comprehensive analysis than the above methodology. With the exception of four management consulting companies who provided spot rates in the phase one benchmarking research, all other criterion companies have submitted comprehensive updates on their proposed rates for 1997.

For comparitive purposes, it has been agreed between Esso and INPUT that the fee rates supplied by the management consulting companies in phase one are stripped out of the 1.1.96 analysis. This amended data is included in Appendix C. By doing so, it is possible to make valid comparisons of the changes that have taken place, or plan to take place between 1.1.96 and 1.1.97.

For phase three, INPUT will endeavour to use the same methodology to obtain 1998 rates, with the proviso that the pool of companies remain active in the same sectors and continue to cooperate in the release of comprehensive fee rates.

In accordance with phase one methodology, a questionnaire was developed to act as a medium for collection of standard day rates as at 1 January 1997.

The questionnaire contains a table of staff levels with explanatory notes on the environment in each discipline. Vendors were requested to supply daily rates in as many level categories as were applicable to their offerings.

The individual returns were collated and aggregated to provide the basis of the results tabulated in Section 3. In all cases except one, it was possible to achieve a minimum sample size of eight. In the one instance where this was not possible, two of the companies surveyed stated that they did employ staff at level 2 for SAP R/3 activities.

Professional Fees : Market Changes 1.1.96 to 1.1.97

MAINFRAME RATES

LEVELS	2	3	4	5	6	7	8
Returns	10	10	10	10	10	10	10
Average Growth Reported % 1.1.96 To 1.1.97	6.4	6.8	6.7	6.7	6.9	7.0	6.9

(sample size = 10 for all levels)*

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LEVELS	2	3	4	5	6	7	8
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On aggregate, Client Server fee rates have increased by between 6.4 % (level 2) and 8.0% (level 6) over the same period.

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These figures mask greater variance at company level: one company reported a year-on-year increase of only 3% for client server application support, whilst a competitor's rates had increased by 15% over the same period.

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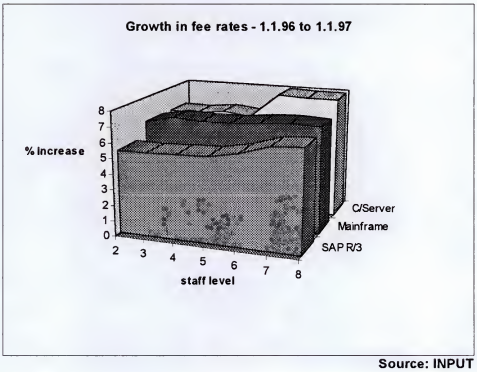

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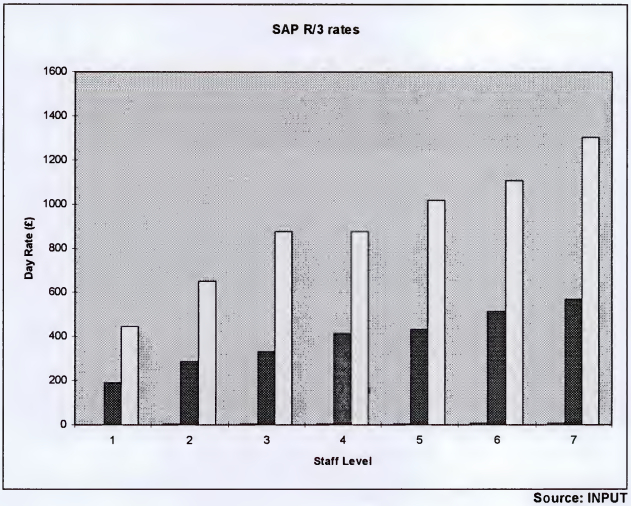

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Statistical analysis of the 1.1.97 fee rates is shown overleaf, in tabulated form.

Professional Fee Rates Commencing 1.1.97

MAINFRAME RATES

1.1.97 RATES	LEVELS	2	3	4	5	6	7	8
	Returns	10	10	10	10	10	10	10
	Maximum	484	624	759	816	985	1235	1458
	Minimum	168	263	284	291	372	382	438
	Average	**319**	**419**	**516**	**589**	**674**	**775**	**918**
	Median	**305**	**405**	**486**	**577**	**666**	**785**	**926**
	Std Deviation	97	122	164	172	195	235	275

Average Growth Reported % 1.1.96 To 1.1.97	6.4	6.8	6.7	6.7	6.9	7.0	6.9

(sample size = 10 for all levels)*

CLIENT / SERVER RATES

1.1.97 RATES	LEVELS	2	3	4	5	6	7	8
	Returns	9	11	11	11	11	11	11
	Maximum	465	675	923	923	1183	1235	1458
	Minimum	210	305	368	438	458	546	618
	Average	**338**	**469**	**570**	**644**	**735**	**838**	**978**
	Median	**305**	**430**	**486**	**577**	**666**	**792**	**921**
	Std Deviation	87	120	182	163	222	225	266

Average Growth Reported % 1.1.96 % To 1.1.97	6.4	6.4	6.6	6.4	8.0	7.9	7.9

(sample size = 9 for level 2 and 11 for all other levels)*

SAP R/3 RATES

1.1.97 RATES	LEVELS	2	3	4	5	6	7	8
	Returns	6	8	8	8	7	8	8
	Maximum	500	880	1000	1000	1183	1235	1458
	Minimum	296	389	469	577	671	815	1000
	Average	**425**	**600**	**757**	**836**	**950**	**1048**	**1186**
	Median	**442**	**562**	**714**	**840**	**976**	**1050**	**1155**
	Std Deviation	73	152	165	145	166	137	166

Average Growth Reported % 1.1.96 To 1.1.97	5.4	5.4	5.5	5.5	5.9	6.5	6.6

(sample size = 6 for level 2, 7 for level 6 and 8 for all other levels)*

** N.B. for meaningful comparison, only those companies supplying data over two consecutive years have been included in this analysis.*

3.2 Conclusions

Between 1.1.96 and 1.1.97, there has been a narrowing of the gap between the charge-out rates for Mainframe software development resource support and the rates charged for Client Server support and SAP R/3 support. We attribute this to the growing demand for programmers with traditional programming skills (such as Cobol), given the Year 2000 problem. According to INPUT assessments, this Year 2000 work should have reached a peak in late 1997 early 1998. However, evidence suggests that many IT users have yet to tackle the problem. It is therefore reasonable to assume that supply-side restrictions will not impact until 1998.

APPENDICES

APPENDIX A

STANDARD RESOURCE DEFINITIONS

The following replicates the Standard Resource Definitions as defined by Esso in the form supplied to respondent vendors:

Definitions of Skills

The client has defined the following Levels of skill which he associates with the Job Descriptions in the RH column of the table below. We shall use Level as a reference in the questionnaire section against which we invite you to supply ranges of daily charge out rates. If these definitions do not allow you to express your rates in a meaningful way, please feel free to use your own schematic to respond.

LEVEL	BS Code	ISM Title	Typical Job Descriptions
2	DLP2	Initially Trained Practitioner	Programmer, Analyst/Programmer, Systems Programmer
3	DLP3	Trained Practitioner	Experienced Programmer, Experienced Analyst Programmer, Experienced Systems Programmer, Software Developer, Analyst Designer
4	DLS4, DLAD4, DLM4	Fully Skilled Practitioner	Senior Software Developer, Senior Analyst Designer, Business Analyst, Team Leader, Database Design or Performance Specialist
5	DLM5	Experienced Practitioner/ Supervisor	Principal Software Developer, Senior Business Analyst, Senior Team Leader, Database Design or Performance Expert
6	DLM6	Senior Practitioner/Manager (limited scope)	Project Leader, Database Consultant
7	DLM7	Senior Specialist/Manager (extended scope)	Project Manager
8		Principal Specialist/ Experienced Manager	Senior Project Manager

Environment

The client categorises his development environment as comprising three segments:

1. **MAINFRAME:** IBM MVS, IMS and DB/2, mainly COBOL. Team size of some 40-45 people.

2. **CLIENT/SERVER:** Intel processor Servers, Microsoft NT, MS Windows 3.1 Clients. The main development tool used is Powerbuilder. Team size 10-15 people.

3. **SAP R/3:** In the planning stage. Projected initial team size 5-10 people.

