



Exchange On Premises to Exchange Online
Migration

Statement of Work

For TX-City of Laredo

SHI International Corp.

SOW # 27800

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1 Executive Summary

TX-City of Laredo ("Customer") has engaged SHI International Corp. ("SHI") to perform an on-premises exchange to exchange online migration. SHI will assess the customer's current Exchange and AD environment before working with the customer to plan the migration. SHI will then migrate all mailboxes and Public Folders from Exchange on-premises to Exchange Online before upgrading the Exchange 2016 server to Exchange 2019. Once all mail is migrated, SHI will formally decommission 1 legacy Exchange Server ("Services").

2 Project Description

SHI shall provide the following Services to Customer on a fixed cost basis.

This project will include the following workstreams:

- 2,480 Mailboxes
 - 2,300 User Mailboxes
 - 180 Resource Mailboxes
- 20 Public Folders
 - Public Folders reside within an Exchange 2010 Server

**Counts and sizes are subject to change due to onboarding and offboarding. These are provided as estimates.*

2.1 In Scope

2.1.1 Discover Phase

Exchange On-Premise to Online Discovery & Assessment

- Assessment of Customer's existing Active Directory environment including:
 - Review User Principal Names (UPN)
 - Active Directory Objects
 - Replication health
 - Run idFix Tool
- Assessment of Customer's existing Exchange environment including:
 - Mail flow, Transport Rules, Relays, Permissions, Journaling, Archiving, Retention, ActiveSync
 - Mailbox sizing
 - Current Exchange Versions
 - Hybrid & Migration Strategy
 - SSL Certificates
 - Firewall Rules
 - Public Folders

Exchange 2019 On-Prem Upgrade Discovery & Assessment

- Review current hardware deployment
- Review Exchange Server performance on all nodes

2.1.2 Design Phase

Exchange On-Premise to Online Design & Planning

- Analysis and planning for a Hybrid Exchange Online Migration
- Develop and provide an environmental remediation plan and high-level migration plan
- Develop and review the Design Document with the customer for approval

2.1.3 Build Phase

Exchange On-Premise to Online Messaging & Identity Build

- Deployment and Configuration of Azure Active Directory Connect
- Exchange Hybrid Configuration Deployment
 - Download and Run the Exchange Hybrid Configuration Wizard (HCW)
 - Confirm the creation of connectors in both Exchange On-premises and Online
 - Migrate at minimum one test mailbox from Exchange On-premises to Exchange Online
- Configure and test coexistence features
 - Mail routing
 - Client access
 - Free/busy
 - Test and validate mail flow and coexistence is working as designed
- Configuration of the Microsoft 365 Tenant with best practices to include:
 - External sharing & Guest Access
 - Compliance Retention Policies
 - Enable Audit logging
 - Block legacy authentication & mail protocols
 - Privileged Account setup
 - Set up Multifactor Authentication within the M365 Tenant
 - This may include to (2) Conditional Access Policies for blocking legacy authentication

Exchange Online Protection Workshop (2 Hours)

During this workshop, SHI will review best practices for setting up and optimizing security features to safeguard email communications within Microsoft 365.

Topics will include:

- Anti-Spam
- Anti-Phishing
- Anti-Malware
- Safe Links and Safe Attachments
 - Requires Microsoft 365 Advanced Threat Protection Plan 1 or 2

2.1.4 Migrate Phase

Exchange On-Premise to Online Migration

- Pilot migration (<50) of mailboxes for testing
- Migrate mailbox data in batches (up to 250 users per batch)
- Complete any planned mail flow changes
- Post Go Live Support (1-day after batch migration)

Public Folder Cutover

- Download the migration scripts
- Prepare for the migration
- Complete the prerequisite steps in the on-premises Exchange server environment
- Complete the prerequisite steps in Exchange Online
- Generate the .csv files
- Create the public folder mailboxes in Exchange Online
- Start the migration request
- Lock down the public folders on the Exchange on-premises server
- Finalize the public folder migration
- Test and unlock public folders in Exchange Online
- Finalize the migration on-premises

Exchange 2019 On-Prem Upgrade Build

- Build Exchange 2019 infrastructure
 - Active Directory Schema Update
 - Install Exchange Server 2019
 - Client Access:
 - Configure Virtual Directories
 - Validate Access
 - Mailbox:
 - Build database
 - Configure DAG
 - Fail over testing
 - Backup validation
 - Transport:
 - Configure connectors
 - Validate mail flow
- Configuration and coexistence testing, which includes mail routing, client access, free/busy

2.1.5 Project Close-Out Phase

Exchange On-Premise to Online Project Close-Out

- Revisit the project scope to assure completion
- Transfer of knowledge and deliverables
- Project Closeout meeting within 2 weeks of final migration

2.2 Deliverables

All documents included in this section will be provided to the Customer.

