



Version 3

# Statement of Work

## Hansen CIS

BSOW-369

City of Kingsport GraceAI Production  
Implementation

March 2026



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## Revision History

Version	Revision Date	Author	Notes
1	10/24/2025	Hansen	
2	12/31/2025	Hansen	Revision following Client feedback
3	3/8/2026	Hansen	Revision following Client feedback

# 1 Introduction and Overview

This Statement of Work (“SOW”) between the City of Kingsport (“the City” or “Client”) whose registered office is at 415 Broad Street, Kingsport, Tennessee, 37660 and Hansen Banner, LLC whose primary place of business is 700 Gervais Street, Suite 100, Columbia, SC 29210 (“Hansen”) describes the respective obligations of the Parties for services to be provided by Hansen as described in this SOW (the “Services”) and is entered into pursuant to the Software Service Agreement entered into between the parties with an effective date of October 3, 2024 (the “Agreement”).

- Hansen will perform the services as described in this SOW as per Section 2, Scope of Work.
- The Deliverables in relation to the Services are set out in section 4.1 and are based on the Assumptions and Dependencies set out in sections 3 and 5 respectively.
- The Milestones in relation to the Services are set out in section 6 and the charges for the delivery of the Services are set out in section 10.1.
- Further general responsibilities of Hansen and Client are detailed in section 7 (Hansen and Client Responsibilities), and the governance to be applied in the conduct of this work is set out in Section 9.
- The Services only include the activities listed within this SOW. Any features, specifications, tasks, services or requirements not documented in this SOW are explicitly excluded from the Services.

## 2 Scope of Work

Under this SOW, Hansen will deploy GraceAI into production. The deployment will support the use cases established during the Pilot phase (BSOW-369-City of Kingsport GraceAI Pilot Implementation) and ensure full readiness for production.

### 2.1.1 IN SCOPE

ID	Scope Inclusions
ISC01	Project Initiation – Hansen will prepare project documentation, working with the Client Project Manager to finalize the initial project schedule and associated staffing plan, set up project accounting and reporting procedures, and conduct a project planning review meeting with Client management. This phase of the project will include the Project Kick-off meeting led by the Hansen Project Manager with participation from the City’s project team.
ISC02	Environment setups - <ul style="list-style-type: none"> <li>▪ Hansen will provide Kingsport with a GraceAI Test and Production environment on the Hansen Cloud platform initialized with the Kingsport Pilot configurations previously delivered during the Pilot.</li> <li>▪ The Production Instance will point to the Production instance of Hansen CIS, Webex Contact Center and Paymentus.</li> <li>▪ The Test instance will point to the Non-Production instance of Hansen CIS, non-production Webex Contact Center and Test Environment for Paymentus.</li> </ul>
ISC03	Close Out Identified Issues and Gaps from the Pilot <ul style="list-style-type: none"> <li>▪ Hansen will resolve all remaining UAT tickets identified during the Pilot (including screen-pop functionality).</li> <li>▪ Update the Payment Arrangement use case and workflow to:               <ul style="list-style-type: none"> <li>○ Perform Eligibility checks using the Hansen CIS API.</li> <li>○ Process Down Payments through the Paymentus API.</li> </ul> </li> </ul>
ISC04	Development Items <ul style="list-style-type: none"> <li>• Extended Account Lookup via Service address and name confirmation. Potentially layer in password/pin for customer verification. [Already determined and provided.]</li> <li>• Define and develop mutually agreed-upon base enhancements deemed essential for go-live.</li> </ul>
ISC05	Setup Dashboard Reporting to include the following Metrics: <ul style="list-style-type: none"> <li>▪ Contextual Pivot Rate: Measures how often GraceAI successfully shifts conversation topics based on unexpected customer inputs (e.g., from utility</li> </ul>