APPENDIX B

List of Participating Vendors

The following vendors submitted responses in the indicated sectors:

SECTORS	MAINFRAME	CLIENT/ SERVER	SAP R/3
121 Consulting			X
Bull Information Systems	X	X	X
CFM	X	X	
Diagonal Computer Services	X	X	
Druid	X	X	X
FI Group	X	X	
Hoskyns Group	X	X	X
IBM	X	X	X
Origin			X
Plaut (UK)		X	X
SHL Technology Solutions	X	X	
Software Design Associates	X	X	
Unisys	X	X	X

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Daily Fee Rates as at 1.1.96, Minus Spot Rate Data Supplied By Four Management Consulting Companies

MAINFRAME RATES

1.1.96 RATES	LEVELS	2	3	4	5	6	7	8
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	Maximum	465	600	730	785	883	1107	1306
	Minimum	152	238	268	275	350	360	412
	Average	**299**	**392**	**484**	**552**	**631**	**724**	**859**
	Median	**294**	**389**	**468**	**555**	**641**	**746**	**889**
	Std Deviation	97	118	159	168	187	219	256

CLIENT / SERVER RATES

1.1.96 RATES	LEVELS	2	3	4	5	6	7	8
	Returns	9	11	11	11	11	11	11
	Maximum	446	648	701	754	802	898	1046
	Minimum	190	285	333	412	432	514	570
	Average	**318**	**441**	**535**	**605**	**681**	**777**	**906**
	Median	**294**	**390**	**468**	**555**	**641**	**746**	**889**
	Std Deviation	88	117	177	160	192	195	230

SAP R/3 RATES

1.1.96 RATES	LEVELS	2	3	4	5	6	7	8
	Returns	6	8	8	8	7	8	8
	Maximum	500	845	960	1000	1100	1107	1306
	Minimum	287	378	455	560	651	791	946
	Average	**403**	**570**	**718**	**792**	**897**	**984**	**1112**
	Median	**412**	**504**	**655**	**760**	**890**	**950**	**1046**
	Std Deviation	76	156	170	152	155	121	140

The British Computer Society's Industry Structure Model for Information Systems

ISM Release 3 is now available - contact the Professional Development Department on 01793 417441/417442 or email pdd@bcs.org.uk

- Press Release
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- **Where can you find a reliable yardstick for assessing the professionalism of IS staff? Or expert guidance on planning training? And a means of measuring its effectiveness?**

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- plot career development paths
- establish staffing and recruitment needs
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- management
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- policy and planning
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- service delivery
- technical advice and consultancy
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Email: pdd@bcs.org.uk

Professional Development | News Stand | Main Menu | Consult Contents

final report submitted to client. (phase one)

Table of Contents

1 Background to the Project

The project has been commissioned by Esso Petroleum Company Limited. Esso wish to develop an understanding of standard day rates for software development. The rates are those applicable across the following disciplines:

- Mainframe Applications Support
- SAP Applications Support
- Client Server/LAN Applications Support

For the following staff levels:

- Programmer (BSC/ISM Level 2)
- Analyst/Programmer (BSC/ISM Level 3)
- Senior IT Analyst/Senior Software Developer (BSC/ISM Level 4)
- Technical Team Leader (BSC/ISM Level 5)
- Project Leader / Database Consultant' (BSC/ISM Level 6)
- Project Manager (BSC/ISM Level 7)
- Senior Project Manager (BSC/ISM Level 8)

INPUT has agreed with Esso a "criterion group of companies". These companies have provided a pool for the investigation of day rates by INPUT field research. For each of the three disciplines, the pool of companies was different. However, some companies were represented in more than one pool because of the broad scope of services which they offered (see appendix D).

In order to encourage vendors to supply the necessary information, they were assured that only a summary of the pool data would be supplied to Esso. In turn, Esso has agreed that INPUT can supply each participating vendor with a similar summary.

2 Project Methodology

Field research was conducted in August 1996. In each pool, the minimum agreed number of 8 participants was exceeded.

A questionnaire was developed to act as a medium for collection of current standard day rates (see Appendix B). It contains a table of staff levels with explanatory notes on the environment in each discipline. Vendors were requested to supply daily rates in as many level categories as were applicable to their offerings. They were also requested to indicate how these rates had varied since 1 January 1996, plus their views of future contract rate trends.

Although not prompted on possible influences on forward rates, a number of vendors made comments on the forces which might, in their opinion, have a significant effect. A small number of vendors (not included in the pool sizes) did not provide a complete response. However, they volunteered spot rate information. This was incorporated in the statistics where it was judged to be valid.

The individual returns were collated and aggregated to provide the basis for the results tabulated in Appendix C.

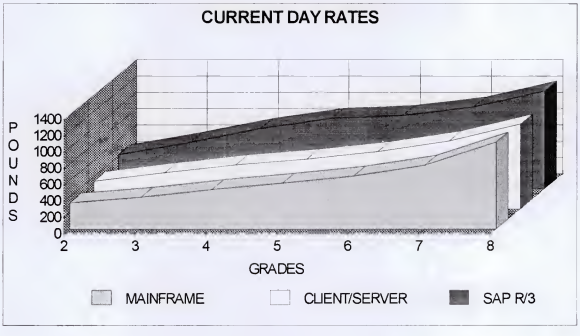
3 Management Summary

3.1 Current Rates

Mainframe and Client/Server Rates were similar at the lowest and highest levels. However, the Client/Server discipline showed an upwards "bulge" of around 10% in the middle job levels compared with Mainframe. This may represent higher current demand for experienced technicians in the Client/Server sector.

The rates quoted for SAP R/3 personnel were considerably higher, representing the extent of current demand and shortage of trained personnel at all levels. The premium was in the order of 50% in the middle (senior technical) grades. However, the difference again tailed off towards the (predominantly management) senior levels. See Exhibit 1.

EXHIBIT 1 - CURRENT DAY RATES



3.2 Increases since 1.1.96

On average, rates in all sectors had increased from 1 January 1996. The increases were similar: at all grades, Mainframe and SAP R/3 rates had both increased by about 2%; the increase in Client/Server rates was a shade higher at about 2½%. However, the latter difference is explicable by statistical variations.

3.3 Estimated Rates at 1.1.96

Applying the average percentage growths calculated from the responses of vendors to the current rates, we obtain the following estimates of the position at 1.1.96:

MAINFRAME RATES

	LEVELS	2	3	4	5	6	7	8
	Returns	11	10	10	11	11	12	13
	Maximum	491	600	730	785	827	1127	1838
CURRENT	Minimum	152	238	268	275	350	360	413
RATES	**Average**	**314**	**383**	**474**	**551**	**636**	**767**	**1045**
	Median	**300.0**	**389.0**	**467.5**	**560.0**	**651.0**	**821.5**	**947.0**
	Std Deviation	103.8	106.5	147.4	146.7	165.0	220.1	425.0
	Within ±1 STD	7	7	6	7	7	8	9
	STD From	196	283	320	413	486	601	522
	STD To	404	495	615	707	816	1042	1372

CLIENT/SERVER RATES

	LEVELS	2	3	4	5	6	7	8
	Returns	10	11	11	12	12	13	13
	Maximum	488	649	878	878	1073	1120	1750
CURRENT	Minimum	190	290	333	413	432	515	571
RATES	**Average**	**332**	**438**	**527**	**599**	**686**	**811**	**1010**
	Median	**307.5**	**400.0**	**480.0**	**590.0**	**701.5**	**850.0**	**947.0**
	Std Deviation	97.2	114.1	173.6	142.2	180.4	193.9	330.2
	Within ±1 STD	6	8	7	7	8	8	9
	STD From	210	286	306	448	521	656	617
	STD To	405	514	654	732	882	1044	1277

SAP R/3 RATES

	LEVELS	2	3	4	5	6	7	8
	Returns	7	8	9	10	7	9	9
	Maximum	500	846	962	1565	1073	1123	1755
CURRENT	Minimum	287	378	455	560	651	791	947
RATES	**Average**	**413**	**562**	**725**	**845**	**884**	**986**	**1175**
	Median	**435.0**	**526.0**	**690.0**	**795.0**	**930.0**	**976.0**	**1125.0**
	Std Deviation	79.7	157.3	179.0	284.0	152.2	104.6	232.8
	Within ±1 STD	5	6	5	9	5	5	8
	STD From	355	369	511	511	778	871	892
	STD To	515	683	869	1079	1082	1081	1358

3.4 Increases from Current to 1.1.97

From the responses made during preparatory interviews, we formed the impression that most firms carry out a major review of rates in the final quarter of each year in preparation for a new calendar year. As these reviews are not yet complete, it is premature to make accurate asssessments of future rates as at 1 January 1996. As agreed, these rates will be evaluated by INPUT at the beginning of November 1996, with a view to publishing data during December. Our provisional view is that mainframe rates will show the greatest increases on the 1.1.96 rates.

3.5 Economic and Business Trends Likely to Affect 1997 Rates

Not withstanding the above, respondents had taken some initial views of the overall economic factors which might apply during 1997. There would appear to be an implied low inflation factor in their minds - a strong tendency towards continuity in the economic climate.

However, with a General Election in the offing, the future of a Single European Currency still open to debate and the challenges for either potential government of producing a balanced budget, forecast economic indices a year from now cannot be at their most dependable. A further variable is the levels of work being generated by the year 2000 issues.

3.6 Conclusions

The results provide a clear view of Current rates and the spread of those rates. As stated, they also indicate a small average increase since 1.1.96 of between 2 to 2.5%, which we have applied as a deflator. Vendor views on the market influences on Mainframe and SAP R/3 rates are diverse. The economic climate and the demand environment is subject to many changes, the effects of which are still unclear. Thus future growth estimates need to be confirmed by further studies closer to the time of relevant detailed negotiation.

APPENDICES

APPENDIX A

STANDARD RESOURCE DEFINITIONS

The following replicates the Standard Resource Definitions as defined by Esso in the form supplied to respondent vendors:

Definitions of Skills

The client has defined the following Levels of skill which he associates with the Job Descriptions in the RH column of the table below. We shall use Level as a reference in the questionnaire section against which we invite you to supply ranges of daily charge out rates. If these definitions do not allow you to express your rates in a meaningful way, please feel free to use your own schematic to respond.

