

Harmeny's LifeLine Pricing System– 2003:

Simply Necessary

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Harmeny's LifeLine Pricing System for 2002

Harmeny Systems is a team devoted empowering natural resource managers to make better decisions every day, that increase the value of the natural resources under their stewardship. We do so by unifying the "architecture" of information design and the "strategy" of business process to strengthen the intuition, creativity and accountability of those individuals responsible for decisions on the land-base we all share.

Harmeny and LifeLine AI

Harmeny helps forestry companies make better decisions by making their data more useful. We can take a complex information system and make it simpler, more stable and more flexible. LifeLine AI is the key technology that supports our management and technical services.

LifeLine AI is an inventory management system allowing users to integrate and summarize the information needed for ecosystem management and certification. LifeLine AI helps consolidate inventory, explore land bases, develop indicators, define management scenarios and visualize results.

An Application Component Based Approach:

The modular design underlying LifeLine allows systems to be constructed out of a set of basic components. Based on a detailed task review of our previous client projects using the LifeLine system over the last five years, we have developed a component based costing system with clear component definitions and costs, which allows us to produce an audit-able budget around custom application development, data analysis, and technical reports based on natural resource monitoring data. For a more detailed description of "components and "auditable budgets" see "The Logic Behind Harmeny's Pricing System" at the end of this document.

Harmeny has developed a series of licensing agreements by which we can either build a system for you as an end product, or give you the capability to build, maintain and customize the system you need..

- 🌀 **The LifeLine Base License** is for clients who want simply to have applications, reports, analyses built for them and includes the current version of the LifeLine Interface. It automatically is included with a Service agreement to build a set of Load Modules, Reports, etc.

- 🌀 **The LifeLine Administrator License** is for clients who need to maintain their existing applications, and new data on a yearly basis. This License comes with a certification package for Administrators which consists of 1 Training module.

- 🌀 **The LifeLine Developer License** is for clients who want to design and develop their own LifeLine applications, as well as add new functionality to either the LifeLine interface or LifeLine Load tools. It provides access to the source code behind LifeLine, which can be modified under the license. This License comes with a certification package for Developers, which consists of 6 Training Modules.



LifeLine Licenses are provided in the context of a Service Agreement between Harmeny and the Client for fixed services. In addition to these Licenses, support/maintenance, help desk and further customized training package can be arranged to provide for:

- Access to major upgrades at reduced costs within the terms of the agreement
- Technical help-desk support
- Technical collaboration with In-house developers extending LifeLine

These maintenance agreements will be custom-tailored depending on the requirements of the client for maintenance and support services.

One of Harmeny's major goals in developing LifeLine is to create a system that:

- allows us to rapidly meet our clients information needs
- allows us to provide clients with the same capabilities to meet their own needs in the future.

So, while we often begin by building applications and organizing information for clients, in the end we hope to provide clients with the capability to continue developing and organizing information for themselves with Harmeny's software tools, & with Harmeny's technical and tactical support. This is how we build community.



LifeLine System Pricing Components

Tables One and Two are a list of defined LifeLine Product and License components respectively. The tables include component definitions, and their unit costs. GST is not included in the unit costs. Costs have been developed to be competitive with similar services in the industry for software development and software training (see "The Logic Behind Harmeny's Pricing System").

Table One: List of LifeLine System Product Components:

Component (Unit Cost)	Component Definition
Load Module (\$25,000.00)	<p>Maximum of 15 objects: An object is a stable unit of observation, e.g. trees, plots, polygons.</p> <p>Maximum of 50 variables: A variable is a named and defined observation (e.g. height) that is measured on a particular instance (e.g. for a particular tree number on a particular time and date) and the observation is made with reference to particular sampling protocol (e.g. Natural Stand PSP establishment protocol).</p> <p>A preliminary data dictionary is created as part of the load module, including all codes that are encountered; some codes that are available may not be encountered and therefore are not included in the database. Data definitions associated with the codes are not included, but may be input by the user. Data codes not encountered in the monitoring data, can also be input by the user.</p> <p>The load module loads the data into the LifeLine model, and the resulting LifeLine database is integrated into the user interface (Explorer Mode), resulting in a LifeLine application, with user selectable criteria for generating data sets and reports. The explorer mode for the ACCESS interface, has three built in reporting formats: spreadsheet view, bar-plot view, and scattergram view. The explorer mode for the JAVA interface does not have the bar-plot and scattergram views, but does have extended query capabilities. Both interfaces are supplied with a load module, and the user may choose to use either interface.</p>
Additional Objects/Variables (\$7500.00)/set or prorated by %	<p>Load module costs increase, according to the number of additional Objects (in increments of 15) and/or Variables (in increments of 50). A full additional set incurs an additional charge of \$7500 (say there are 30 objects, or 100 variables). If there were both 30 objects and 100 variables, this is equivalent to 2 sets, \$7500. Any proportion can be pro-rated. For example, if there were 15 object or less and 75 variables (i.e. 25 additional variables), the prorating formula would be: $\\$7500 * (25\text{variables} / 50 \text{variables-per-set}) = \\3750. Per unit extra variable = $\\$7500 * (1 \text{variable} / 50 \text{variables-per-set}) = \\150. Per unit extra object = $\\$7500 * (1 \text{object} / 15 \text{objects-per-set}) = \\500</p>



Simple Report (1 Free/ Load Module, \$1600.00 thereafter)	A simple report is up to 3 linked tables per query and up to 3 linked queries without custom calculations(excepting aggregate functions that are available in SQL). The report is linked into the user interface (Standard Report Mode) .
Standard Report (\$7500.00)	A standard report is up to 7 linked tables per query and up to 20 linked queries with custom calculations (these are limited to using function calls to Visual Basic from within ACCESS query builder). Examples of standard reports are as follows: GY Admin Report, GY Plot Description, and GY Detailed Plot Description. The report is linked into the user interface (standard Report Mode) of the ACCESS interface with appropriate user selectable filters. The report data is linked to the JAVA interface, allowing extended querying.
Explorer Report (\$7500.00)	This is similar to the Standard Report, except that the data is produced "on the fly" from the raw data using the Lifeline Query Engine. Examples of this kind of report are the Tree Lists, Stand and Stock Tables, stand data visualization reports. The report is accessed via the user interface (Explorer Mode). A custom Explorer Report is provided in the ACCESS interface only.
Written Report (\$10000.00)	A written report, is a report summarizing a specific analysis, and designed to accompany a LifeLine software product presenting the analysis to the user. It will be a single topic report of less than 60 text pages with a table of contents, executive summary, conclusions, and up to 10 tables and/or figures. More extensive written reports, or extremely graphic intensive written reports must be custom priced.
Linear Modeling (5000.00)	This involves programming linear models into the compilation of data - e.g. site index, and Schumacher volume equations. An example of a non-linear model that would not fall under this definition is the taper equations, as are the production of actuary tables. See "Non-Linear Modeling" for development of models using off-the shelf software. See "Custom Programming" for creation of new non-linear modeling algorithms
Non-Linear Modeling (\$10000.00)	This involves programming of non- linear models into the compilation of data such as taper equations, the production of actuary tables, logistic models for coded data .Nonlinear modeling assumes the models may be developed within a commercial statistics or matrix manipulation package. For custom non-linear algorithms, such as neural networks, fuzzy clustering procedures, see "Custom Programming" .
Viewer (Free with Load Module + Standard Report)	A Viewer allows Users to view standard reports, but does not allow access to the exploration mode of the LifeLine interface. It is an Access .mde, with some mild security added. Viewers allow clients to distribute a set of standard reports to other agencies, without having to share the underlying data

