



Statement of Work

Professional Services Engagement

Library Server Replacement, Option 3: Microsoft Azure City of Palmer

SOW #: SOW-CITY-OF-PALMER-20261008-SRV3

Date: October 8, 2026

Prepared for: City Manager's Office, City of Palmer

Prepared by: Robert Thurston, Vicinity Group Inc.

Valid through: November 7, 2026

Technology with a Human Vicinity

Project Overview

The library's 2018 Dell PowerEdge T330 runs its domain controller, file and application server, and library management PC. Its Windows Server 2016 systems reach end of support on January 12, 2027. Vicinity moves the library's systems to three Windows servers in Microsoft Azure, protected by Azure Backup and connected to the library over an encrypted tunnel. The 10 public seats are 10ZiG zero clients that open Azure Virtual Desktop sessions. This proposal also supplies 5 checkout laptops.

In Scope Summary

- Azure subscription, network, and encrypted tunnel to the library
- Domain controller, file server, and application server in Azure
- Migration of the library's systems and the library management PC software
- Windows Server 2025 licensing, included in Azure
- Azure Backup with geo-redundant storage
- Azure Virtual Desktop for 10 public seats, managed through Nerdio
- Windows Enterprise E3 VDA licenses for the 10 public desktop accounts
- 10 10ZiG zero clients with 27-inch monitors
- 5 Dell Pro 14 checkout laptops
- Setup of the zero clients and checkout laptops

Scope of Work

Phase 1: Azure Foundation & Server Migration

Vicinity sets up the City's Azure subscription, the virtual network, and the encrypted tunnel to the library's FortiGate. The domain controller, file server, and application server are built in Azure on Windows Server 2025, and the library's systems move to them. The library management PC's software moves to the application server. Azure Backup protects all three servers, and Vicinity confirms each system works before shutting down the 2018 server.

Deliverables:

- Azure subscription and virtual network in the City's name
- Encrypted tunnel between Azure and the library, tested
- Domain controller, file server, and application server running in Azure
- Azure Backup protecting all three servers, with a test restore
- 2018 server shut down after the migration is confirmed

Phase 2: Azure Virtual Desktop Provisioning

Vicinity builds the Azure Virtual Desktop host pool, desktop image, and user profiles in Nerdio, and schedules the hosts around library hours. Public sessions are locked down so each one starts clean.

Deliverables:

- Host pool and desktop image for 10 public sessions
- User profiles and session lockdown
- Host schedule matched to library hours

Phase 3: Zero Client & Laptop Provisioning

Vicinity sets up the 10 10ZiG zero clients, connects each one to Azure Virtual Desktop, and enrolls them in central management. The 5 checkout laptops are set up for patron use. Each device is tested before opening.

Deliverables:

- 10 zero clients connected to Azure Virtual Desktop
- Zero clients enrolled in central management
- 5 checkout laptops set up for patron use
- Each public seat tested with a patron session

Out of Scope

The following items are explicitly excluded from this engagement. Any work outside the defined scope will require a Change Order.

- The building network, covered by the network proposal
- Keyboards, mice, headsets, security locks, and a laptop charging cabinet
- Changes to the library's print, reservation, and library management software
- Staff computers, which staff keep
- Ongoing administration, which continues under the City's managed services agreement

Timeline & Milestones

The following timeline represents estimated durations for each phase. Actual timelines may vary based on client availability and project complexity.

Estimated total engagement duration: ~3 weeks, with the migration complete before January 12, 2027.

Phase	Milestone	Est. Hours
1	Azure Foundation & Server Migration	16
2	Azure Virtual Desktop Provisioning	4
3	Zero Client & Laptop Provisioning	7.5

Cost Estimate

Hours by Role by Phase

Phase	System Administrator	Subtotal
1. Azure Foundation & Server Migration	16	\$2,400.00
2. Azure Virtual Desktop Provisioning	4	\$600.00
3. Zero Client & Laptop Provisioning	7.5	\$1,125.00

System Administrator: \$150.00 per hour.

Not-to-Exceed (NTE) Total

\$4,125.00

This is a Time & Materials engagement with a Not-to-Exceed ceiling. Vicinity will bill only for actual hours worked. Total fees shall not exceed the NTE amount of \$4,125.00 without prior written approval from Client via a Change Order.