LEVEL	BS Code	ISM Title	Typical Job Descriptions
2	DLP2	Initially Trained Practitioner	Programmer, Analyst/Programmer, Systems Programmer
3	DLP3	Trained Practitioner	Experienced Programmer, Experienced Analyst Programmer, Experienced Systems Programmer, Software Developer, Analyst Designer
4	DLS4, DLAD4, DLM4	Fully Skilled Practitioner	Senior Software Developer, Senior Analyst Designer, Business Analyst, Team Leader, Database Design or Performance Specialist
5	DLM5	Experienced Practitioner/ Supervisor	Principal Software Developer, Senior Business Analyst, Senior Team Leader, Database Design or Performance Expert
6	DLM6	Senior Practitioner/Manager (limited scope)	Project Leader, Database Consultant
7	DLM7	Senior Specialist/Manager (extended scope)	Project Manager
8		Principal Specialist/ Experienced Manager	Senior Project Manager

Environment

The client categorises his development environment as comprising three segments:

1. **MAINFRAME:** IBM MVS, IMS and DB/2, mainly COBOL. Team size of some 40-45 people.

2. **CLIENT/SERVER:** Intel processor Servers, Microsoft NT, MS Windows 3.1 Clients. The main development tool used is Powerbuilder. Team size 10-15 people.

3. **SAP R/3:** In the planning stage. Projected initial team size 5-10 people.

APPENDIX B

QUESTIONNAIRE

Q.1. Mainframe Rates

What are your **current** daily charge out rates for skills in the following Levels as defined above?

LEVEL	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
DAILY RATE							

Q.1.1. Inflation Rates

The client appreciates the difficulties of forecasting inflation rates. Please give the following your best estimates - expressed as ranges, if you prefer.

By what approximate percentage have the above rates increased since 1 January 1996? (Mention and specify any exceptions to the general increase rate).

Q.2. Client/Server Rates

What are your **current** daily charge out rates for skills in the following Levels as defined above?

LEVEL	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
DAILY RATE							

Q.2.1. Inflation Rates

Please give your best estimates of inflation rates since 1.1.96, by 1.1.97 and 1.1.98 in the same manner as indicted in Q.1.1.

Q.3. SAP R/3 Rates

What are your **current** daily charge out rates for skills in the following Levels as defined above?

LEVEL	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
DAILY RATE							

Q.3.1. Inflation Rates

Please give your best estimates of inflation rates since 1.1.96, by 1.1.97 and 1.1.98 in the same manner as indicted in Q.1.1.

APPENDIX C

TABLES OF STANDARD DAY RATES

C.1 MAINFRAME RATES

	LEVELS	2	3	4	5	6	7	8
CURRENT RATES	Returns	11	10	10	11	11	12	13
	Maximum	500	600	730	785	827	1150	1875**
	Minimum	160	250	276	283	361	371	425
	Average	**319**	**391**	**483**	**561**	**648**	**783**	**1066**
	Median	**300**	**389**	**468**	**560**	**651**	**826**	**973**
	Std Deviation	104.2	104.8	147.6	145.1	165.3	221.5	432.0
	Within +/-1 STD	8	7	6	7	6	8	9
	STD From	196	284	320	415	486	604	541
	STD To	404	494	615	705	816	1047	1405

Average growth reported

1.1.96 % TO CURRENT	1.8	1.9	1.9	1.9	2.0	2.0	2.0

N.B. the maximum value marked ** includes some spot quotes from a large management consultancy company

C.2 CLIENT / SERVER RATES

CURRENT RATES	LEVELS	2	3	4	5	6	7	8
	Returns	10	11	11	12	12	13	13
	Maximum	500	675	900	900	1100	1150	1800**
	Minimum	200	290	350	425	445	530	600
	Average	**340**	**448**	**540**	**614**	**703**	**833**	**1039**
	Median	**316**	**400**	**480**	**605**	**713**	**875**	**973**
	Std Deviation	98.8	119.5	181.7	145.2	185.1	202.5	344.0
	Within +/-1 STD	6	8	8	6	8	8	9
	STD From	217	280	298	460	528	672	629
	STD To	415	520	662	750	898	1078	1317

Average growth reported

1.1.96 % TO CURRENT	2.4	2.3	2.5	2.5	2.5	2.7	2.9

N.B. the maximum value marked ** includes some spot quotes from a large management consultancy company

C.3 SAP R/3 RATES

	LEVELS	2	3	4	5	6	7	8
CURRENT RATES	Returns	7	8	9	10	7	9	9
	Maximum	500	880	1000	1600**	1100	1150	1800
	Minimum	287	378	455	560	651	791	973
	Average	**421**	**573**	**741**	**865**	**903**	**1009**	**1206**
	Median	**435**	**533**	**690**	**800**	**930**	**1013**	**1125**
	Std Deviation	77.7	161.9	187.6	291.1	150.8	109.7	250.7
	Within +/-1 STD	5	6	5	9	4	6	8
	STD From	357	371	502	509	779	903	874
	STD To	513	694	878	1091	1081	1123	1376

AVERAGE GROWTH REPORTED

1.1.96 % TO CURRENT	2.0	1.8	2.2	2.3	2.1	2.4	2.6

N.B. the maximum value marked ** includes some spot quotes from a large management consultancy company

APPENDIX D

List of Participating Vendors

The following vendors submitted responses in the indicated sectors:

SECTORS	MAINFRAME	CLIENT/ SERVER	SAP R/3
121 Consulting			X
Bull Information Systems	X	X	X
CFM	X	X	
Deloitte Touche	X	X	X
Diagonal Computer Services	X	X	
Druid	X	X	X
FI Group	X X	X X	
Hoskyns Group	X X	X X	X
IBM	X	X	X
Origin			X
Plaut (UK)		X	X
SHL Technology Solutions	X	X	
Software Design Associates	X	X	
Unisys	X	X	X
EDS	X	X	
Sema	X	X	
Admiral	X	X	
~~CGS~~	~~X~~		
Logica	X		
Anite		X	
CSC		X	
IBM		X	
CA		X	

Questionnaire

Q.1. Mainframe Rates

What are your current daily charge out rates for skills in the following Levels as defined above?

LEVEL	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
DAILY RATE	244	255	276	283	361	371	425

Q.1.1. Inflation Rates

The client appreciates the difficulties of forecasting inflation rates. Please give the following your best estimates - expressed as ranges, if you prefer.

By what approximate percentage have the above rates increased since 1 January 1996? 3%
(Mention and specify any exceptions to the general increase rate).

By what approximate percentage do you anticipate the above rates increasing by 1 January 1997?
(Mention and specify any exceptions to the general increase rate). – Contracts are negotiated annually

By what approximate additional % do you anticipate the above rates increasing by 1 January 1998?
(Mention and specify any exceptions to the general increase rate). – RPE quoted at time of increase

Q.2. Client/Server Rates

What are your current daily charge out rates for skills in the following Levels as defined above?

LEVEL	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
DAILY RATE	N/A	302	393	425	445	530	608

Q.2.1. Inflation Rates

Please give your best estimates of inflation rates since 1.1.96, by 1.1.97 and 1.1.98 in the same manner as indicated in Q.1.1.

Q.3. SAP R/3 Rates

What are your current daily charge out rates for skills in the following Levels as defined above?

UNABLE TO QUOTE

LEVEL	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
DAILY RATE							

Q.3.1. Inflation Rates

Please give your best estimates of inflation rates since 1.1.96, by 1.1.97 and 1.1.98 in the same manner as indicated in Q.1.1.

Sidmore Group Management Consultants Limited
Bank Chamber Chamber Lane
Wolverhampton West Midlands WV2 1EG
Tel: 0121 706 7970
Fax: 0121 706 7945

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FAX COMMUNICATION

Attention:	Patrick Nash	Phone:	Mike Wallace
Company:	Infuti	Date:	28/8/96
Tel:	0117-979 3467	Time:	
Fax:	0173 5 7111	No of Pages (inc cover):	2

Patrick,

Sorry this takes so long - hope this helps - please call me if you have any comments or queries.

Regards

SHL

SHL Technology Solutions Ltd
137 Stamford Street
London
SE1 9NJ
Telephone 0171-928 9800
Fax 0171-928 4827

Fax Transmission

To: David Nash
Fax: 0118 979 3167
From: Ben Salama / Andrea Richardson
Date: 19 August 1996
Number of pages, including cover sheet: 3

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Remarks

SHL
An MCI Company

137 Stamford Street
London SE1 9NJ

BS/AYR/input

16 August 1996

David Nask
Input Associate
Cornwall House
56-77 High Street
Slough
Berkshire
SL1 1DZ

Dear David

Re: Application Development Resource Benchmarking

Please find attached our responses to your questionnaire. A few points to note:

1. We specialise in client/server development - specially using Powerbuilder - so we are a good fit for your category 2 environments.

2. We charge the same for client/server and mainframe work.

3. We do not really do SAP work

4. Based on the Powerbuilder work we have done, we would typically expect a 10-15 person team to average out at around £500 per team member per day including project manager, quality assurance reviews etc but excluding any fixed price contingencies.

This is probably a better measure than the individual fee rates.

I look forward to receiving the full report.

Yours sincerely

Ben Salama
Vice President & General Manager
Systems Integration

Enc

Telephone: 0171 928 9800
Facsimile: 0171 928 1296

Questionnaire

Q.1. Mainframe Rates

What are your current daily charge out rates for skills in the following Levels as defined above?