- Design Document
- Migration Plan

2.3 Project Specific Assumptions

- All work will be performed remotely.
- Target Microsoft 365 Tenant is procured, activated and licensed appropriately to allow SHI to perform the services in this proposal.
- Azure Active Directory is a Single Forest and Single Domain for the source and destination tenants.
- Azure AD Connect must be installed on a domain-joined Windows Server 2016 or later. See additional requirements here: <https://docs.microsoft.com/en-us/azure/active-directory/hybrid/how-to-connect-install-prerequisites>.
- Office clients meet minimum requirements for Microsoft 365: <https://learn.microsoft.com/en-us/deployoffice/endofsupport/microsoft-365-services-connectivity>.
- Customer's Service Desk will support End User devices during this migration
- Outlook Profiles should self-configure via Autodiscover. However, in some scenarios the profiles may need to be forced to rediscover the mailbox location. This may include the re-provisioning of the Outlook Profile. Update of these Outlook clients and profiles is the responsibility of the customer.
- SHI consultants will have adequate administrative access and connectivity to perform the tasks required for the project. For the purposes of Active Directory, Exchange, and Microsoft 365 Migration and Upgrade Projects, Organizational Management and Domain Admin credentials on the domain and Global Administrator for the Microsoft 365 Tenant.
- Over the shoulder work may require additional hours. The scope of work is written for SHI to complete the tasks.
- Batches are 250 mailboxes. Smaller batches may incur additional fees via a Change Request.
- SHI will supply standard End User Communication templates. However, the organization is responsible for customizing these templates.
- Customer to provide hardware or virtual machines required for Exchange 2019 servers

2.4 Project Specific Customer Responsibilities

- Customer is responsible for Migration Wave Planning, and should take into account delegates, calendar access, and shared mailboxes.
- Customer is responsible for any remediations including Exchange and Active Directory.
- Customer to ensure all routable domains have been verified.
- Customer environment and equipment as adequate resources or bandwidth to complete the migration.
- Customer to provide servers or hardware for the upgrade.
- Customer to verify and/or configure third party monitoring, antivirus, and management applications for compatibility and support of Exchange.

2.5 Out of Scope

Any services not explicitly listed above as “In Scope” shall be considered out of scope for this project. Additionally, the areas that are out of scope for this project include, but are not limited to, the following list. If any of these items are required for your organization, they can be scoped separately.

- User licensing assignment in the Microsoft 365 tenant is not one-for-one. (i.e., E5 to E5)
- Support and configuration of 3rd Party Identity Providers (Okta, Ping, One Login, etc.)
- Hardware or host configuration to fix any deficiencies or troubleshooting
- Updating PCs or Domain Controllers requiring Service Packs or registry edits to work with Microsoft 365
- Encrypted Emails: For all Source email systems, any email sent or received using encryption methods will not migrate. The emails will need to be decrypted before they can be migrated
- Migration of any Offline Archives into Microsoft 365. If offline PST archives are attached to the existing Outlook profile, these may need to be re-attached to the new profile as they were before as offline PST archives.
- Automated configuration of mobile devices, Virtual Desktops, and Mac native or Outlook mail clients. Note: As part of the automated end-user communications, easy-to-follow mobile device set-up instructions are provided.
- POP/IMAP migrations for data stored locally on Macs, PC's running Outlook 2003, or non-Outlook email clients
- Dynamic Distribution Groups or nested mail-enabled groups migration
- Remediation of existing Identity corruptions in Entra AD
- Mailboxes over 80GB
- Dynamics 365, Power Platform, OneDrive for Business, SharePoint Online and Microsoft Teams deployments
- AD FS implementation and/or seamless Single Sign-On to AD FS configuration
- Any applications (Enterprise Applications) integrated with Azure AD Group permissions and/or for SSO need to be set up in the new tenant after the migration
- Decommission of legacy Microsoft Exchange environment
- Deployment of Exchange Online Protection features discussed during the workshop
- Desktop and/or Domain Controller upgrades or support required for compatibility with Exchange 2019
- Configuration or support of any 3rd party products or applications specifically with mail flow though the Exchange environment.
- Deployment or configuration of hardware
- Support for Outlook Add ins
- Configuration or support of application proxies, load balancers or additional software on Exchange