ID	Scope Inclusions
	<p>billing to unrelated subjects).</p> <ul style="list-style-type: none"> <li>▪ Novel Query Innovation Score: Quantifies GraceAI's ability to handle entirely new or rare queries not in its initial training data.</li> <li>▪ Humor Detection and Response Efficacy - Tracks the AI's recognition of customer sarcasm or jokes and its appropriate responses (e.g., lightening tense situations).</li> <li>▪ Emotional Resonance Index: Assesses how well the AI matches or influences the customer's emotional state (e.g., calming an angry caller).</li> <li>▪ Conversation Flow Rhythm: Measures the naturalness of pauses, interruptions, and turn-taking in dialogues.</li> <li>▪ Human-AI Handoff Seamlessness Score: Evaluates how smooth escalations to human agents (Customer Service Representatives (CSR)) occur, including knowledge transfer.</li> <li>▪ Multilingual Fluency Drift: Tracks accuracy degradation when switching languages mid-call or handling accents. Privacy Intrusion Perception: Gauges customer</li> <li>▪ Bias Amplification Ratio: Detects if the AI inadvertently amplifies demographic biases in responses (e.g., gender-specific assumptions).</li> <li>▪ Privacy Intrusion Perception: Gauges customer comfort with data usage during calls (e.g., via opt-in prompts). comfort with data usage during calls (e.g., via opt-in prompts).</li> <li>▪ Hallucination Recovery Time: Measures how quickly the AI corrects its own factual errors during a call.</li> </ul>
<b>ISC06</b>	Performance Verification Test – Hansen will perform a performance verification test to confirm that GraceAI can handle 100 concurrent calls with no degradation in call quality.
<b>ISC07</b>	<p>Documentation, Support and Development</p> <ul style="list-style-type: none"> <li>▪ Maintain open dialog with Kingsport to identify and prioritize potential future enhancements.</li> <li>▪ Hansen to update existing use case documentation</li> <li>▪ Hansen to support Kingsport staff with the development of Standard Operating Procedures (SOP's) for GraceAI.</li> <li>▪ Hansen to support Kingsport and Plant Moran develop OCM Production Rollout Plan.</li> <li>▪ Hansen will develop a Production Cutover Plan in alignment with the Hansen CIS deployment to production.</li> </ul>
<b>ISC08</b>	User Training Workshops - Hansen will provide Client training agenda and will conduct the following 2 training sessions (up to 2 hours each):

ID	Scope Inclusions
	<ul style="list-style-type: none"> <li>▪ Training Session 1 – Day in the life               <ul style="list-style-type: none"> <li>○ Live View                   <ul style="list-style-type: none"> <li>▪ Overview of real-time system monitoring capabilities.</li> <li>▪ Best practices for interpreting live view information and identifying anomalies.</li> </ul> </li> <li>○ Reporting                   <ul style="list-style-type: none"> <li>▪ Demonstration of dashboards, reports and key operational metrics.</li> </ul> </li> </ul> </li> <li>▪ Training Session 2 – Administration               <ul style="list-style-type: none"> <li>○ Flow Maintenance                   <ul style="list-style-type: none"> <li>▪ Understanding workflow structures and dependencies.</li> <li>▪ Steps to update, test, and troubleshoot flows.</li> </ul> </li> <li>○ Configuration                   <ul style="list-style-type: none"> <li>▪ Turning Grace on/off</li> <li>▪ Scaling up and down</li> </ul> </li> </ul> </li> </ul>
ISC09	<p>User Acceptance Testing (UAT) Support - Hansen will provide consulting services to assist Client in executing Client’s acceptance test plan during Client’s acceptance testing phase. This phase is scheduled for twenty (20) Business Days but may be extended if UAT needs to be rerun. Activities included are:</p> <ul style="list-style-type: none"> <li>▪ UAT Artifacts Review/Follow-Up               <ul style="list-style-type: none"> <li>✓ Once the Client has completed drafts of the UAT test plan, test cases, and staffing plan, these will be provided to Hansen for review. Hansen will provide feedback or recommendations on any potential improvements.</li> </ul> </li> <li>▪ UAT Functional/Technical Support               <ul style="list-style-type: none"> <li>✓ Hansen will provide functional and technical support to help resolve questions and triage issues from UAT.</li> </ul> </li> </ul>
ISC10	<p>Phased Go-Live</p> <ul style="list-style-type: none"> <li>▪ Production Cutover               <ul style="list-style-type: none"> <li>○ In Person Go-Live support will be provided (Saturday to Friday with a Monday Go Live)</li> <li>○ Execute Production Cutover plan.</li> <li>○ Heightened Support for 3 months</li> </ul> </li> <li>▪ Phase 1 - Limited Production Launch (Week 1-2)               <ul style="list-style-type: none"> <li>○ Deploy to a limited customer segment (e.g., 10–15% of inbound volume).</li> <li>○ Monitor key KPIs and system performance.</li> <li>○ Collect feedback from customers and live agents.</li> <li>○ Fine-tune conversational flows, escalation rules, and tone of voice.</li> </ul> </li> <li>▪ Phase 2 - Gradual Scale-Up (Week 3-4)</li> </ul>