LEVEL	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
DAILY RATE							

see client/server below

Q.1.1. Inflation Rates

The client appreciates the difficulties of forecasting inflation rates. Please give the following your best estimates - expressed as ranges, if you prefer.

By what approximate percentage have the above rates increased since 1 January 1996?
(Mention and specify any exceptions to the general increase rate).

By what approximate percentage do you anticipate the above rates increasing by 1 January 1997?
(Mention and specify any exceptions to the general increase rate).

By what approximate additional % do you anticipate the above rates increasing by 1 January 1998?
(Mention and specify any exceptions to the general increase rate).

Q.2. Client/Server Rates

What are your current daily charge out rates for skills in the following Levels as defined above?

LEVEL	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
DAILY RATE	300	400	480	550	630	700	£40

Rate established 1/1/96
Assumed increase 1/1/97 and beyond – 5%

Q.2.1. Inflation Rates

Please give your best estimates of inflation rates since 1.1.96, by 1.1.97 and 1.1.98 in the same manner as indicted in Q.1.1.

Q.3. SAP R/3 Rates

N/A

What are your current daily charge out rates for skills in the following Levels as defined above?

LEVEL	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
DAILY RATE							

Q.3.1. Inflation Rates

Please give your best estimates of inflation rates since 1.1.96, by 1.1.97 and 1.1.98 in the same manner as indicted in Q.1.1.

UNISYS

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2

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Company:	**INPUT**	**Date: 16 August 1996**
From:	**Edmond Cunningham**	**Tel No: 01908-212673**
Subject:	**Application Development Outsourcing**	**Priority** Notify Upon Arrival (X) Urgent (X)

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Customer Service Centre
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Bucks MK15 0YS

Telephone
01908 212000
Facsimile
01908 212952

UNISYS

16th August 1996

Mr. David Nash
INPUT Associate
INPUT
Cornwall House,
55 - 77 High Street,
Slough,
Berkshire,
SL1 1DZ

Dear Mr. Nash,

APPLICATION DEVELOPMENT RESOURCE BENCHMARKING

Please find enclosed the Unisys response to your questionnaire.

We look forward to receiving a copy of the combined rates when you have completed your assessment.

If you have any question please don't hesitate to contact me.

Yours sincerely,

Edmond Cunningham

Questionnaire

Q.1. Mainframe Rates

What are your **current** daily charge out rates for skills in the following Levels as defined above?

LEVEL	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
DAILY RATE	465	600	730	785	815	860	1090

Q.1.1. Inflation Rates

The client appreciates the difficulties of forecasting inflation rates. Please give the following your best estimates - expressed as ranges, if you prefer.

By what approximate percentage have the above rates increased since 1 January 1996? (Mention and specify any exceptions to the general increase rate). ZERO

By what approximate percentage do you anticipate the above rates increasing by 1 January 1997? (Mention and specify any exceptions to the general increase rate). 4%

By what approximate additional % do you anticipate the above rates increasing by 1 January 1998? (Mention and specify any exceptions to the general increase rate). 6%

Q.2. Client/Server Rates

What are your **current** daily charge out rates for skills in the following Levels as defined above?

LEVEL	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
DAILY RATE	465	675	730	785	835	935	1090

Q.2.1. Inflation Rates

Please give your best estimates of inflation rates since 1.1.96, by 1.1.97 and 1.1.98 in the same manner as indicted in Q.1.1. 4% 4% 4%

Q.3. SAP R/3 Rates

What are your **current** daily charge out rates for skills in the following Levels as defined above?

LEVEL	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
DAILY RATE	470	880	1000	1000	1060	1080	1090

Q.3.1. Inflation Rates

Please give your best estimates of inflation rates since 1.1.96, by 1.1.97 and 1.1.98 in the same manner as indicted in Q.1.1. 4% ZERO ZERO

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4 weeks intro - or 18 months in depth in
3 modules

Junior Rate £800 - £1200

Premier on SD (logistics)
PP (production)

L5 Architects 6-5 years experience £1500 - £1700/day
(= Senior Business Analyst)

L4 Business Analysts £800 - £1200/day

Personal view = currently extremely active
Intabat reached peak. Huge success of SAP in USA (Sarbanes Premier on Finance)

C+L

C15.

60% Windows NT. up to 200-300 users.

Coopers work with 21.

KPMG

14/8/96

0930

KPMG

David Boyd called me – they're not really into outsourcing as such within area.

"Good" project manager £1500/day
Business Consultant £1000/day
Less experienced £800/day

↓

Trend to go more into value based contracts with clients.

eg. If you are to save/gain £10m, it is sensible for you to consider paying £2m. Risk and benefit sharing are entering the culture.

Specific response, other than above; not forthcoming.

PA

PA CONSULTING 28/8/96.

Wendy Copley rang on behalf of Mike Tate.

PA not really into the business of outsourcing. The way PA approaches Systems development work is to do price each job "as a whole".

Rates vary between £50 & £150/hour

[Based on 8 hrs ≡ (£400 – £1200/day)]

DELOITTE / ICS

From: Karen_Machin@deloitte.touche.co.uk
Date: Fri, 23 Aug 96 17:15:21 PST
Encoding: 26 Text
To: dnash@i-way.co.uk
Subject: Billing Rates
X-UIDL: 07374a5327f6e6328ae999fa9be4787a

Dear David

My sincere apologies for not getting back to you sooner.

This answer has been thrown together fairly quickly so I hope you'll forgive me for not using your fields described in the fax. However I hope what I do give you is enough for your client to get some idea of our rates.

For our most junior consultant (ie trainee) - 500 per day

Consultant - 650 per day (LB?)

Experienced consultant 850 per day (LB?)

Project manager 1100-1200 per day (LB?)

Director 1800 per day (LB)?

Our rates are normally in addition to any expenses incurred during the client work

Regards

Karen

121 Consulting

Mr David Nash
INPUT Associate
Cornwall House
55-77 High Street
Slough
Berkshire SL1 1DZ

Date 30 August 1996
Our Ref gc/DOS/DL.doc
Your Ref

Dear Mr Nash

Ref: Application Development Resource Benchmarking

Thank you for your invitation to participate in the above project. Further to our conversation earlier today, we have been able to compile the required data, which is contained in the attached form.

We would like to comment on our feedback as follows:

- Questions 1 and 2 do not apply to the services provided by 121 Consulting.
- Regarding Question 3, levels 2 and 6 do not match the skill profiles or project roles of the consultants used by 121.

Russell Charlesworth apologises for the delay in submitting the attached form due to severe resource constraints. Hopefully, the data is still useful for your survey

We appreciate that you will not reveal in your client the association between our fee structure and the source of the data, and we would be pleased to participate in the future, should you be carrying out other research concerning the SAP market place.

We look forward to receiving the summary of your findings when this has been completed.

Yours sincerely

Gundula Campden
Marketing Coordinator

Enc.

121 Consulting Limited, 3608 Parkway, Birmingham Business Park, Birmingham B37 7YG
Telephone 0121 717 2150 Facsimile 0121 717 2150 Registered in England no 2999987
Registered Office Peach Lane, 13 Lemons Island, Maidstone, Kent.

Application Development Hours Benchmark

Questionnaire

Q.1. Mainframe Rates

What are your current daily charge out rates for skills in the following Levels as defined above?

LEVEL	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
DAILY RATE							

Q.1.1. Inflation Rates

The client appreciates the difficulties of forecasting inflation rates. Please give the following your best estimates - expressed as ranges, if you prefer.

By what approximate percentage have the above rates increased since 1 January 1996?
(Mention and specify any exceptions to the general increase rate).

By what approximate percentage do you anticipate the above rates increasing by 1 January 1997?
(Mention and specify any exceptions to the general increase rate).

By what approximate additional % do you anticipate the above rates increasing by 1 January 1998?
(Mention and specify any exceptions to the general increase rate).

Q.2. Client/Server Rates

What are your current daily charge out rates for skills in the following Levels as defined above?

LEVEL	Level 2	Level 3	Level4	Level 5	Level 6	Level 7	Level 8
DAILY RATE							

Q.2.1. Inflation Rates

Please give your best estimates of inflation rates since 1.1.96, by 1.1.97 and 1.1.98 in the same manner as indicated in Q.1.1.

Q.3. SAP R/3 Rates

What are your current daily charge out rates for skills in the following Levels as defined above?

LEVEL	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
DAILY RATE	—	575	680	880	—	1080	1180

£

Q.3.1. Inflation Rates

Please give your best estimates of inflation rates since 1.1.96, by 1.1.97 and 1.1.98 in the same manner as indicated in Q.1.1.

5% annual increase year on year.

Bull Information Systems Ltd

Maxted Road
Hemel Hempstead
Herts. HP2 7DZ

Fax Header

To: **David Nash, Input Associate**
0118 979 3167

From: **Martin Russ**
01442 884996

Date. **28/08/1996**

No. of Pages (incl Cover): **3**

Message:

Dear David,

Once again, my apologies for the delay in replying to your questionnaire.
As a result of absences currently, the assessment of the rates for the mainframe environment is more tentative than would otherwise be the case, and you may wish to take this into account.
If you have any questions on the attached or would like further assistance, then please let me know. Otherwise I look forward to hearing from you in due course.

Yours sincerely,

M. Russ

MAINFRAME

2	3	4	5	6	7	8
400	474	606	716	827	882	937.