2.6 Project Duration

Project duration is defined as the entire time taken to complete the project, based on the resources allocated. The estimated project duration is **7-8 MONTHS.***

SHI and the Customer will provide the required resources to deliver this project within the estimated duration. SHI and the Customer will allow for reasonable accommodations due to holidays, vacations, and unforeseen delays in deliveries.

** Please be advised that the above timeframe is to provide a general timeline for delivery and is not a true reflection of the total man hours/effort involved for this engagement.*

2.7 Project Management

SHI will provide a Project Manager to work with the Customer to see the engagement through to completion. The SHI Project Manager will cover items such as, but not limited to:

- Determining which project methodologies to leverage in order to achieve the scope on time and within budget as described in this Statement of Work.
- Assembly of the project team based on scope and expertise, establishing roles and responsibilities and then coordinating resources throughout the engagement to ensure tasks are executed appropriately.
- Conducting an internal review in preparation of the Customer kick off to review the project objectives with the delivery resources, create a preliminary plan and solicit input of known risks and / or constraints.
- Conducting a project kick off with the Customer and project team.
- Developing and executing against a project plan which includes all phases of project delivery.
- Establishing a communication plan and strategy which will include but is not limited to: status updates, action items, issues and risks, mitigation plans and budget.
- Acting as the single point of contact for any issues or escalations throughout the engagement.
- Conducting a project close meeting to confirm deliverables were achieved and request project acceptance.

2.8 Success Criteria

The project milestones and success criteria for each milestone are as follows:

1. **SOW Signature:**
 - a. Customer and SHI sign this agreement.
2. **Project Close**
 - a. Customer agrees there are no outstanding action items or tasks.
 - b. Customer agrees all documentation has been received.
 - c. Customer Project Sponsor signs the *Project Close* form indicating all project objectives were accomplished.

2.9 Resources and Skills

SHI will provide individual resources outlined below to be participants for this effort. These resources will participate in all required steps and will be fully or partially responsible for tasks where appropriate:

Title	Role Description	Involvement
Solutions Architect/Consultant	Part time SHI resource(s) responsible for all aspects of delivery including but not limited to analysis, design, build, test and migration activities.	Part-Time
Project Manager	Part time SHI resource responsible for overall execution of the project. Monitors progress against overall delivery. Primary interface between SHI and Customer.	Part-Time

3 Assumptions

The project scope and associated price quoted within this Statement of Work are based on the following assumptions. Should any element(s) of these assumptions be lacking during execution of services, additional time and associated fees and expenses may be required to complete this Statement of Work.

1. Minimum lead time for scheduling project kickoff meeting is fifteen (15) business days from our receipt of the signed SOW or fifteen (15) business days from the confirmed start date between SHI and Customer; whichever date is later. Should you require more aggressive scheduling, please contact SHI to determine availability.
2. Please note that the time designated for Knowledge Transfer is throughout the project. Customer is responsible for providing a resource or resources focused on this project and the extent of the knowledge transfer is dependent upon the availability of these resources. A maximum of two hours of dedicated knowledge transfer at the project's conclusion will be provided unless otherwise noted within this Statement of Work.
3. SHI is not responsible for delays caused by failures; including but not exclusive to systems, personnel or environmental causes or in receiving data from Customer.
4. Any restrictions or requirements regarding the SHI consultants' use of personal equipment must be stated in advance of the commencement of the project.
5. All hardware and/or software and licensing required to perform the above services will be provided by and is the responsibility of Customer. All wiring, hardware, and software required to perform the above services are in working order.
6. All parties agree that personnel shall not be asked to perform, nor volunteer to perform, engineering and/or consulting tasks that lie outside the skill sets and experience of personnel. Personnel have the right to decline on a service request if the request falls outside the scope of their experience and expertise.
7. Project activity will be scheduled during the hours of 8:00 AM to 5:00 PM local time. Any work performed outside these hours must be previously agreed upon by both parties and scheduled in advance.
8. All documentation will be delivered within fifteen (15) business days after the completion of the in-scope tasks or phases of the project. A standard document template will be utilized for this service delivery.