<p>Custom Programming</p> <p>(Day Rate: \$1000.00/programmer- team-day)</p>	<p>Custom programming includes programming of non-linear models, or the addition of substantial new features and capabilities which are difficult to estimate, prior to the actual programming effort. Examples are visualization algorithms, nonlinear models, new interface functionality, new statistical procedures. Custom programming costs must be estimated on a case by case basis. When custom programming is required, an initial estimate of costs to develop the code is made in terms of person-days of labour required. This estimate is based on developing a specification for the custom programming required, in consultation (and based on interview) with the client. If the custom programming proves to be requiring more effort than estimated, the client will be contacted at the earliest possible date, and can decide whether to incur the extra costs, or curtail the activity (either cancel, or narrow the scope) and pay only the costs incurred so far, up to but not above the original quoted estimate.</p>
<p>Forensic Database Reconstruction</p> <p>(Day Rate: \$1000.00/analyst-team- day)</p>	<p>Forensic Database Reconstruction is required for data that is provided to us with the following inherent problems: inconsistent formats for data columns, undefined keys and undefined inter-table relationships. When this condition occurs the client will be notified of the problem. A description of the problems encountered and an estimate of the number of person-days required to fix the problems will be provided to the Client, who may or may not choose to proceed any further. If the client chooses to stop the project, they agree to pay an amount determined by Harmeny up to a maximum of the estimated cost of completing the job as initially quoted.</p>
<p>Training/Extension Consulting/ Sprint Planning Meetings/Meetings</p> <p>(Day Rate: \$1000.00/ person-day)</p>	<p>Training/Extension applies to the preparation and delivery of workshops and technical training for users, administrators, developers based on the LifeLine system.</p> <p>Consulting applies to problem analysis, reviews, and general consulting on software, databases, IT.</p> <p>Sprint Meetings - concern team meetings bringing developers and clients together to define a Sprint Backlog. A Sprint represents a functional unit of a project (software or otherwise) that can be developed in app. 1 month.</p> <p>Meetings, refers to all other types of meetings.</p>
<p>Documentation</p>	<p>This will be provided to at no additional charge as part of the LifeLine Product. Documentation consists of User Manuals and Tutorials, as appropriate for a particular application.</p>



Table Two: List of LifeLine System License Based Components:

Component (Unit Cost)	Component Definition
Licensing	Delivery of a set of LifeLine load products (modules/reports/linear models etc.) is provided with a LifeLine Base License. There are two other licensing options provided with LifeLine : Administrator License, Developer License. Each of these are associated with Certification packages. For more detail on each license, review the next section of this document “LifeLine License Agreements”.
Support/Maintenance	Support packages are available for: Help Desk type technical support, upgrade plans, technical system maintenance and co-development. Please contact Harmeny for a quotation. Support/Maintenance packages may be a component of a general service agreement with Harmeny for both consulting and software based services and products.
Administrator Certification Package (\$6000.00)	<p>To ensure a hands-on interactive, rather than “seminar” environment, Certification is restricted to 6 students. There is one training module:</p> <ul style="list-style-type: none"> 🌀 Maintaining LifeLine Applications
Developer Certification Package (\$36000.00)	<p>To ensure a hands-on interactive, rather than “seminar” environment, Certification is restricted to 6 students. There are six training modules.</p> <ul style="list-style-type: none"> 🌀 LifeLine Principles 🌀 LifeLine Model Design 🌀 LifeLine Application Construction 🌀 Building LifeLine Systems 🌀 The LifeLine Interface 🌀 The LifeLine Load Tools <p>Note that Developer Certification includes all the skills developed in the Administrator Certification package. A person who achieves LifeLine Developer Certification does not require separate Administrator Certification.</p>



Certification Packages

Each module for the Administrator and Developer Certification Packages consists of the following:

- Written training materials.
- Structured exercises that provide hands-on experience.
- Three days contact time for hands on training.
- One day telephone support.



LifeLine License Agreements.

There are three LifeLine licensing options. In this document, we state the options in "English". Each license options is associated with a formal legally worded license document.

License Agreements:

- Base: Lifeline 3.1 Interface + (Specific interface tied to registered databases + conversion of existing Lifeline databases).
- Administrator: Lifeline 3.1 Interface + Registered Databases + Data loaders.
- Developer: Lifeline 3.1 Interface + Registered Databases + Data loaders + Developer tools for new database production + All Source Code.

Restrictions:

Base or Administrator: May be distributed in an unaltered form outside the company. May not hook up new databases to this product (Source Code Unavailable).