Martin Russ
by phone
28/8/96

Bull Information Systems Ltd

Maxted Road
Hemel Hempstead
Herts, HP2 7DZ

Fax Header

To: David Nash, Input Associate
0118 979 3167

From: Martin Russ
01442 884996

Date: 28/08/1996

No. of Pages (incl Cover): 3

Message:

Dear David,
Once again, my apologies for the delay in replying to your questionnaire.
As a result of obsolescence currently, the assessment of the rates for the maintenance environment is more tentative than would otherwise be the case, and you may wish to take this into account.
If you have any questions on the attached or would like further assistance, then please let me know. Otherwise I look forward to hearing from you in due course.

Yours sincerely,

APPLICATION DEVELOPMENT RATES
RESPONSE TO INPUT SURVEY

BULL INFORMATION SYSTEMS LTD (INTEGRIS)

Q1. Mainframe Rates

Current daily charge-out rates

LEVEL	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
DAILY RATE	---	---	---	---	---	---	---

Q1.1 Increase since 1 Jan 1996: 0%
Increase by 1 Jan 1997: 3 - 4%
Increase by 1 Jan 1998: 4 - 5%

Exceptions - there is likely to be a difference in price if staff are located on the customer site (lower) , depending upon where it is - as opposed to working at a Bull location. However, inflation will then be higher than stated by 2 - 4 % p.a. for the highest skill levels.

For a base of the size stated, a client could expect a discount on the above rates of up to 30%, depending upon the length of commitment, notice period for changes in team size and other forms of supply.

Q2. Client / Server Rates

Current daily charge-out rates

LEVEL	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
DAILY RATE	457	640	661	771	827	882	937

437 540 661 771 827 882 937

Q2.1 Increase since 1 Jan 1996: 0%
Increase by 1 Jan 1997: 2 - 3%
Increase by 1 Jan 1998: 3 - 4%

Exceptions - there is likely to be a difference in price if staff are located on the customer site (lower) - depending upon where it is - as opposed to working at a Bull location. However, inflation will then be higher than stated by 2 - 4 % p.a. for the highest skill levels.

For a base of the size stated, a client could expect a discount on the above rates of up to 16%, depending upon the length of commitment, notice period for changes in team size and other forms of supply.

Q3. SAP R/3 Rates

Current daily charge-out rates

LEVEL	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
DAILY RATE	600	750	850	1000	1050	1100	1200

550 750 850 1000 1000 1100 1200.

Q3.1 Increase since 1 Jan 1996: 0%
Increase by 1 Jan 1997: 0%
Increase by 1 Jan 1998: 0%

The rates in this area are heavily influenced by a current shortage of these skills in the marketplace. Discounts will therefore be low.

CFM

Mr. D. Nash,
INFUT,
Cornwall House,
55-77 High Street,
Slough, Berks., SL1 1DZ

CFM London North
Tower Point North, Bailey Road
Enfield, Middx. EN3 6AR
Telephone: 0181 386 6871
Facsimile: 0181 267 2122

30th August 1996

Dear David,

RE: Application Development Outsourcing

Thank you for your recent FAXed questionnaire asking for CFM's current daily charge out rates. Please find a copy of the completed questionnaire attached. CFM does not possess SAP R/3 skills, and so is unable to provide daily rates for this category.

Please note that the rates quoted are subject to a discount where staff are engaged on longer term assignments.

Should you require further information, please do not hesitate to contact me.

Yours sincerely,

Paul Robinson

Paul Robinson
Bid Manager

for Keith McDowell

Application Development Rates Questionnaire

Questionnaire

Q.1 Mainframe Rates

What are your current daily charge out rates for skills in the following Levels as defined above?

LEVEL	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
DAILY RATE	250	290	350	450	450	600	800

Q.1.1. Inflation Rates

The client appreciates the difficulties of forecasting inflation rates. Please give the following your best estimates - expressed as ranges, if you prefer.

By what approximate percentage have the above rates increased since 1 January 1996? 0%
(Attention and specify any exceptions to the general increase rate).

By what approximate percentage do you anticipate the above rates increasing by 1 January 1997? 5%
(Attention and specify any exceptions to the general increase rate).

By what approximate additional % do you anticipate the above rates increasing by 1 January 1998? 5%
(Attention and specify any exceptions to the general increase rate).

Q.2. Client/Server Rates

What are your current daily charge out rates for skills in the following Levels as defined above?

LEVEL	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
DAILY RATE	250	290	350	450	450	600	800	

Q.2.1. Inflation Rates

Please give your best estimates of inflation rates since 1.1.96, by 1.1.97 and 1.1.98 in the same manner as indicated in Q.1.1. As above.

Q.3 SAP R/3 Rates

What are your current daily charge out rates for skills at the following Levels as defined above?

LEVEL	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
DAILY RATE								

Not Applicable

Q.3.1. Inflation Rates

Please give your best estimates of inflation rates since 1.1.96, by 1.1.97 and 1.1.98 in the same manner as indicated in Q.1.1.

Managed Projects Division

DIAGONAL
COMPUTER SERVICES LTD

Wey Court, Farnham
Surrey GU9 7PT
tel. 01252 733 711
Fax 01252 733 825

FAX HEADER SHEET

TO: Mr David Nash

COMPANY: Input Ltd

DATE: 16th August 1996

YOUR FAX NUMBER: 0118 979 3167

FROM: Armand Wadsworth
Diagonal Computer Services

Number of pages including this one:

NOTES:

For the attention of

Mr David Nash

David.
Questionnaire attached.
Can I be sworn for SAP/RS 1/m
friend.
Regards
A Wadsworth

Questionnaire

Q.1. Mainframe Rates

What are your **current** daily charge out rates for skills in the following Levels as defined above?

LEVEL	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
DAILY RATE	160	250	320	400	450	500	600

Q.1.1. Inflation Rates

The client appreciates the difficulties of forecasting inflation rates. Please give the following your best estimates - expressed as ranges, if you prefer.

By what approximate percentage have the above rates increased since 1 January 1996? (Mention and specify any exceptions to the general increase rate). 5%

By what approximate percentage do you anticipate the above rates increasing by 1 January 1997? (Mention and specify any exceptions to the general increase rate). 5%

By what approximate additional % do you anticipate the above rates increasing by 1 January 1998? (Mention and specify any exceptions to the general increase rate). 15%

Q.2. Client/Server Rates

What are your **current** daily charge out rates for skills in the following Levels as defined above?

LEVEL	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
DAILY RATE	200	300	350	450	500	550	600

Inflation Same as above

Q.2.1. Inflation Rates

Please give your best estimates of inflation rates since 1.1.96, by 1.1.97 and 1.1.98 in the same manner as indicted in Q.1.1.

Q.3. SAP R/3 Rates

What are your **current** daily charge out rates for skills in the following Levels as defined above?

LEVEL	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
DAILY RATE							

Q.3.1. Inflation Rates

Please give your best estimates of inflation rates since 1.1.96, by 1.1.97 and 1.1.98 in the same manner as indicted in Q.1.1.

DRUID (29/8/96) (Phil de Glanville)

M/F 1&2 3 4 5 6 7 8

3.75 4.75 6.75 6.75 7.75 8.75 9.75

3% 2% 4%. — implied across the board

C/S As above

SBP. 2 3 4 5 6 7 8

4.25 4.75 6.75 6.75 7.75 8.75 9.75

(from PAN sent to INPUT Slough on 29/8/96)

Chris Harris . Dmd

Paul Connolly.

Favour. winnd back from hols Tue/wed
of week. Customer Services Benchmark
Top Level Results / methodology
Monday 9th Sept – Customer to
work on

FI

INPUT

Cornwall House
55-77 High Street
Slough, Berks, SL1 1DZ
Tel: +44 (0)1753 530444
Fax: +44 (0)1753 577311

TO
~~From:~~ David Nash, INPUT Associate Tel/FAX: +44 (0)118 979 3167
Email: dnash@i-way.co.uk

FROM
~~To:~~ Peter Dooley

Company : FI Group

City :

Date : 14/08/96

Subject : Application Development Outsourcing

Pages : 4

Please see attached

David — as discussed I can't supply our rates in this context. Also the level of customer commitment (size + guaranteed duration) and the level of responsibility (just supply staff to fixed price) make a significant difference. What I can provide is my personal view of the market prices

Peter 16/8/96

Questionnaire

Q.1. Mainframe Rates

What are your **current** daily charge out rates for skills in the following Levels as defined above?

LEVEL	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
DAILY RATE	200	350	450	450	550	650	750

Q.1.1. Inflation Rates

The client appreciates the difficulties of forecasting inflation rates. Please give the following your best estimates - expressed as ranges, if you prefer.

By what approximate percentage have the above rates increased since 1 January 1996? +5%
(Mention and specify any exceptions to the general increase rate).

By what approximate percentage do you anticipate the above rates increasing by 1 January 1997? +10%
(Mention and specify any exceptions to the general increase rate).

By what approximate additional % do you anticipate the above rates increasing by 1 January 1998? > 10%
(Mention and specify any exceptions to the general increase rate).
Year 2000 will cause significant rate inflation above this for a period.

Q.2. Client/Server Rates

What are your **current** daily charge out rates for skills in the following Levels as defined above?

LEVEL	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
DAILY RATE	250	300	400	500	600	700	800

Q.2.1. Inflation Rates

Please give your best estimates of inflation rates since 1.1.96, by 1.1.97 and 1.1.98 in the same manner as indicted in Q.1.1. Same as mainframe but without year 2000 impact.

