

*STAFF REPORT**CITY OF OCEANSIDE*

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DATE: February 1, 2012

TO: Honorable Mayor and City Councilmembers

FROM: Financial Services Department

SUBJECT: **AMENDMENTS IN AMOUNTS TOTALING \$306,090 TO FOUR EXISTING PROFESSIONAL SERVICES AGREEMENTS FOR IMPLEMENTATION OF PHASE 5 FUNCTIONS TO THE FINANCIAL SERVICES DEPARTMENT'S ORACLE SYSTEM; APPROVAL OF HARDWARE PURCHASES IN AN AMOUNT NOT TO EXCEED \$35,000; APPROVAL OF OVERALL PROJECT CONTINGENCIES NOT TO EXCEED \$27,800; AND ESTABLISHMENT OF ORACLE PHASE 6 PROJECT CONTINGENCIES IN THE AMOUNT OF \$50,000**

**SYNOPSIS**

Staff recommends that the City Council approve Amendment 1 in an amount not to exceed \$99,020 to the Professional Services Agreement with Value Strategies, LLC; approve Amendment 4 in an amount not to exceed \$79,000 to the Professional Services Agreement with CRW Systems, Inc., of San Diego; approve Amendment 1 in an amount not to exceed \$88,070 to the Professional Services Agreement with The Active Network; and approve Amendment 1 in an amount not to exceed \$40,000 to the Professional Services Agreement with Vavrinek, Trine, Day & Co., LLP, for implementation of Phase 5 functions to the Financial Services Departments' Oracle System and associated software, upgrades, and training; approve hardware purchases in an amount not to exceed \$35,000; approve funding of overall project contingencies in an amount not to exceed \$27,800; establish Oracle Phase 6 project contingencies in the amount of \$50,000; and authorize the City Manager to execute the amendments.

**BACKGROUND**

On June 21, 2006, the City Council allocated \$1.3 million for the identification, acquisition and implementation of a new financial software platform. Upon further analysis and assessment among staff from Information Technologies, Financial Services, and Human Resources, it was determined that upgrading the (then) existing JDE system, along with additional system enhancements and staff training, would extend the lifespan of the software for several years. On January 23, 2008, the City Council approved funding the technical requirements of the financial system to the Oracle EnterpriseOne 8.12 version which included the necessary hardware to support this product such as new computer workstations, servers, and application software. A software needs assessment was completed in early 2008, and based on the scope of work within the report findings a Request for Proposals was conducted in July 2008 to secure a consultant to implement this multiphase project. On August 13, 2008, the City

Council awarded a contract to CPSG, Inc. (dba Partners Consulting) to perform the first two phases.

Phases 1 through 4 commenced in September 2008 and were completed successfully by July 2011. The work included hardware and software upgrades, reworking the Chart of Accounts (COA), implementing a budget management system, automating processes, enhancing individual modules, and implementing new modules. These components allowed the City to meet compliance criteria established by our auditors as well as maintain compliance with Generally Accepted Accounting Principles (GAAP).

As with any software application, evolving technology requires that the City stay current with improvements and modifications in order to maximize the functionality of the program. Installation of the Oracle EnterpriseOne 8.12 version has allowed the City of Oceanside to have a capable and reliable financial system for 3-5 years provided updates, fixes, security alerts, and upgrades are installed and utilized. Planning is underway for the upgrade to the Oracle EnterpriseOne 9.0.2 version in 2013-2014.

## **ANALYSIS**

Amendments to existing agreements with four vendors will be needed to complete the Oracle Phase 5 work.

1. On December 1, 2011, the City entered into an agreement with Value Strategies in the amount of \$47,850 for Oracle software services. Amendment 1 in the amount of \$99,020 includes implementing the Oracle/JDE Tools Release and Disaster Recovery Update, Implementing the Oracle Property and Marina management module and implementing the Employee Self Service module.

Oracle/JDE Tools Release and Disaster Recovery Update This component will upgrade the tools release level to 8.98.4.6 which provides end user productivity improvements, improvements in reporting and workflow, as well as new and improved system administration tools. This tools upgrade is required before any future system upgrades to the 9.0.2 version are contemplated. The total cost of this upgrade is \$28,000. Funding will come from I/T Fund 841 unrestricted fund balance.

Property and Marina Financial Management Project Implementation of the Oracle property management module will give the City greater financial control and management over these sources of revenue and the timing of collections. The scope of work for this module is only for financial aspects (billing and cashiering); it will not replace the existing software used by Harbor or Property Management for other lease tracking aspects. Implementation of this module will allow the City to meet auditor compliance regarding revenue and general ledger management. The total cost of this module, including design analysis, configuration, testing and training is \$44,540. Funding will come 50 percent from existing Harbor budget, and 50 percent from existing Finance budget.

Employee Self Service Module The Police Department has expressed an interest in utilizing electronic employee time entry for police personnel to reduce the labor intensive manual process currently being used. The Oracle Employee Self Service module, which has several features, will be implemented only for time entry as part of Phase 5 project. Once this module has been successfully implemented for the Police Department, the City has the ability to roll it out to all other departments. The total cost of this module, including design, configuration, testing and training is \$26,480. Funding will come from existing Police budget.

2. On February 18, 2009, the City Council approved an agreement with CRW Systems in the amount of \$309,690 for the installation of a permit and code enforcement software system. Amendment 4 in the amount of \$79,000 includes implementation of the LicenseTRAK module for business licenses and transient occupancy tax.