ID	Scope Inclusions
	<ul style="list-style-type: none"><li>○ Increase traffic load incrementally (25%, then 50%, then 75%).</li><li>○ Continue performance monitoring, stress tests, and error handling.</li><li>○ Establish customer communication campaigns (FAQs, knowledge articles, website banners).</li><li>▪ Phase 3 – Full Production Deployment (Week 5)<ul style="list-style-type: none"><li>○ Open GraceAI to 100% of customers.</li></ul></li></ul>
ISC11	<p>Project Oversight - Hansen will provide the Client with the following resources for the duration of the project implementation.</p> <ul style="list-style-type: none"><li>▪ Project Management support</li><li>▪ Functional support</li><li>▪ Technical support</li><li>▪ DevOps Support</li></ul>

## 2.1.2 OUT OF SCOPE

The table below describes the scope of work that will not be provided under this SOW for the avoidance of doubt.

ID	Scope Exclusions
EXC01	Any activity, modification, business requirement, or deliverable not specifically identified as being In Scope is considered out of scope and subject to Change Management as outlined in Section 9.2 of this Agreement.
EXC02	The software deployment to production and go-live activities (production rollover).
EXC03	Errors resulting from product misuse, negligence, or improper utilization of any part of the Software or Services.
EXC04	Other than changes to support Payment Arrangement Eligibility, baseline HIF (APIs) shall be employed for the purposes of this initiative. Any requests for additional data elements or functional enhancements shall be subject to Change Management procedures as outlined in Section 9.2 of this Agreement.

### 3 Assumptions

The table below describes assumptions provided by, or agreed to, by the City, and relied upon by Hansen to make planning decisions including estimates of resource, cost, time and quality. In the event an assumption proves to be incorrect or requires changing, Hansen will continue to provide the services described under this SOW but the Parties will meet and will follow the agreed change management process to ensure that the scope and assumptions are updated.

ID	Description
AS01	The Hansen Project Manager will coordinate all Hansen personnel and resources involved in performing the Services and will be the first point of contact for issues concerning the Services performed
AS02	All system settings, configurations, and integration development are considered accepted by the Client once User Acceptance Testing is complete.
AS03	Hansen can provide other ancillary support, including staff augmentation as a separate service via a Change Order.
AS04	Client will be responsible for the validation and approval of the results of each conversion run/test, including the analysis of any converted data issues during the test conversion runs as well as during the mock go-live run.
AS05	Client will provide Webex Contact Center and Paymentus support as needed.
AS06	The timeline of the implementation project is estimated to be five (5) months, and the Services are scheduled to commence December 2025 (project kick-off) and continue until May 2026 (in conjunction with the Hansen CIS production rollout). A project schedule will be finalized as part of the Project Initiation.
AS07	All Services will be performed remotely or at Hansen office locations.

## 4 Deliverables and Acceptance

### 4.1 Deliverables

ID	Description
DEL01	Detailed Project Schedule
DEL02	Hansen GraceAI Production and Test environments on the Hansen cloud platform integrated with Hansen CIS, Webex Contact Center and Paymentus.
DEL03	Final Use Case and Dashboard and Reporting Metrics Requirements
DEL04	Final Site Integration Testing Report
DEL05	User Training
DEL06	User Acceptance Testing Support
DEL07	Production Roll Out Plan
DEL08	Production Go Live Support and Heightened Support for 3 months

### 4.2 Acceptance

Deliverables are assumed to be accepted upon delivery.

## 5 Dependencies

The following dependencies have been identified as required for Hansen to perform the Services:

ID	Description
DEP01	Client will perform its obligations under Section 7.2 Client Responsibilities in a timely manner
DEP03	Implementation timeline and success is dependent on the Client's availability for workshops and deliverable acceptance
DEP03	Client is responsible to ensure that any third party that is working on their behalf responds to request in a timely manner. Any delays could impact project timeline

## 6 Project Milestones

The work under this SOW is to commence on execution of the SOW, and the project milestones are as set out below and based on business days.

ID	Description	Responsible Party	Planned Completion
MIL01	Detailed Project Schedule	Hansen	Day 5
MIL02	Use Cases Document	Hansen	Day 20
MIL03	Site Integration Testing Report	Hansen	Day 55
MIL04	User Training Completion	Hansen	Day 60
MIL05	User Acceptance Testing Completion	Client	Day 80
MIL06	Production Cutover	Hansen	Day 85
MIL07	Production Phase 1	Hansen/Client	Day 95
MIL08	Production Phase 2	Hansen/Client	Day 105
MIL09	Production Phase 3	Hansen/Client	Day 110

## 7 Hansen and Client Responsibilities

### 7.1 Hansen Responsibilities

Hansen will provide a Project Manager with an appropriate level of project management skills and the available time (commensurate with the Services) to co-ordinate Hansen's activities throughout the SOW.