Q.3. SAP R/3 Rates

What are your **current** daily charge out rates for skills in the following Levels as defined above?

LEVEL	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
DAILY RATE							

If you need to ask the price you can't afford them.

Q.3.1. Inflation Rates

Please give your best estimates of inflation rates since 1.1.96, by 1.1.97 and 1.1.98 in the same manner as indicted in Q.1.1.

HOSKYNS
CAP GEMINI SOGETI

FACSIMILE

FROM		TO	
Name :	PETER FALCONER	Name :	DAVID NASH
Department :		Company :	INPUT
Tel :	0171-434 8336		
Fax :	0171-434 8427	Fax :	0118-979 3167
Date :	29 08 96	Number of pages, this one included :	3

David

Many apologies for the delay in replying to your fax of 14 August 1996 addressed to Keith Turner.

Please find attached your completed questionnaires and a copy of our current fee rates.

Please do not hesitate to contact me if you have any further queries.

Peter Falconer

Hoskyns Group plc B Tel : 0171 434 3171
Hoskyns House Fax: 0171 437 5225
150 Strathcona Avenue
London
W1V 8-9H

Registered Office 130 Shaftesbury Avenue London W1V 8HH in England 1966883

HOSKYNS GROUP PLC
FEE RATES

Fee rates for consultancy, systems and programming resources are as follows. Prices are for personnel working on the customer's premises, and are exclusive of VAT and expenses, which are charged at cost.

Grade	Short Term (£/day)	Long Term (£/day)
Administrator		253
Junior Programmer	369	332
Programmer	533	433
Senior Programmer	644	549
Technical Consultant	765	654
Consultant	934	823
Senior Consultant	1171	1013
Principal Consultant	1382	1197
Managing Consultant	1440	1287
Senior Manager (from)	1546	1361
Director (from)	1709	

- All work is carried out on a time and materials basis, subject to the terms of Hoskyns Specific Agreement for the Provision of Professional Services and Hoskyns Group plc Standard Terms and Conditions.
- Hoskyns reserves the right to recover fee rates at six-monthly intervals, on the first day of January and July each year.
- All assignments which have a duration of less than 20 man-days will be charged for at the short term daily rate.
- Use of Hoskyns machine resources will be charged for at a rate ranging from £40 per person per day depending upon manufacturer and configuration used.
- Where work is carried out on Hoskyns premises, an additional surcharge of £25 per person per day will be levied.

effective from 1 July 1996.

HOSKYNS
CAP GEMINI SOGETI

Questionnaire

Q.1. Mainframe Rates

What are your current daily charge out rates for skills in the following Levels as defined above?

LEVEL	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
DAILY RATE							

As attached SEE fee rates

Q.1.1. Inflation Rates

The client appreciates the difficulties of forecasting inflation rates. Please give the following your best estimates - expressed as ranges, if you prefer.

By what approximate percentage have the above rates increased since 1 January 1996? (Mention and specify any exceptions to the general increase rate). 5.5 %

By what approximate percentage do you anticipate the above rates increasing by 1 January 1997? (Mention and specify any exceptions to the general increase rate). C&I increase.

By what approximate additional % do you anticipate the above rates increasing by 1 January 1998? (Mention and specify any exceptions to the general increase rate) As above.

Q.3. Client/Server Rates We don't differentiate from mainframe.

What are your current daily charge out rates for skills in the following Levels as defined above?

LEVEL	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
DAILY RATE							

Q.3.1. Inflation Rates

Please give your best estimates of inflation rates since 1.1.96, by 1.1.97 and 1.1.98 in the same manner as indicated in Q.1.1. As above

Q.3. SAP R/3 Rates

What are your current daily charge out rates for skills in the following Levels as defined above?

LEVEL	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
DAILY RATE							

As attached.

Q.3.1. Inflation Rates

Please give your best estimates of inflation rates since 1.1.96, by 1.1.97 and 1.1.98 in the same manner as indicated in Q.1.1.

As above

HOSKYNS GROUP PLC
FEE RATES

Fee rates for consultancy, systems and programming resources are as follows. Prices are for personnel working on the customer's premises, and are exclusive of VAT and expenses, which are charged at cost.

Grade	Short Term (£/day)	Long Term (£/day)
Administrator		253
Junior Programmer	369	332
Programmer	533	433
Senior Programmer	644	549
Technical Consultant	765	654
Consultant	934	823
Senior Consultant	1171	1013
Principal Consultant	1382	1197
Managing Consultant	1440	1287
Senior Manager (from)	1546	1361
Director (from)	1709	

- All work is carried out on a time and materials basis, subject to the terms of Hoskyns Specific Agreement for the Provision of Professional Services and Hoskyns Group plc Standard Terms and Conditions.
- Hoskyns reserves the right to review fee rates at six-monthly intervals, on the first day of January and July each year.
- All assignments which have a duration of less than 20 man-days will be charged for at the short term daily rate.
- Use of Hoskyns machine resources will be charged for at a rate starting from £40 per person per day depending upon manufacturer and configuration used.
- Where work is carried out on Hoskyns premises, an additional surcharge of £20 per person per day will be levied.

Effective from 1 July 1996.

HOSKYNS
CAP GEMINI SOGETI

IBM United Kingdom Limited

IBM United Kingdom Laboratories
Hursley Park
Winchester
Hampshire SO21 2JN
Telephone 01962 815000
Fax 01962 842807
Internet http://www.hursley.ibm.com

2JN

FACSIMILE COVER SHEET

To: DAVID NASH

Company: INPUT

Fax No: 0118 979 3167

From: **Peter Hardcastle**
SI Projects Manager
IBM, Hursley Park (Mailpoint 175)

Phone: 01962 816981
Fax No: 01962 815121

Date: 27/8/96

No. Pages to include cover page: 3

Subject:

Message:

IBM United Kingdom Limited

IBM United Kingdom Laboratories
Hursley Park
Winchester
Hampshire SO21 2JN
Telephone 01962 815000
Fax 01962 842807
Internet http://www.hursley.ibm.com

David Nash
INPUT Associate
INPUT Ltd
Cornwell House
23-27 High Street
SLOUGH
Berks SL1 1DZ

August 27, 1996

Application Development Resource Benchmarking

Dear David

I am pleased to supply details of IBM's daily charge out rates, as requested.

We do not have standard charge out rates per se - each engagement is unique, and our rates are calculated to reflect the engagement's particular circumstances. Assumptions of the factors affecting the rate are the discretion of the engagement, the risks involved, and the volume of resource being purchased.

The rates below are typical of those charged to a customer engaging a small team (or of IBM consultants) on a long term contract (greater than 150 days), where the work is being performed on a time and materials basis against IBM's standard Terms and Conditions. The figures apply to UK based staff deployed within the UK and exclude VAT. In addition, personal expenses are billed directly to the customer.

Our charge out rates do not differentiate between technologies, therefore the details below apply to Mainframe, Client/Server, and SAP R/3 skills:

Level	*Daily Rate (GBP)*
2	287
3	378
4	455
5	560
6	651
7	791
8	973

Our rates have not increased since 1 January 1996. We would expect them to increase by 3% towards end of 1997 and 1998.

INPUT Ltd
Page 2

August 27, 1996

As you will appreciate, this information is supplied in confidence

Yours sincerely

Peter Hardcastle
Systems Integration Projects Manager
Global Services
Mailpoint 175, G2, Hursley 01962 816981
E-mail IBMMAIL:GB:IBMWWX

IBM Document No. 96248UKU1043

ORIGIN

FAX MESSAGE

TO: David Nash

ATTN:

FAX NO: 0118 979 3167

DATE: 19 August 1996

FROM: Clive Griffiths

REF.NO:

SUBJECT:

CC.:

TOTAL NUMBER OF PAGES INCL. THIS PAGE: 1

David,

Further to our conversation please find enclosed daily rates for SAP R/3 consultants. In terms of inflation rates we would expect R/3 rates to rise at something like r.p.i. + 3-5%. I trust this helps with your analysis.

Yours sincerely

ORIGIN TECHNOLOGY IN BUSINESS UK LTD

Clive Griffiths
Commercial Manager

ORIGIN TECHNOLOGY IN BUSINESS UK LTD

REGISTERED IN ENGLAND NO. 2479329

21 THE SCIENCE PARK
MILTON ROAD
CAMBRIDGE CB4 4FH
UK

PHONE +44 (0)1223 425110
FAX +44 (0)1223 425075

Questionnaire

Q.1. Mainframe Rates

What are your **current** daily charge out rates for skills in the following Levels as defined above?

LEVEL	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
DAILY RATE							

Q.1.1. Inflation Rates

The client appreciates the difficulties of forecasting inflation rates. Please give the following your best estimates - expressed as ranges, if you prefer.

By what approximate percentage have the above rates increased since 1 January 1996?
(Mention and specify any exceptions to the general increase rate).

By what approximate percentage do you anticipate the above rates increasing by 1 January 1997?
(Mention and specify any exceptions to the general increase rate).

By what approximate additional % do you anticipate the above rates increasing by 1 January 1998?
(Mention and specify any exceptions to the general increase rate).

Q.2. Client/Server Rates

What are your **current** daily charge out rates for skills in the following Levels as defined above?