LicenseTRAK The City currently utilizes the CRW TRAKiT program for development permit and code enforcement purposes. This program interfaces directly with the Active Network central cashiering system. CRW provides a business license module in TRAKiT that will provide easy access for departments that require access to business license data, and who currently use TRAKiT, i.e. Development Services, Fire Prevention, Water Utilities, and Code Enforcement. It will also be customized to process Transit Occupancy Tax collections. The current business license software, Progressive Solution, does not interface with the Active Network central cashiering system, nor does it interface with the CRW TRAKiT program, necessitating duplicate efforts for staff to input and access business license data. Transitioning to LicenseTRAK will reduce maintenance requirements from the IT staff, as well as reduce the ongoing software support costs in the operating budget by \$15,000/year. The total cost of this module, including license, configuration, customization, data conversion and training is \$79,000 and is available through IT interfund charges.

3. On August 25, 2010, the City Council approved an agreement with Active Network, Inc., in the amount of \$215,000 for purchase, installation and training on a centralized cashiering system. Amendment 1 in the amount of \$88,070 includes integrations of the central cashiering system with Oracle's property and marina program, CRW's LicenseTRAK program, and Active's ActiveNet (parks and recreation module) program. It also includes software and hardware for six additional cashiering stations.

Active Network Integrations and Hardware There are integration costs for the Active Network centralized cashier system to interface with the proposed CRW LicenseTRK and the Property/Marina Financial Management modules. The scope of work includes license, programming, and project management. The total cost will not exceed \$53,720, and funding will come from existing Finance budget.

Upon implementation of the Active Network component for Parks & Recreation, they are considering installing five cashiering workstations at various locations.

Funding for this hardware will be budgeted in the Parks & Recreation operating budget for FY 12/13. Upon implementation of the Marina Boat Slip module, the Harbor department will require one cashiering workstation. Funding for this hardware will be budgeted in the Harbor operating budget for FY 12/13. Not included in the Phase 5 project are costs for kiosks. Funding for kiosks will be brought forth in future operating budgets.

4. On June 22, 2011, the City Council approved an agreement with Vavrinek, Trine, Day & Co., LLP, in the amount of \$622,980 for three years of accounting services. Amendment 1 in the amount of \$40,000 includes revamping and documenting the bank receipting system.

Bank Receipting System The outsourcing of accounting services to Vavrinek, Trine, Day & Co. LLP has greatly benefited the City due to the firm's wealth of expertise and knowledge on "proving cash" to the bank statements and reconciling the general ledger. However, this task continues to be a challenging project as the City is constantly evolving its revenue collection process via implementation of new cashiering system, various payment options including lockbox, on-line payments, and outsourced vendors. There is additional work required to finalize this process and proactively address the new revenue collection features in Phase 5. The total cost will not exceed \$40,000, and funding will come from existing Finance budget.

While not a cost for the Phase 5 project, staff is proposing to set aside \$50,000 for upcoming Phase 6 system upgrade to the 9.0.2 version. The City has gotten significant mileage out of the 8.12 version which was installed in 2008, but as with any software application, evolving technology has necessitated the need to plan for future modifications. A very preliminary estimate for this upgrade is in the \$325,000-\$350,000 range, and wouldn't be necessary until FY 13/14. Establishing a reserve account is a prudent step to finance this cost.

The total cost of Phase 5 is \$368,890, of which \$334,540 will be funded in FY 11/12 and \$34,350 will be funded in the FY 12/13 operating budget. Total cost of the professional services agreements is \$306,090. Phase 5 is scheduled to commence in March 2012 with completion by November 2012.

**FISCAL IMPACT**

The total cost of Phase 5 is \$368,890. Information Services internal service fund 814 has \$410,672 in unassigned fund balance account 841.3100.0002. Of the unassigned fund balance, \$142,000 will be appropriated for Phase 5 and \$50,000 will be designated towards the Phase 6 Oracle 9.0.2 upgrade for a total appropriation of \$192,000. In accordance with Administrative Directive 37, there are sufficient reserves set aside in the IT fund and the \$410,672 is over and above that amount. The total cost of Phase 5 for fiscal year 11/12 is requested to be appropriated from the following accounts:

<b>Description</b>	<b>Transfer From</b>	<b>Appropriate To</b>	<b>Amount</b>
<b><u>FY 11/12</u></b>			
Oracle System Tools Upgrade (Value Strategies)	841.3100 (I/T Fund Balance)	200010101.5704	\$28,000
License TRAKIT (CRW)	841.3100 (I/T Fund Balance)	200010101.5704	\$79,000
Harbor/Prop Mgmt Billing (Value Strategies)	624010101.5305 (Harbor)	200010101.5704	\$22,270
	(already funded in Finance)	200010101.5704	\$22,270
Active Connector Software (Active Network)	(already funded in Finance)	200010101.5704	\$53,720
Bank Receipting System (VTD)	(already funded in Finance)	200010101.5704	\$40,000
Time Entry Project (Value Strategies)	500010101.5305 (Police)	200010101.5704	\$26,480
City Hardware Purchases	841.3100 (I/T Fund Balance)	200010101.5704	\$35,000
Contingency (7.5%)	211010101.5105	200010101.5704	<u>\$27,800</u>
	(Finance vacant position)		
	<b>Total FY 11/12</b>		<b>\$334,540</b>
<b><u>FY 12/13</u></b>			
Cashier workstations (Active Network)			
	Parks & Recreation (5 stations)	TBD	\$28,625
	Harbor (1 station)	TBD	<u>\$5,725</u>
	<b>Total FY 12/13</b>		<b>\$34,350</b>
		<b>TOTAL PHASE 5 PROJECT</b>	<b>\$368,890</b>

**COMMISSION OR COMMITTEE REPORT**

Does not apply.

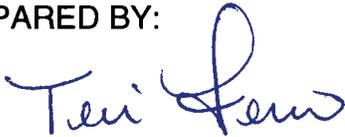
**CITY ATTORNEY'S ANALYSIS**

The referenced documents have been reviewed by the City Attorney and approved as to form.