Non-Recurring Costs

The following one-time costs apply to this engagement:

Qty	Manufacturer	Part #	Description	Unit Price	Ext. Price
10	10ZiG	7048QM-8803	10ZiG 7048qm zero client For Microsoft Remote Desktop and Azure Virtual Desktop, 8 GB	\$767.99	\$7,679.90
10	Dell	DELL-P2726H	Dell Pro 27 P2726H monitor 27-inch FHD IPS, height, swivel, and pivot adjust	\$226.29	\$2,262.90
5	Dell	50XXM	Dell Pro 14 laptop Intel Core 5 120U, 16 GB, 512 GB SSD, Windows 11 Pro	\$1,499.98	\$7,499.90
Non-Recurring Total					\$17,442.70

Recurring Costs

The following recurring costs start when each service is activated:

Qty	Manufacturer	Part #	Description	Unit Price	Ext. Price
1	Microsoft	Azure (Nerdio)	Microsoft Azure servers and virtual desktops 3 Windows servers, 10 virtual desktop sessions, VPN, Nerdio management	\$1,361.58	\$1,361.58
1	Microsoft	Azure Backup	Azure Backup Daily backups of the 3 servers, geo-redundant	\$119.69	\$119.69
10	Microsoft	MST-NCE-OKI-C100	Windows 10/11 Enterprise E3 VDA One per public desktop account, monthly subscription	\$17.04	\$170.40
Monthly Recurring Total					\$1,651.67 per month

Investment Summary

\$17,442.70 Non-Recurring Total	\$4,125.00 Professional Services (NTE)	\$1,651.67 Monthly Recurring
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- Shipping and handling to Palmer are not included and are invoiced at actual cost.
- Azure is billed at actual monthly usage. The amount shown is Vicinity's estimate using 3-year reserved instances.

Assumptions & Client Responsibilities

This Statement of Work is based on the following assumptions. If any assumption proves incorrect, a Change Order may be required to adjust scope, timeline, or budget.

- The City designates one representative to approve completed phases and Change Orders
- The City approves a maintenance window at the current library for the cutover, scheduled around library hours
- File shares and sign-in run over the library's internet connection, which the network proposal backs up with Starlink
- VDA licenses cover 10 public desktop accounts, one per public seat
- The library's print and reservation software vendors confirm support for shared Windows sessions before ordering. Vicinity requests the confirmation
- The network proposal is complete before the public seats are installed
- All work during standard business hours, Alaska Time, unless otherwise agreed

Change Order Process

Any changes to the scope, timeline, deliverables, or budget defined in this Statement of Work must be documented through a formal Change Order process.

Process

- Either party may request a change by submitting a written Change Order request describing the proposed modification, its impact on timeline, and any cost implications.
- Vicinity will evaluate the request and provide a revised estimate of hours, cost, and timeline within five (5) business days.
- No work on the change will commence until the Change Order is approved in writing by authorized representatives of both parties.
- Approved Change Orders will include a revised Not-to-Exceed amount.

Billing for Changes

Work performed under an approved Change Order is billed at the rates in this Statement of Work unless the Change Order specifies otherwise. The original NTE is adjusted to reflect the agreed-upon changes.

Out-of-Scope Requests

If during the engagement Vicinity identifies work that falls outside the defined scope, Vicinity will notify Client promptly and will not proceed with out-of-scope work without an approved Change Order.

Acceptance

By signing below, the parties agree to the terms and conditions set forth in this Statement of Work, SOW #-SOW-CITY-OF-PALMER-20261008-SRV3.

This SOW is valid from the date of issue (October 8, 2026) and expires on November 7, 2026.

CLIENT

Name

Title

Signature

Date

VICINITY GROUP INC.

Name

Title

Signature

Date

Terms & Conditions

This Statement of Work is an agreed change order to the Master Services Agreement for Information Technology Services between Vicinity and the City of Palmer, covering January 1, 2026 through December 31, 2028. It is not a new contract, and the terms of that agreement govern this work.

By executing this Statement of Work, both parties acknowledge that they have read and agree to be bound by the terms of that agreement.

Payment Terms

Equipment and licensing require prepayment and are invoiced in full when ordered. Professional services are invoiced monthly in arrears based on actual hours worked. Recurring services are invoiced from activation, monthly or annually as listed. All invoices are due upon receipt.