4 Customer Responsibilities

Both Customer and SHI are responsible for the successful execution of this engagement. Prior to the start of this SOW, Customer will indicate to SHI in writing a person to be the point of contact. All project communications will be addressed to such point of contact (the "Customer Contact"). The Customer Contact is responsible for the following:

1. Performing a full working backup prior to the commencement of services as SHI is not responsible for lost data.
2. Ensuring all related information and communication regarding this project is done through the Project Manager as expeditiously as possible.
3. Acting for the Customer in all aspects of the project.
4. Making the necessary administrative usernames and passwords available to the designated SHI resource if required for the successful completion of project.
5. Providing detailed and accurate information regarding their current network environment if required for the successful completion of project. This information will include the technical configuration of the domain environment.
6. Providing the necessary workspace and network access to provide the above services.
7. Providing access to building(s) and room(s) if required for the successful completion of project.
8. Obtaining and provide project requirements, information, data, decisions and approvals within one working day of the request, unless both parties agree to a different response time.
9. Ensuring that SHI project personnel have reasonable and safe access to the project site and adequate office space, if required.
10. Providing technical points-of-contact, who have a working knowledge of the enterprise components to be considered during this project ("Technical Contacts"). SHI may request that meetings be scheduled with Technical Contacts.
11. Informing SHI of all access issues and security measures and providing access to all necessary hardware and facilities as required.
12. Having the authority to resolve conflicting requirements.
13. Helping resolve project issues and ensuring that issues are brought to the attention of the appropriate persons within SHI, if required.

Customer will provide individual resources outlined below to be participants for this project effort. These resources will participate in all required steps and will be fully or partially responsible for tasks and deliverables where appropriate:

Title	Role Description	Involvement
Sponsor / Project Manager	Project and resource coordination to support the effort as well as authority to make decisions and acceptance at project completion.	Part-time
IT Resource(s)	Provide access to workspace, building access, and general IT requests related to the effort. May also have responsibility for network, data center and project team activities.	Part-time

5 Duties of SHI

SHI shall provide the Services and the SHI Work Product during the term of this engagement in accordance with this SOW and these terms and conditions.

1. SHI will provide all resources, facilities, management, labor, expertise, skills, tools, and equipment necessary for the performance of its obligations under this SOW.
2. Without limiting the foregoing, SHI shall:
 - a. keep the Customer Project Manager advised of the progress of the project and the status of the Deliverables;
 - b. permit any designated representative of Customer periodically to review the work of SHI personnel performing Services and preparing Deliverables;
 - c. perform the Services in a timely manner and provide the Deliverables in accordance with this Statement of Work; and
 - d. keep accurate records of work performed on this Statement of Work, evidence of which SHI shall provide to Customer upon request.

6 Change Control Process

The "Change Control Process" is that process which shall govern changes to the scope, schedule or price of the Project during the life of the Project. The Change Control Process will apply to new components and to enhancements of existing components. The Change Control Process will commence at the start of the Project and will continue throughout the Project's duration.

Under the Change Control Process, a written "Change Request" will be the vehicle for approving any desired changes to the project. It will describe the proposed change; the reason for the change and the effect the change may have on the Project. The requesting party will submit a written Change Request to the other party.

SHI and Customer will review the change request. All parties must sign the approval portion of the change request to authorize the desired changes. Once signed by all parties, the change request will act as an amendment to this SOW.

7 Project Initiation Process

Upon receipt of a signed SOW and Purchase Order, planning for the project will commence. A key step in the planning process is the Kickoff Meeting with Customer's Team.

In the kickoff meeting, the contents of the SOW will be reviewed. This is an opportunity for Customer's team who will be involved with the project to understand the Project's goals, tasks, deliverables, and timelines.