**RECOMMENDATION**

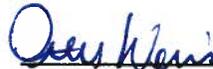
Staff recommends that the City Council approve Amendment 1 in an amount not to exceed \$99,020 to the Professional Services Agreement with Value Strategies, LLC; approve Amendment 4 in an amount not to exceed \$79,000 to the Professional Services Agreement with CRW Systems, Inc., of San Diego; approve Amendment 1 in an amount not to exceed \$88,070 to the Professional Services Agreement with The Active Network; and approve Amendment 1 in an amount not to exceed \$40,000 to the Professional Services Agreement with Vavrinek, Trine, Day & Co., LLP, for implementation of Phase 5 functions to the Financial Services Departments' Oracle System and associated software, upgrades, and training; approve hardware purchases in an amount not to exceed \$35,000; approve funding of overall project contingencies in an amount not to exceed \$27,800; establish Oracle Phase 6 project contingencies in the amount of \$50,000; and authorize the City Manager to execute the amendments.

PREPARED BY:



Teri Ferro  
Financial Services Director

SUBMITTED BY:



Peter A. Weiss  
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager

Frank McCoy, Chief of Police

Margery Pierce, Neighborhood Services Director

Frank Quan, Harbor & Beaches Coordinator

Michael Sherwood, Chief Information Officer


ATTACHMENTS:

- PSA Amendment 1 with Value Strategies, LLC
- PSA Amendment 4 with CRW Systems, Inc.
- PSA Amendment 1 with Active Network
- PSA Amendment 1 with Vavrinek, Trine, Day & Co., LLP

**CITY OF OCEANSIDE**  
**AMENDMENT 1 TO**  
**PROFESSIONAL SERVICES AGREEMENT**

**PROJECT: ORACLE-JD EDWARDS SOFTWARE IMPROVEMENTS**

THIS AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (hereinafter "Amendment"), dated February 1, 2012 for identification purposes, is made and entered into by and between the CITY OF OCEANSIDE, a municipal corporation, hereinafter designated as "CITY", and Value Strategies LLC of Carlsbad, California, hereinafter designated as "CONSULTANT."

**RECITALS**

WHEREAS, City and Consultant are the parties to that certain Professional Services Agreement dated December 1, 2011, hereinafter referred to as the "Agreement", wherein Consultant agreed to provide certain services to the City as set forth therein;

**AMENDMENT**

NOW, THEREFORE, as set forth herein, the parties hereto do mutually agree that the Agreement shall be amended as follows:

1. Scope of Work will include the following key tasks as identified on the proposal dated December 21, 2011 (attached):
  - a. Oracle/JDE Tools Release and Disaster Recovery Update - \$28,000
  - b. Property and Marina Financial Management Project - \$44,540
  - c. Police Department Time Entry Project - \$26,480
2. Compensation for this scope of work shall not exceed \$99,020
3. Completion of the scope of work is no later than November 30, 2012
4. Except as expressly set forth in this Amendment, the Agreement shall remain in full force and effect and is hereby ratified and reaffirmed.

**SIGNATURES**. The individuals executing this Amendment represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Amendment on behalf of the respective legal entities of the CONSULTANT and the CITY.

IN WITNESS WHEREOF the parties hereto being duly authorized on behalf of their respective entities to execute this Amendment, do hereby agree to the covenants contained in the Agreement, including this Amendment and have caused this Amendment to be executed by setting hereunto their signatures on the dates set forth below.

ORACLE – JD EDWARDS SOFTWARE IMPROVEMENTS

VALUE STRATEGIES LLC.

CITY OF OCEANSIDE

By:

*Duane Varnum, President*  
Name/Title DUANE VARNUM, PRESIDENT

By:

Peter Weiss, City Manager

Date:

JANUARY 18, 2012

Date:

By:

Name/Title

APPROVED AS TO FORM:

Date:

20-5851134  
Employer ID No.

*John P. Mullen*  
City Attorney

**NOTARY ACKNOWLEDGMENTS OF CONSULTANT MUST BE ATTACHED.**



*Diane Laurie Giblin*

**City of Oceanside: Project Proposal for  
Oracle Tools Release Installation  
Property and Marina Financial Management  
Police Department Time Entry**

**Providing:  
Improved Financial Efficiencies  
Labor Cost Reductions  
System-wide Improvements**

**December 20, 2011**

**Prepared by:**

**Duane Varnum  
Founder and President  
Value Strategies LLC**

December 20, 2011

Ms. Teri Ferro  
Director of Financial Services  
City of Oceanside  
300 N. Coast Highway  
Oceanside, CA 92054

Dear Teri,

We are excited to present this proposal which deepens the five year relationship I have enjoyed with the City of Oceanside. This proposal provides services which will strongly enhance value received by the City from its Oracle/JDE system. Value results from using the existing software to more effectively manage additional City business processes.

Improved management and control of financial operations related to City owned properties and marina operations is desirable. We are aware the City is actively seeking ways to streamline operations and reduce manual labor costs. The proposed trio of projects will help the City achieve both of those objectives and others as well.

Using Oracle/JDE will raise Finance Department control over revenue collection and crediting processes. Direct integration of journal entries and General Ledger updates eliminates the need for an interface. Oracle/JDE enhances flexibility to quickly adjust fees and roll them out effectively. Revenue flows to the City will be streamlined.

We propose to implement the Time Entry capabilities of Employee Self Service in Oracle/JD Edwards. This will alleviate the manual labor intensive employee time entry process currently used by the Police Department. Cutting labor costs from routine operations will create new efficiencies in adjacent business areas.