- Hansen will provide the resources required to perform the Hansen Services detailed in this SOW, in a timely manner and according to the agreed project schedule.
- All Project related tasks will be performed on various Hansen premises, unless specified to the contrary in this SOW. Any additional need for Hansen resources to be on-site will be subject to mutual agreement in writing.

### 7.2 Client Responsibilities

- If Client becomes aware of any deviations to the requirements, the project schedule or other deviations from the scope of this SOW, these will be confirmed promptly by Client in writing to Hansen and in such event the parties will mutually agree in good faith on how to proceed, in accordance with the Change Order procedure (see Change Management for further details).
- Client will provide sufficient staffing to enable successful completion of the Services.
- Client will provide a project manager with an appropriate level of project management skills and the available time (commensurate with the Services) to coordinate Client activities throughout the project.
- Client agrees that delays by Client regarding deliverables, approvals, feedback, etc. which the City of Kingsport is required to provide, may delay the project timeline and may impact project cost.
- Client will be responsible for developing and executing User Acceptance Testing test plans as outlined in Section 2.1.1 In Scope, Scope item ISC09.
- Utilizing the Hansen-provided mechanism to log tickets for defects or enhancements. All defect requests should include detailed steps to reproduce the issue.

## 8 Representatives (Points of Contact)

### Client:

Name	Kristen Steach
Title	Project Manager
Phone	
Email	kristensteach@kingsporttn.gov

### Hansen:

Name	Micah Frick
Title	Service Delivery Manager
Phone	(803) 466 1799
Email	micah.frick@hansencx.com

## 9 Governance

### 9.1 Governance

Both Hansen and Client will use commercially reasonable efforts to deliver and implement the Services as detailed in this SOW. Any updates or changes to the project schedule will be managed as part of the Change Management process. Achievement of the Services is dependent upon Client's timely completion of Client dependencies and responsibilities set forth in this SOW and Client's timely delivery of information and any required deliverables to Hansen.

Both Hansen and Client will provide a project management Point of Contact (POC) with an appropriate level of technical and project management skills. The Client POC will have the available time to coordinate the Services with all parties involved through the SOW.

Client will provide staffing reasonably sufficient to meet its responsibilities (the "Client Responsibilities") outlined in Section 7.2 and otherwise in this SOW.

In addition to resources listed in Client Responsibilities, Client will need to identify the resources needed to meet their responsibilities to meet the timelines of the SOW.

Client's project management POC will have the authority to provide approvals or be able to facilitate the expedient approvals and acceptance for SOW milestones, deliverables, acceptance testing, etc. The POC will also have the authority to negotiate Change Orders on behalf of Client, and ensure all necessary parties execute approved Change Orders in a timely manner.

Client agrees that delays by Client regarding deliverables, approvals, feedback, etc. which Client is required to provide may delay the SOW timeline and may impact SOW costs.

### 9.2 Change Management

Any requests for delivery of additional features, specifications, services, or requirements not authorized within the scope of this SOW or other changes to the scope of this SOW (collectively, the "Additional Services") are explicitly excluded from the SOW.

In the event that Client requests Additional Services during the implementation or the course of this SOW, the Hansen Project Manager will develop a Change Order to this SOW to identify the requested services, corresponding costs and fees payable by Client, and the impact of the change on the SOW. Said Change Order will become effective only when signed by both parties (the "Change Order"). In certain circumstances, a separate SOW for such Additional Services may be required.

## 10 Cost

This is a no-cost Production Deployment of GraceAI with total effort for this SOW estimated to be 502 hours.

## 11 Term

This Statement of Work will become effective as of the last date of signature below (Effective Date). Services shall commence upon the Effective Date, or such other date as mutually agreed by the Parties. This SOW will expire in six (6) months from the Effective Date unless otherwise extended in accordance with section 9.2 above.

## 12 Signatures

This Statement of Work is agreed to and accepted on behalf of:

**Hansen Banner, LLC**

**City of Kingsport, Tennessee**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Paul W. Montgomery, Mayor**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Title**

**Attest:**

\_\_\_\_\_  
**Angela Marshall, Deputy City Recorder**

**Approved as to form:**

\_\_\_\_\_  
**Rodney B. Rowlett, III, City Attorney**