Upon completion of the project kickoff meeting, minutes of the Kickoff meeting will be created based on the meeting discussion and distributed to Customer. Any changes to the project will be documented in these minutes. If Change Orders are necessary due to changes, that process will be initiated after the Kick-off meeting.

8 Price and Payment Schedule

SHI proposes to deliver the Services described here for a fixed price for the fees set forth below:

Program Component	Fee
Exchange on Premises to Exchange Online Migration	\$60,840.00

The pricing demonstrated in the table above is valid until this document is fully executed or 60 days from 3/18/2025, whichever comes first. Upon becoming fully executed, the pricing shall be honored for the duration of this SOW.

Any additional work that is required outside the scope of this SOW requires written approval by SHI and Customer as described in the Change Control Process described previously in this document and will be billed at a rate mutually agreed upon by SHI and Customer.

8.1 Payment Schedule

The following table describes the project milestones. When these are completed and approved by Customer, SHI will invoice the specified amount.

Billing Milestones	%	Fee
SOW Signing	50%	\$30,420.00
Project Close	50%	\$30,420.00
Total		\$ 60,840.00

8.2 Travel Expenses

No travel is required for this project.

8.3 Billing Terms

SHI will request the approval of Customer when a milestone (see Payment Schedule above) has been completed. Upon receipt of Customer's approval, SHI will invoice Customer for the milestone. All invoices are due and payable within 30 calendar days of the invoice date.

Fees DO NOT include applicable taxes that must be collected. Please allow for taxes that may apply to the work outlined in your Purchase Order. Tax will be applied to the address in the "Billing Information" section unless otherwise specified in "Exception" section below..

8.3.1 Exception

No exceptions apply.

8.4 Final Acceptance

At the completion of the work SHI will provide a "Project Acceptance Form" for execution by Customer. Customer's signature on this form signifies the Customer's Final Acceptance of the work, and agreement that all Deliverables have been completed in accordance with the SOW and the final invoice may be issued by SHI. If the Customer does not so accept the Deliverables then Customer shall, within fifteen calendar days after receipt of the Project Acceptance Form, state specifically which Deliverables were not Final Accepted and why, and return the form to SHI for resolution.

If Customer does not return the Project Acceptance Form within fifteen calendar days after the date of its transmittal, Customer shall be deemed to have Final Accepted the Deliverables, and consequently, the remainder of the Services, and SHI will invoice the Customer for the remainder of the price due to SHI.

9 Terms and Conditions

This statement of work (SOW) is subject to and governed by the terms of the Services agreement DBITS Contract number DIR CPO-4938 ("Agreement") between TX-City of Laredo and SHI with an Effective Date of 05/26/2022.

In the event any terms and conditions of this SOW conflict with the Agreement, this SOW will control for the purposes of this SOW only. All terms defined in the Agreement and used herein will have the same meaning as set for in the Agreement.

10 SOW Acceptance

The project Terms and Conditions are as outlined in this document. Once fully executed, this document will become the Statement of Work for the project defined in this document. The Customer's signature below authorizes SHI to begin the services described above and indicates the Customer's agreement to process and pay the invoices associated with these services.

The Customer Contact signing this document has the authority to do so.

TX-City of Laredo		SHI International Corp.	
Name		Name	
Title		Title	
Signature		Signature	
Date		Date	
Purchase Order			

11 Confidential

The information in this document shall not be duplicated, used, or disclosed in whole or in part outside Customer's organization. If a contract is awarded to SHI as a result of or in connection with the submission of this document, Customer shall have the right to duplicate, use, or disclose the information within its organization to the extent provided by the contract between Customer and SHI. This restriction does not limit Customer's right to use information contained in this document if it is obtained from another source without restriction.

12 Billing Information

The location(s) of services to be provided and billing contact is:

Billing Information
Company Name TX-City of Laredo
Street Address 1102 BOB BULLOCK LOOP, 397018
City, State, Zip Code Laredo, TX 78043
Contact Name and Title Enrique Aldape
Contact Phone Number and E-mail Address ealdape@ci.laredo.tx.us

13 Project Location(s) & Contact Information

Site Information
Work will be performed remotely.