After our initial "as is" process discussion and requirements review, we are certain ESS Time Entry will greatly reduce the labor cost of getting employee time records into JD Edwards. This will allow better allocation of personnel resources with improved accuracy of time recording due to fewer opportunities for mistakes.

Fortunately, our team of consultants has deep experience at City of Oceanside. Jon Auger, Kevin Yeaman and Adam Fleck have created proven value to the City in recent years. Their knowledge and expertise allow them to quickly deliver excellent results in the most efficient time possible.

As you have come to expect, I offer a level of personal service with our team members that creates confidence in our recommendations. I plan to continue that level of support and service as we continue our relationship this year and next.

As usual, there may be some unknowns that come up during the course of these projects as design specifications are finalized. However, we are confident that good planning and management will enable these projects to bring strong initial and future benefits to the City. We look forward to starting on these improvements as soon as possible.

Very truly yours,

A handwritten signature in black ink, appearing to read "Duane Varnum". The signature is written in a cursive, flowing style.

Duane Varnum  
Founder & President  
Value Strategies LLC

**Proposal Content**

**1. Oracle/JDE Tools Release and Disaster Recovery Update:**

- Purpose
- Scope of Work
- Deliverables
- Project Cost

**2. Property and Marina Financial Management Project:**

- Summary of Understanding: Goals, Objectives, Current process/problems
- Project Methodology
- Scope of Work
- Caveats and Requirements
- Deliverables
- Project Costs

**3. Police Department Time Entry Project**

- Summary of Understanding: Goals, Objectives, Current Process/Problems.
- Project Methodology
- Scope of Work
- Caveats and Requirements
- Deliverables
- Project Costs

**Sequence and Timeline of Projects:**

**Overview of Value Strategies LLC**

**Resumes of Consultants and Founder**

**City of Oceanside Project Proposal  
Tools Upgrade for Oracle/JDE and Disaster Recovery Update**

**Project:** A) Complete a Tools Release upgrade to the latest Release available for the currently installed version of Oracle/JDE. The new release level will be 8.98, Update 4, Service Pack 6. B) Update Disaster Recovery configuration to currency and test.

**Purpose:** “Tools” provide the underlying technology for Oracle/JDE Applications. Tools Releases provide useful enhancements plus fixes to software problems between application system upgrades. This Release includes:

- Security Administration improvements
- End User productivity improvements.
- Support for Apple iPad access.
- Improvements in Reporting and Workflow
- Improved System Administration tools

**Scope of Work:**

Tools Release Upgrades Include:

Preparation:

1. Initial auditing of system
2. Prepare Project Plan
3. Designate Start Date

Work Elements (Beginning on Start Date):

1. Check Disk Space Requirements
2. Download and Review latest Tools Release
3. Review latest Operating System PTFs and Minimum Tech Requirements
4. Review Test Plan (Testing to be client responsibility)
5. Finalize project plan.
6. Do the installation and set-up

Oracle Disaster Recovery Update:

- Bring up to date to include all current software objects and specifications
- Build process to stay in synch over long term
- Test the Oracle Disaster Recovery system

**Deliverables:**

1. Written Project Plan, draft and final.
2. Installation of Tools 8.98.4.6 to all environments
3. Knowledge Transfer as needed via training and documentation
4. Tested DR System
5. DR Procedures Document

**Project Cost:**

The work hours for the Tools upgrade are estimated at 120 at a rate of \$145 per hour. The work hours for the Disaster Recovery updating are estimated at 40 hours.

Taken together, the proposed cost of this project is: **\$28,000.**

**City of Oceanside Project Proposal  
Property and Marina Financial Management**

**Statement of Understanding (Goals, Objectives, Problems):**

- City of Oceanside desires to move the financial management elements of its Property Leasing and Marina Boat Slip Accounts Receivable processing to its Oracle/JDE system.
- City sees greater financial efficiency and control with improved management of sources of revenue and the timing of collections.
- City sees gains from a higher level of financial control with this change.
  - Slip fees and other recurring revenues could be posted directly into the Oracle/JDE financial system with no delay or data integration issues.
  - Adjustments to fees that affect revenue to the City could be made quickly and directly without integration concerns.
  - This set-up will integrate with existing Cashier System.

**Methodology and Work:**

- Design:
  - Consultant time needed to build on the initial meeting to completely understand the “As is” process. Consultant may determine he has enough information about this and the time will be minimal.
  - Consultant time needed to design specific attributes of the future “To be” process.
    - What will it do?
    - How will it work?
    - What features will it include?
- Consultant work time for meetings to validate requirements. Must ensure “this is what we want” and that all parties approve it.
- Consultants will work with team members from Property Management and the Harbor Department.
- Then, other decisions can be made:
  - How the foundation configuration will meet all of our needs.
  - Should we add features that require programming, or defer them until later?
  - What are time estimates for the next set of capabilities?
- Configuration: Consultant then performs set-up work (processing options, AAIs, User defined codes, etc.) to enable the system to function as agreed to.
- Training and Testing:
  - Consultant testing – testing done by consultant as part of final phase of configuration work (Unit testing).
  - End-2-End/User Acceptance Testing:
    - Done by City personnel who will be using system.
    - Training will precede and intermix with the testing.
    - Consultant monitors users using scripts created during configuration.

- “Go-Live”: Upon completion and approval of system operation processes.
  - New set-up is placed into the production environment
  - Consultant monitors use. Provides additional support.
  - Available for any needed adjustments.
  - Consultant writes list of future desired features to cover extra requests and requirements that come up during training, testing and “go-live”.
- Three people from Finance will be trained to use the set-up.
- Founder and President of Value Strategies will continuously serve as project coordinator to assure City of Oceanside satisfaction with the outcome.
  - Able to coordinate all facets of the project from end to end.