LEVEL	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
DAILY RATE							

Q.2.1. Inflation Rates

Please give your best estimates of inflation rates since 1.1.96, by 1.1.97 and 1.1.98 in the same manner as indicted in Q.1.1.

Q.3. SAP R/3 Rates

What are your **current** daily charge out rates for skills in the following Levels as defined above?

LEVEL	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
DAILY RATE	435	540	690	810	930	975	1125

Q.3.1. Inflation Rates

Please give your best estimates of inflation rates since 1.1.96, by 1.1.97 and 1.1.98 in the same manner as indicted in Q.1.1. RPI + 3.5%

PLAUT (UK) Limited, Stelux Park 4, 3 Nobel Drive, Hayes, Middlesex UB3 5EY
Telephone (0181) 384 1046, Fax (0181) 384 1047

PLAUT

FACSIMILE COVER SHEET

To: David Nash
Company: Input
Phone: 0118 979 3167
Fax: 0118 979 3167

From: Luis Teixeira da Silva
Company: PLAUT (UK) Limited
Phone: +44 181 384 1046
Fax: +44 181 384 1047

Date: 29/08/96
Pages including this cover page: 2

Dear David,

My sincere apologies for the tardiness of the reply. I was on holiday for a few days and the person with whom I left this request was unable to deal with it in time.

I believe it is worthwhile emphasising that the skills that Plaut have are hardly ever restricted to one "environment" as described in your document. There is thus the likelihood that, in many instances, one individual will be able to provide skills in more than one area, adding value not only from a functional but also from an integration perspective. Of particular relevance are the strong links between the SAP R/3 and client/server "environments", where we would have no hesitation in providing skills that would be able to meet requirements in both areas. Plaut also has extensive experience in the mainframe "environment", with several individuals possessing many years of industry experience. However, this is not a strategic direction for us as an organisation and therefore the skills we would be looking to provide will be primarily from a direction-setting or strategic perspective in terms of philosophies, requirements, trends in the market, etc.

The rates of our consultants do not vary across the various "environments"/disciplines, primarily because of the fact that individuals typically have experience across more than one discipline. Additionally, because Plaut is a management consultancy with a strong focus on ensuring a strong business acumen among its individuals, all consultants (even those that are juniors within the organisation) have a working and business background in a recognised area/industry sector, etc.

PLAUT

Our daily (list) rates are therefore as follows:

Level 2:	N/A
Level 3:	£600
Level 4:	£900
Level 5:	£900
Level 6:	£1100
Level 7:	£1100
Level 8:	£1300

Implicit in the text on p.1. is that these should come c/s and SAP only

In addition, our (approximate) expected inflationary increase in rates for 1997 is in the order of 0-5% for levels 3-5 and 5-10% for levels 6-8. This is consistent with our increase in rates for the 1996 year.

I look forward to receiving the final result of your survey in due course. If possible, I would appreciate an indication of when, approximately, this will be.

Many thanks

Luis Teixeira da Silva

Luis Teixeira da Silva
Project Manager

ORDER/INVOICE/FULFILLMENT

Acctg. ONLY

Inv. Comp.	By:	Date:	Client #	Order #	Inv. #	Multi-Invoicing of
	ai	26/7/96		2000799	2000034	

CUSTOMER/INVOICE TO

ORIGINATOR (Signature) _____ DATE 25/7/96

APPROVALS: VP Sales/Res. _____ Date _____ Controller _____ Date _____

Company: ESSO PETROLEUM COMP
Name Mr./Ms.: Accounts Payable
Position: Esso House
Address: Mailpoint 14, Ermyn Way
City: Leatherhead
Province: Surrey
Phone:

CA Tax Rate:
CT Tax 8%:
Salutation:
State:
Zip: KT22 8QX
Country:
Fax:
Tlx:

Special instructions for invoicing, progress billing, or delayed payments, etc.
50% Invoice now - final balance upon Completion

ORDER

Contract Year Beg. _____ End _____

☑ New Order (N1) ❑ Prior Yr (N3)
❑ Renewal (N2) ❑ Cancel

Invoice Type: ❑ Fulfillment Only ❑ W/Order (OR) ❑ Monthly (MO) ❑ Quarterly (QT) ❑ Pending

Employee # Sold by: ____ % ____ % ____ %

Employee # Commission to: ____ % ____ % ____ %

CLIENT AUTH.

PO# _____ INPUT Contract ❑ Letter ❑ Verbal ❑
Attach all authorizing documents to white (contract) copy.

SHIP TO

Company: Esso Petroleum
Name Mr./Ms.: M Crimp
Position: Information Sys. Dep.
Address: Esso House, Mailpoint 06, Ermyn
City: Leatherhead
Province:
Salutation:
State:
Zip:
Country:
Phone:

ITEM TYPE

- Subscription (SB)
- Custom (YC/ZC/KC)VC
- Multiclient (MC)
- Reports (RP)
- Copies (CP)
- Consult/Present (PR)
- Newsletter (NL)
- Reimbursed Costs (EX)
- Merger/Acq. (ME)
- Exec Overview (EO)
- Conf/Seminar (CN)

DETAIL

Indicate US, UK, FR, VA	Prod. ID/Year	Item Type Code	Item Description or Title	Quantity	Price	Shipped By	Date
	YNESS	YC	1996 Benchmarking Services	1	$13,100		

Fulfillment to be completed in: ❑ Corporate ❑ London ❑ Virginia ❑ France ❑ Other _____

• White - Contract • Green - Fulfillment • Yellow - Invoice • Pink - Originator • Goldenrod - Sales Manager

M&S180 12/92

INPUT

INPUT®

INVOICE

Cornwall House
55-77 High Street
Slough, Berks, SL1 1DZ
Tel: +44 (0)1753 530444
Fax: +44 (0)1753 577311

To:

Accounts Payable
Esso Petroleum Company
Esso House
Mailpoint 14
Ermyn Way
Leatherhead, Surrey
KT22 8UX

DATE & TAX POINT	26th July 1996
INVOICE NO.	2000034A
PROJ. CODE	CUSTOM 96
SALES ORDER NO.	2000799
PURCHASE ORDER NO.	069/45222485
CLIENT VAT REGISTRATION NO.	

ORDER DESCRIPTION	AMOUNT
For:	
Custom Study:	
1 Year (1996) Benchmarking Services	£6,550.00
Payment 1 of 2.	
Payment of £6,550.00 due on completion of study, under separate invoice.	
For overseas payments, please airmail transfer to: Lloyds Bank plc 39 Piccadilly London, W1V 0AA	
For the credit of: INPUT LTD. Account No: 0063831 Sort Code No: 30-96-64	
Please quote our invoice number on all correspondence. VAT Registration No. GB 340 3422 04	
TERMS & CONDITIONS - NET 30 DAYS	

NET TOTAL	£6,550.00
VAT @ 17.5 %	£1,146.25
TOTAL	£7,696.25

UK/ACCT 320/01 (R 4/93)

INPUT®

CREDIT NOTE

Cornwall House
55-77 High Street
Slough, Berks, SL1 1DZ
Tel: +44 (0)1753 530444
Fax: +44 (0)1753 577311

To:

Accounts Payable
Esso Petroleum Company
Esso House
Mailpoint 14
Ermyn Way
Leatherhead, Surrey
KT22 8UX

DATE & TAX POINT 26th July 1996

CREDIT NOTE NO. C1006

PROJ. CODE

SALES ORDER NO.

PURCHASE ORDER NO.

CLIENT VAT REGISTRATION NO.

ORDER DESCRIPTION		AMOUNT
For:		
Credit for Invoice 2000034		
Invoice re-issued		£6,550.00
For overseas payments, please airmail transfer to: Lloyds Bank plc 39 Piccadilly London, W1V 0AA		
For the credit of: INPUT LTD. Account No: 0063831 Sort Code No: 30-96-64	**NET TOTAL**	£6,550.00
Please quote our invoice number on all correspondence. VAT Registration No. GB 340 3422 04	**VAT @ 17.5 %**	£1,146.25
TERMS & CONDITIONS - NET 30 DAYS	**TOTAL**	£7,696.25

UK/ACCT 320/01 (R 4/93)

Esso

ESSO PETROLEUM CO., LTD.
I.T. PROCUREMENT UNIT
Facsimile Cover Sheet

To: CHRIS HARRIS
Company: INPUT LTD.
Phone: 01753-530444
Fax: 01753-577311

From: Jerry Rose
I.T. Procurement Adviser
Phone: 01372-223292
Fax: 01372-222256

Date: 25-7-96
Pages incl. cover: 3

Subject: BENCHMARKING.

Chris, please find attached our purchase order for benchmarking services as discussed & agreed. I have drawn up a contract for these services and put the contract document plus hardcopy of this purchase order in the mail to you.

Thanks.

Regards,

J.R.Rose, Procurement Adviser

INVOICE

INPUT

Cornwall House
55-77 High Street
Slough, Berks, SL1 1DZ
Tel: +44 (0)1753 530444
Fax: +44 (0)1753 577311

Attention: Accounts Payable

To: ESSO PETROLEUM COMP
Accounts Payable
Esso House
Mailpoint 14
Ermyn Way, Leatherhead, Surrey
KT22 8UX

DATE and TAX POINT : 26-Jul-96
INVOICE NO. : 2000034
SALES ORDER NO. : 2000799
P.O. NO. :
CLIENT VAT REGISTRATION NO. :

	Order Description		Amount
1	Custom - UK General		£13,100.00
		Net Total:	£13,100.00
		VAT @ 17.5%:	£2,292.50
		Total Order Amount:	£15,392.50

Custom Study for
"Year 1 (1996) Benchmarking Services"

Initial payment of £6,550.00. Balance due on completion of study, under separate invoice.