Administrator: May add new data to Lifeline 3.1 databases according to previously established formats using data loaders. Any changes to the format in which the data is received and or loaded requires changes from a Certified Developer.

Developer: Can't distribute developer tools outside the company. May distribute new databases built using developer tools without Source Code. May distribute base interface to view new databases. All Lifeline developers will be required to be Certified by Harmeny Systems Ltd. All derivative works (involving new databases and the standard, unaltered interface) will be accompanied by a clear statement (readily apparent to any user) that they are based on Lifeline as originally developed by Harmeny Systems Ltd.

Developer: May alter Base Source Code, but Harmeny retains a worldwide royalty free license to the altered source code and the Developer agrees to provide any changes and documentation of such changes to Harmeny Systems Ltd. at no charge to Harmeny and within 30 days of modification of the source code. Harmeny is free to re-use the modified source code in existing and future applications.

All: Any alterations to the Base may not be distributed or sold beyond the bounds of the licensee without the express permission of Harmeny.



Other Issues:

Upgrades: Minor upgrades (Patches, small addition of features, but no new capabilities) will be made available at no cost to current licenses. Major upgrades (increased capabilities) will be issued under a new license.

License Fees: A one time license fee (It may be a nominal sum.) will be charged with no liability for guaranteed satisfaction to the licensee or additional services 10 days following agreement to the license. If the Licensee does not like the product within 10 days of purchase they may return it for a full refund.

Maintenance Fees: None of these agreements include additional services and support beyond provision of the software and (Developer Only) training to establish Certification. These items may be included under a General Services Agreement.



The Logic Behind Harmeny's Pricing System

What is a component and what is component based project costing?

A component is a functional unit of the final application: A load module, a standard report, a linear model. A complex application can be considered a collection of such components. Where a component is well defined, it has a standard cost. There are certain cases, where a component may not be well defined, such as custom programming, and hence costs are less easy to estimate. Such a component would be charged at a day-rate.

The appropriate analogy for **component based project costing**, is to think of your local auto-service station. There is a fixed price for tire repair, oil-change, etc. However, if your car is stalling for undetermined reasons, the labour charge is at an hourly rate, and you are consulted if the problem is not determined after a pre-agreed amount of labour. These costs are based on an individual service-station's experience over a number of years, and set to be competitive with prices of other operators in the same industry, with comparable quality of work. In the same sense, we have identified standard components in building applications based on the LifeLine design. We have also identified items that can not be standardized, such as data clean up or data integrity problems (like the car that stalls), changes in scope (you decide you want steel-belted radial tires, rather than the standard all season tires). Via component based costing we have provided a way of dealing with the uncertainty, which is standard to most programming projects, and set a costing structure that both reflects our past experience across clients and projects and is highly competitive with any system of similar capabilities. The result is to reduce risk, both for the client and for the developer.

What is an audit-able budget?

An audit-able budget begins by tightly defining the scope of each individual component. The scope for any particular project then is defined in terms of the number of components required. This allows us to accurately estimate project costs, and to deal with changes in scope on the client end. It also allows the client to directly estimate the cost of new items, based on making selections from the component list. Tight definition of the scope of components provides a means for clear communication between client and developer, and allows for dealing with changes in scope during the course of a project.

What is the benefit for clients?

A listing of the components for a particular project, and their timelines for completion, can then serve as the "Schedule B" of project deliverables, and the basis for contracts. The client identifies the components they need for their particular project – and the project costs, and what they will receive as a finished product are well defined. This reduces their risk of incurring additional costs, or of receiving a product that is not what they expected.

How do our costs compare?

Our costs are benchmarked both against our own experience, and the costs for similar services in the industry. For example, consulting rates in the information technology field range from \$800 – 2500/day. Training day costs range from \$2500 -- 4000/training-day. Design of working databases for substantial data sets with user interfaces range from \$25, 000 --- Very-Very large \$ sums. Our lower cost structure is predicated on the design principles that make LifeLine flexible, efficient, fast to develop on and cheap. Simply Necessary.