### **Scope:**

- Moving the financial elements of City’s Property and Marina Management software to operate on City’s Oracle/JDE platform.
  - Incorporating the work in the Methodology steps above into the project.
- Replacing Marina Software or Property Mgmt software is not a part of the scope.

### **Caveats and Requirements:**

- City prefers to use consultants who have worked on City’s Oracle/JDE system in the recent past.
  - *Consultant Adam Fleck has worked on City’s system since 2010.*
- Consultants should have deep experience with Oracle/JDE, and with the City’s current implementation of it. (*Adam Fleck has over 12 years of experience*)
- Approach of creating a “Foundation” then adding features to it in the future is desirable. (*Coincides exactly with Team’s approach*).
- Very important that we all agree on:
  - What the new configuration will do?
  - How the new configuration will work?
  - What features will be included?
  - What features if any will be deferred?
- These questions will be answered in the “Design Phase” of the new configuration.
  - Phase will conclude when approval of the configuration set-up is reached.
- Upgradable:
  - Design the configuration with minimal need for customization.
  - Configurations must move up with a future upgrade.
  - (*Coincides exactly with Team’s approach*).
- We will need two phases of testing.
  - The first phase will be testing the consultant does himself as the last part of configuration.
  - The second will be User Acceptance Testing which will be monitored by the consultant and conducted by City staff that will use the system.
- Very important to have City personnel commit time to the project as indicated on the Estimate Spreadsheet.
  - Review vacation schedules of Project team participants for best scheduling
  - Collect other information that will ensure the success of the project

**Deliverables:**

- A fully configured foundation process for operating the Accounts Receivable processes on the Oracle/JDE platform.
- Documentation of the configuration.
- Trained set of three initial Finance Department users.

**Project Costs:**

- Value Strategies constructed a “Project Estimate” of potential costs to migrate Property and Marina Financials to Oracle/JDE.
  - Estimate is based on consultant knowledge and experience with phases and steps of a typical module and process configuration.
- Please see the enclosed estimate pages which present the anticipated costs:
  - The five week minimum configuration cost
  - The potential programming expense if an entire week is needed.
- Estimated City personnel time requirements are indicated.
- The estimated configuration time for the project is five weeks or 200 hours.
  - An additional 40 hours of programming is included.
- Total estimated cost of the project is: **\$44,540**

**City of Oceanside  
Lease-Property-Marina Mgmt  
Project**

Leased Property -Marina Mgmt. Project Cost. Adam Fleck. (All hours are T&M)	Prime Responsibility	City Hours Rqrd	Cnsltng Hourly Rate:	Cnsltng Hours Estmte	Design Rqrmnts	Set-up Configure	Test E2E/UAT	Train Document	Pre & Post Go-Live Support
Time into Project					1st Week	2nd-3rd Week	4th Week	5th Week	6th Week
<b>Project Planning</b> Construct Project Schedule:	Cnsltnt	1	\$185	2					
<b>Project Activities:</b> 1. Perform Design Analysis: "As Is" vs. "To Be" on business functions. Decide which new functions are needed. Determine if customizations will be needed.	Cnsltnt / City	4		8					
	Cnsltnt			2					
Project Design and Review Design with Business Users. Refine Estimated Config./Set-up hours: Total for Plan, Design and Review Phase:	Cnsltnt / City	4	\$185	12 24	\$4,440				
	Cnsltnt								
<b>2. Configure new set-ups to accomplish Lease; Property and Marina Management processes</b>	Cnsltnt	8	\$185	112		\$20,720			
<b>2A. Consultant Functional Testing of Configured Processes during and after configuration</b> Prepare & Execute Scripts / Perform Testing.	Cnsltnt		\$185	16			\$2,960		
	Cnsltnt								
<b>3. E2E/UAT Integrated System Testing:</b> Execute Testing. Consultant Monitoring	City	16	\$185	16			\$2,960		
	Cnsltnt								
4. Train and Document Training	Cnsltnt	8	\$185	16				\$2,960	
	City								
<b>5. GO Live Support</b>	Cnsltnt		\$185	16					\$2,960
<b>Estimated Totals by Phase (Green tinted cells):</b>		41		200	\$4,440	\$20,720	\$5,920	\$2,960	\$2,960

Potential minimum for Lease/ Prop/ Marina Mgmt <u>IF no programming needed:</u>					\$37,000
<b>Possible Required Programming Support:</b> (Undefined at this point)					
Functional Consultant prepares Functional Specification:	Cnsltnt	\$185	4	\$740	\$740
Includes hours estimates for programming				↑	
Programming of needed customizations: (Estimated hours) <i>Allowing up to 40:</i>	Prgmr	\$170	40	\$6,800	\$6,800
				↑	
	<b>Sub-Total for 40 hours Programming:</b>				\$7,540
Foundation Cost for Lease/ Property/Marina Mgmt Project <b>with Programming included:</b>					\$44,540