TERMS and CONDITIONS - NET 30 DAYS

AMOUNT INVOICED:	**£7,696.25**

For overseas payments, please airmail transfer to: Lloyds Bank plc, 39 Piccadilly, London, W1A 4UE

For the credit of: INPUT LTD.
Account No: 0063831
Sort Code No: 30-96-64

Please quote our invoice number on all correspondence.

VAT Registration No. GB 340 3422 04

Esso Petroleum Company, Limited

Esso House
Ermyn Way, Leatherhead,
Surrey KT22 8UX

Telex: 24942
Facsimile: 01372-222556

Tel. 01372-222000

[illegible] 1

Call off ord.no. [illegible]

[illegible] Tel
[illegible] Fax [illegible]

To enable payment by our computerised Invoice Matching System Invoices **MUST** quote order/call-off order number, and **MUST** be set out as per the Item Sequence and prices in the order.

INPUT LTD
CORNWALL HOUSE
55-57 HIGH STREET
SLOUGH, BERKSHIRE SL1 1DZ

Your telephone: 01753 530444
Your fax: 01753 [illegible]
Agreement No.: [illegible]

Terms of payment:
Payment due on last day of the next
month following the month of invoice

Deliver to:
Esso Petroleum Co Ltd.
c/o [illegible]
Information Systems Department
Esso House, Mailpoint [illegible]
Ermyn Way,
LEATHERHEAD
SURREY KT22 8UX

Invoice to:
Esso Petroleum Co. Ltd.
Accounts Payable
Esso House, Mailpoint [illegible]
Ermyn Way
LEATHERHEAD
SURREY KT22 8UX

Invoices against this Call-off Order can only be paid if they quote the Call off Order Number, and are set out showing the same Items and Prices as ordered below, with V.A.T. shown separately. In the case of multiple Call-off orders, each must be invoiced individually. Where a series of invoices is submitted against the Call-off Order, the last invoice should be marked 'FINAL INVOICE'.

You are hereby awarded a Call-off Order from our Agreement No. [illegible] on the Terms and Conditions of that Agreement. Please supply the following:

ITEM	MATERIAL	DEL-DATE	QTY	UNIT	PRICE PER UNIT	TOTAL STG
001		[illegible]	1	EACH	[illegible]	[illegible]

Esso Petroleum Company, Limited
A Member of the Exxon Group

The Esso Conditions of Contract for Supply of Goods and Services (as amended from time to time) (the "Conditions") shall apply to this order and are incorporated herein. Acceptance of this order shall be deemed to be acceptance of the Conditions. The Conditions are available on request.

Registered in England Number 26538
Registered office: Victoria Street London SW1E 5JW
VAT Reg. No. GB 239 0886 35

5-D-297

Esso Petroleum Company, Limited

Esso House
Ermyn Way, Leatherhead,
Surrey KT22 8UX

Telex: 24942
Facsimile: 01372-222556

07.07.98

Call-off ordering: 3472/4012465

P.O.NUM
[illegible]

Ref
Ref: [illegible]

To enable payment by our computerised Invoice Matching System Invoices **MUST** quote order/call-off order number, and **MUST** be set out as per the Item Sequence and prices in the order.

LIN	MATERIAL DEL-DATE	QTY	UNIT	PRICE PER UNIT	TOTAL ETG
	YEAR 1 (1994) BENCHMARKING SERVICES 50% PAYMENT ON COMMENCEMENT				
001	24.07.98	1	EACH	6,550.00	6,550.00
	YEAR 1 (1994) BENCHMARKING SERVICES BALANCE PAYMENT DUE ON COMPLETION				
				Total excl. VAT ETG	13,100.00

Order supplement

Approval Signature

ESSO PETROLEUM CO LTD

[illegible]

Esso Petroleum Company, Limited

Esso House
Ermyn Way, Leatherhead,
Surrey KT22 8UX

Telex: 24942
Facsimile: 01372-222556

Purchase order: 45222425

To enable payment by our computerised Invoice Matching System Invoices **MUST** quote order/call-off order number, and **MUST** be set out as per the Item Sequence and prices in the order.

INTERNAL NOTES FOR ESSO USE ONLY

BARCELONETA
MAY 2 6 2001

ORDER/INVOICE/FULFILLMENT

Acctg. ONLY

Inv. Comp.	By:	Date:	Client #	Order #	Inv. #	Multi-Invoicing of
	JP	17-9-96		2000062	2000209	

CUSTOMER/INVOICE TO

ORIGINATOR (Signature) _____ DATE 17/9/96

Company: ESSO PETROLEUM
Name Mr./Ms.: Accounts Payable
Position: Esso House
Address: Mailpoint 14
Emmyn Way
City: Leatherhead
Province: Surrey
Phone:

CA Tax Rate:
CT Tax 8%:
Salutation:
State:
Zip: KT22 8UX
Country:
Fax:
Tlx:

APPROVALS
Peter Jones
VP Sales/Res.
16.09.96
Date
Controller
Date

Special instructions for invoicing, progress billing, or delayed payments, etc.
Final 50% of Custom Work

ORDER

Contract Year Beg. _____
End _____

❑ New Order (N1) ❑ Prior Yr (N3)
❑ Renewal (N2) ❑ Cancel

Invoice Type ❑ Fulfillment Only ❑ W/Order (OR) ❑ Monthly (MO) ❑ Quarterly (QT) ❑ Pending

Employee # Sold by: 782 %

Employee # Commission to: %

CLIENT AUTH.

PO# _____
Attach all authorizing documents to white (contract) copy.

INPUT Contract ❑ Letter ❑ Verbal ❑

SHIP TO

Company:
Name Mr./Ms.:
Position:
Address:
City:

Province:
Salutation:
State:
Zip:
Country:
Phone:

ITEM TYPE

- Subscription (SB)
- Custom (YC/ZC/KC)VC
- Multiclient (MC)
- Reports (RP)
- Copies (CP)
- Consult/Present (PR)
- Newsletter (NL)
- Reimbursed Costs (EX)
- Merger/Acq. (ME)
- Exec Overview (EO)
- Conf/Seminar (CN)

DETAIL

Indicate US, UK, FR, VA	Prod. ID/Year	Item Type Code	Item Description or Title	Quantity	Price	Shipped By	Date
UK	VNESS	YC	1996				
			Benchmarking	1	£6,550		
			Services				

Fulfillment to be completed in: ❑ Corporate ❑ London ❑ Virginia ❑ France ❑ Other _____

• White - Contract • Green - Fulfillment • Yellow - Invoice • Pink - Originator • Goldenrod - Sales Manager

M&S180 12/92

INPUT

INPUT®

INVOICE

Cornwall House
55-77 High Street
Slough, Berks, SL1 1DZ
Tel: +44 (0)1753 530444
Fax: +44 (0)1753 577311

To:

Accounts Payable
Esso Petroleum Company
Esso House
Mailpoint 14
Ermyn Way
Leatherhead, Surrey
KT22 8UX

DATE & TAX POINT	17th September 1996
INVOICE NO.	2000062
PROJ. CODE	CUSTOM 96
SALES ORDER NO.	2000809
PURCHASE ORDER NO.	069/45222485
CLIENT VAT REGISTRATION NO.	

ORDER DESCRIPTION	AMOUNT
For: Custom Study: *1 Year (1996) Benchmarking Services* Payment 2 of 2.	£6,550.00
For overseas payments, please airmail transfer to: Lloyds Bank plc 39 Piccadilly London, W1V 0AA For the credit of: INPUT LTD. Account No: 0063831 Sort Code No: 30-96-64 Please quote our invoice number on all correspondence. VAT Registration No. GB 340 3422 04 **TERMS & CONDITIONS - NET 30 DAYS**	
NET TOTAL	£6,550.00
VAT @ 17.5 %	£1,146.25
TOTAL	£7,696.25

UK/ACCT 320/01 (R 4/93)

Esso Petroleum Company Limited

Esso House
Ermyn Way
Leatherhead
Surrey KT22 8UX

Switchboard: 0372 222000/223000
Cables: Essopet London SW1
Telex: 24942
Facsimile: 0372 223125

Direct Line: 0372 222130

INPUT LTD
CORNWALL HOUSE
55-77 HIGH STREET
SLOUGH BERKSHIRE
SL1 1DZ

Attention of the Company Secretary or Accountant.

31/08/96

Dear Sir

Payments through Bankers Automated Clearing System

Thank you for providing your bank account information for Esso Petroleum to make payments to you by credit transfer through the Bankers Automated Clearing System. That information has now been entered into our Accounts Payable System as:

Bank sorting code	309664
Account number	00063831

We will commence making payments by credit transfer to the above account shortly, unless you advise us differently.

Should you wish to change these bank details at any time please write to us at the above address quoting your supplier number, new bank sorting code and account number. These changes need to be signed by an officer or an executive of your company, indicating their position held in the company.

For your information, your supplier number in our records is:

26224756

Yours faithfully,

G W Price
Manager
Disbursements Division