**City of Oceanside Project Proposal  
Police Department Time Entry**

**Statement of Understanding: Goals, Objectives, Problems).**

- City of Oceanside is interested in ways to improve efficiencies, streamline operations and cut related labor costs.
- City realizes the City Police Department is burdened by a cumbersome and labor intensive, paper based method of recording employee work time.
  - Employee work time data is re-keyed multiple times to get it into JD Edwards.
  - Manual copying of time sheets is done to prepare them for data keying.
- Large gains are available by replacing this “As is” payroll operations process:
  - Employee work time copy typed into Excel from handwritten timesheets.
  - Timesheets with overtime are printed out from Excel onto two pages.
  - The two pages are hand copied onto one side.
  - Overtime is hand typed into a separate document.
  - Workflow: To Supervisor for approval, then to Office Specialist and finally to Payroll Specialist. A package is created for City Payroll Dept.
  - Payroll data is re-keyed into JD Edwards (each re-keying is an opportunity for mistakes).
  - Every Monday timesheet adjustments are made (after proofreading).
- Replacing this process with ESS Time Entry offers:
  - Opportunity to free up many hours of labor time for other work.
    - Eliminates re-keying of time data.
    - High potential for reallocation of personnel due to new automated processes.
  - Convenience: Fits well with identified payroll processes in the Department while replacing the labor intensive steps involved.
    - Could work with hand held devices such as iPad.
  - Responsive and Reliable: Adapts to need for payroll approvals and delegation to cover unavailable approvers.
    - Maintains employee time data and pays employees via structured approval/delegation process.
  - Functions for both Exempt and Non-Exempt employees.
  - Ease of Use: Uses online time entry screens which can be customized to remove unneeded input boxes to simplify use.
- Approach of creating a “Foundation” then adding features to it in the future is desirable. Other features could be added after the system and process gains initial acceptance. End-user input to this will be valuable.
- Consultant will work closely with representatives from City of Oceanside Police Department.

**Methodology and Work:**

- **Process Design Phase:**
  - Includes Consultant time needed to build on our first meeting to completely understand the existing process. Consultant may determine he has enough information about this and the time will be minimal.
  - Consultant time needed to design specific attributes of the new process in ESS:
    - What will it do?
    - How will it work?
    - What features will it include?
- **Consultant meeting time for validation of requirements. Must ensure “this is what we want” and that all parties approve it.**
  - Then, other decisions can be made:
    - Will the foundation configuration meet all City needs?
    - Should we add features that require programming, or defer them until later?
    - What are time estimates to configure other “nice to have” capabilities?
  - Design Phase concludes when an “agreed upon” configuration has been approved.
- **Configuration:** Consultant then performs set-up work (processing options, AAI, codes, etc.) to enable the system to function as agreed to. This occurs during second week.
- **Training and Testing:**
  - Consultant testing – testing done by consultant as part of final part of configuration work.
  - End 2 End/User Acceptance Testing:
    - Done by City personnel who will be using system.
    - Training will precede and intermix with the testing.
    - Consultant monitors users using scripts created during configuration.
  - A training plan will be developed to train all user members of the Police Department.
  - Initial thought is to start with Test Group, then roll out to entire Department.
- **“Go-Live”:** Upon completion and approval of system operation processes.
  - The new configuration is placed into production
  - Consultant monitors use. Provides additional support.
  - Provides any needed adjustments.
- **Founder and President of Value Strategies will continuously serve as project coordinator to assure City of Oceanside satisfaction with the outcome.**
  - Able to coordinate all facets of the project from end to end.

**Scope**

- Design, configure and set-up the Time Entry sub-module of the Employee Self Service module of Oracle/JDE for use by City of Oceanside Police Department.
- Other City Departments are not a part of this project.
- Test and Train on the new configuration and place configuration into productive use.
- Other sub-modules of Employee Self Service are not a part of this project.

**Caveats and Requirements**

- City desires to use consultants who have deep experience with EnterpriseOne, and with the City's current implementation of it.
  - *Team member Kevin Yeaman began work with City in 2008.*
- City prefers to use consultants who have deep experience with EnterpriseOne HR Module and ESS in particular, and with the City's current implementation of it.
  - Consultant should understand "grant" structures and processes.
  - *Kevin Yeaman has over twelve years experience with Oracle/JDE.*
- Very important that we all agree on:
  - What the new configuration will do?
  - How the new configuration will work?
  - What features will be included?
  - What features will be deferred?
- These questions will be answered in the "Design Phase" of the new configuration.
  - This phase will conclude when approval of the configuration process is reached.
- Upgradable: Configurations must move up with a future upgrade
  - Programming work should be limited to simple customizations.
  - Programming can be added to the new process at any time.
  - *Coincides exactly with Team's approach.*
- We will need two phases of testing.
  - The first phase will be testing the consultant does himself as the last part of configuration.
  - The second will be User Acceptance Testing which will be monitored by the consultant and conducted by City staff that will use the system.
- Very important to have final system be simple to use for end-users (Police Officers). May want to reduce screen choices via simple customizations.
- Very important to have City personnel time commitments to the project as indicated on the Estimate Spreadsheet.
  - Review vacation schedules of Project team participants for best scheduling
- Police Department can continue to identify requirements and get them into written form up to point where "Design Phase is closed. Value Strategies available to help with this.

**Deliverables**

- A fully functioning Employee Time Entry configuration to replace the cumbersome paper based method of collecting work hours data in JD Edwards.

- Documentation of the system.
- A set of trained users to initially test the system.
  - A “Train the Trainer” approach to individual officer training.

**Project Costs:**

- Project cost is based on consultant knowledge and experience with phases and steps of a typical ESS module and process configuration.
  - The project calls for an initial 86 hours of consultant time over four weeks to deliver a working system, without programming.
  - Programming costs will depend upon design phase specifications and are allowed for from zero to 16 hours as/if needed.
- Estimate is based on consultant knowledge and experience with phases and steps of a typical JD Edwards module and process configuration.
  - Consultant is an experienced implementer of ESS
- Please see the enclosed estimate pages which present the anticipated costs:
  - The 86 hour minimum configuration cost
  - The potential programming expense if several days are needed.
  - An additional week of configuration available for partial or complete use if needed to fulfill requirements or for programming.
- Estimated City personnel time requirements are indicated.
- Total estimated cost of the project is: **\$26,480**

Employee Self Service Time Entry Project Cost. Kevin Yeaman. (All hours are T&M)	Prime Responsibility	City Hours Rqrd	Cnsltnt Hourly Rate	Cnsltnt Hours Estmt	Design Rqmnts	Set-up Configure	Test E2E/UAT	Train/Document	Pre & Post Go-Live Support
Time into Project					1st Week	2nd Week	3rd Week	3rd Week	4th Week
<b>Project Planning</b>									
Construct Detailed Project Schedule	Cnsltnt	1	\$180	2					
<b>Project Activities:</b>									
1. <b>Perform Design Analysis:</b> "As Is" vs. "To Be" on business functions. Decide which new functions are needed. (Requirements Defn) Determine if customizations will be needed. Design and Review Design with Business Users. Refine Estimated Config/Set-up hours:	Cnsltnt / City	4		8					
	Cnsltnt			2					
	Cnsltnt / City	4	\$180	10					
Total for Plan, Design and Review Phase:				22	\$3,960				
2. Configure new set-ups to accomplish ESS Time Entry processes: Document the selected business process functional improvements	Cnsltnt		\$180	16		\$2,880			
2A. Consultant Functional testing of configured processes: Prepare & Execute Scripts / Perform Testing. Demo System to Business Users	Cnsltnt								
	Cnsltnt		\$180	16		\$2,880			
	City	3							
3. E2E/UAT Integrated System Testing: Execute Testing.	City								
	City	16							
Consultant Monitoring	Cnsltnt		\$180	16			\$2,880		
4. Train and Document	Cnsltnt	8	\$180	8			\$1,440		
5. GO Live Support	Cnsltnt		\$180	8					\$1,440
Estimated Totals by Phase (Green tinted cells):				86	\$3,960	\$5,760	\$2,880	\$1,440	\$1,440
<b>Potential minimum for ESS Time Entry Pre-Programming</b>		36	\$180	86					\$15,480

<b>1. Any Required Programming Activities:</b>				
<b>Custom screens, features, etc.</b>				
Functional Consultant (Yeaman) prepares Functional Specification:	Cnsltnt	\$180	6	\$1,080 
Includes hours estimates for programming Programming of needed Features. (Estimated Hours)	Prgmr	\$170	16	\$2,720 
<b>Potential minimum</b> for ESS Time Entry with Programming included: <b>\$19,280</b>				
<b>Contingency Items and Time:</b>				
<b>Additional time to fill potential additional requirements</b>				
1. Additional Training needed (for second or third groups of trainees)		\$180	8	\$1,440
2. Additional Go-Live Support needed		\$180	16	Up to \$2,880
3. Additional programming needed:		\$170	16	Up to \$2,720
<b>Estimate for ESS Time Entry Project: \$26,320</b>				

**Projects Implementation Sequence and Timeline:**

- The Tools Release Project will be first. Could start in February and run through April.
- The Time Entry Project will follow. Starting in April, completing in August.
  - A sample time line is included on the Project Cost spreadsheet.
- The Property & Marina Financials Project could start in May and complete in July.
  - A sample time line is included on the Project Cost spreadsheet.

**Overview of Company**

Value Strategies is a “Vietnam era veteran – minority owned” local small business providing functional consulting, technical improvements, programming and selected products to organizations using Oracle/JD Edwards software. **See attached overview.**

**Consulting Team Members**

- Jon Auger
  - Started with City projects in 2007
  - Provide Technical Software work for Tools Release upgrade.
  - See resume included
- Kevin Yeaman
  - Started with City projects in 2008
  - Provides HR and Payroll expertise for ESS Time Entry project
  - See resume included
- Adam Fleck
  - Started with City projects in 2010
  - Provided Lease/Contract/Financial Mgmt expertise for project
  - See resume included

This Value Strategies team is available to start on this trio of projects as soon as agreement approval is reached. We work expeditiously to deliver improved operations results in the shortest possible time. We are excited to have the role of delivering these improvements while working with the many fine people we have met at City of Oceanside.

Please advise us of the next needed steps to move these projects forward.

Thank you,



Duane Varnum  
Founder and President

## About Value Strategies LLC

### Conducts Technology Projects that:

**Activate dormant JD Edwards functions resulting in increased value to client companies. Operates Consulting Project Teams for engagements from staff of:**

- Functional Experts for any JD Edwards software module (World & E1)
- Programmers for both World and Enterprise One
- World and Enterprise One Software Technical Experts
- Integration of disparate systems via services and products

### Founder, Duane Varnum:

- Technology business since 1972
  - IBM, Computer Sciences Corp. (CSC), Sterling Software, Litton Industries
- Software business since 1982
  - Product Development Manager; Product Director; VP & GM - \$3B company.
  - ERP implementations, B2B Exchanges, e-Commerce Solutions
  - System Outsourcing and SaaS applications
- Direct connections with JD Edwards Senior Management
- Personally coordinates and manages all projects

### Business Milestones: Founded 2005

1. First commercial upgrade from A73 to A91 on West Coast (2007).
2. Pioneered Remote Upgrade Process for EnterpriseOne 9.0.
3. Upgrade to A92 for billion dollar company.
4. Pioneered process for wireless access to JDE by SmartPhones and Blackberry.

**Average Client Tenure: 3.5 years.**

### Clients include:

- A nationwide 450 store Food Retailer
- A 150 year old steel and recycling company  
(CIO is former President of Quest National JDE User Group)
- A Berkshire Hathaway (Warren Buffet) owned building materials company
- A billion dollar construction company
- A major division of a \$3B service company
- A national plumbing equipment manufacturer
- A national food processing machine manufacturer
- Two major pharmaceutical companies
- Three city governments
- Three municipal water districts
- Three major homebuilding companies

**Geographic Coverage:** CA, AZ, CO, TX, MT, UT.

### Offers Software Products that:

1. Fix reporting deficiencies within JD Edwards. Only product originally built for JD Edwards. 180 JDE company customers world-wide. Nine VS client companies use it.
2. Enable JD Edwards to exchange data with all other applications and ERP systems including SAP and products such as SharePoint, Siebel and Agile.
3. Provide electronic Certified Payroll Processing and validation.
4. Provide a friendly front end to otherwise difficult JD Edwards security features.

**Jonathan S. Auger, Software Technical Expert**

**2007 - 2011 Highlights:**

- Complete new implementation EnterpriseOne with all Oracle tools.
- Two Xe to EnterpriseOne 9.0 upgrades
- EnterpriseOne 8.10 to 8.12 upgrade. Installed Tools 8.97.
- World A73 migration to EnterpriseOne 8.12. Installed Tools 8.97.
- Two World A73 upgrades to World A91
- World A73 migration to EnterpriseOne 8.11 Sp1
- SP23 tools upgrade for EnterpriseOne 8.0
- World A73 upgrade from CUM 10 to CUM 16
- JD Edwards B7332 to Enterprise One 8.10
- Tools 8.96 upgrade for EnterpriseOne 8.10

**Technical Experience Highlights:**

- Lead HQ Upgrade / Migration Strategist with JD Edwards.
- Implemented initial coexistence installs and Migration Programs.
- Executed first ever co-existence to OneWorld / E1 v. 8.0 migration.
- Created custom direct conversion methodologies, including World A73 to EnterpriseOne 8.11 AND 8.12; AS400 RISC to SQL Server conversions.
- Executed all data conversion sets, including DD Sync, DB Triggers; Report Conversion Tools.

**Sample Consulting Engagements (After leaving JD Edwards)**

<b>Molina Healthcare</b>	<ul style="list-style-type: none"> <li>▪ <b>Installation of E1 9.1</b></li> <li>▪ <b>Conversion from OAS to Weblogic</b></li> </ul>
<b>Sundt Construction Co. Tucson, AZ</b>	<ul style="list-style-type: none"> <li>▪ <b>A73 to A92.1 upgrade for World Software</b></li> </ul>
<b>Pacific Steel &amp; Recycling, Dave Richards, CIO, (President of Quest: JDE Nat'l Users Group)</b>	<ul style="list-style-type: none"> <li>▪ <b>Upgrade E1 from Xe to 9.0.</b> Done with only one on-site meeting. Six week software upgrade process plus 12 weeks support for functional and programmer work.</li> </ul>
<b>City of Oceanside, CA</b>	<ul style="list-style-type: none"> <li>▪ <b>Upgrade E1 8.10 to E1 8.12.</b> Project Plan; infrastructure build; software upgrade; go-live process. 2008-2009.</li> </ul>
<b>Clarion Corp. of America Cypress, CA</b>	<ul style="list-style-type: none"> <li>▪ <b>Upgrade World A73 to World A91 and A92.</b> Project Plan; software install; go-live process.</li> </ul>
<b>Jenny Craig, Inc. Carlsbad, CA</b>	<ul style="list-style-type: none"> <li>▪ <b>Upgrade A73 to World A91</b></li> <li>▪ <b>Integration interface World A91 to Siebel System</b></li> </ul>
<b>Tiffany &amp; Co., Inc. New York, NY</b>	<ul style="list-style-type: none"> <li>▪ <b>Upgrade to E1 8.12</b></li> <li>▪ <b>Security: Set-up SOD project for JD Edwards E1</b></li> </ul>
<b>Pacific Steel &amp; Recycling, Dave Richards, CIO, (President of Quest: JDE Nat'l Users Group)</b>	<ul style="list-style-type: none"> <li>▪ <b>Set-up / execute Archive – Purge Process.</b></li> <li>▪ <b>Create archive data environment, set-up archive, purge and retrieval routines.</b></li> <li>▪ <b>Documentation and knowledge transfer.</b></li> </ul>
<b>Washington REIT Rockville, MD</b>	<ul style="list-style-type: none"> <li>▪ <b>World A73 migration/upgrade to EnterpriseOne 8.12</b></li> </ul>
<b>W.L. Gore, Inc. ("Gore-tex")</b>	<ul style="list-style-type: none"> <li>▪ <b>World A73 migration/upgrade to Ent.One 8.11 SP1.</b></li> <li>▪ <b>Archive - purge set-up and implementation supporting third party archive software product.</b></li> </ul>

## Value Strategies LLC

"Squeezing value out of JDE"

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<b>Sundt Construction Co. Tucson, AZ</b>	<ul style="list-style-type: none"><li>▪ CUM 9 to CUM 16 upgrade for JDE World</li><li>▪ Record - field level integration of web based HR benefits management service (Ultralink) back to World System. Creates ESS for World.</li></ul>
<b>University Mechanical &amp; Engineering Contractors San Diego, CA</b>	<ul style="list-style-type: none"><li>▪ SP 23 upgrade for EnterpriseOne 8.0.</li><li>▪ Build packages; refresh data and synchs; system fixes. Year-end ESUs. Troubleshooting.</li></ul>
<b>W.C. Wood Co., Canada</b>	Planned and executed infrastructure move to new Hardware. Reconfigured Web Servers, setup Multiple Foundation, install new Tools Releases, add new Enterprise Server and perform the Go-Live script.
<b>Gerrie Electric –</b>	<b>Upgraded</b> JD Edwards Xe to Enterprise One 8.10.
<b>Morguard Investments Limited</b>	Installed and configured JD Edwards Enterprise One 8.10 to run payroll / HR systems. Set up Security.
<b>Kinross Gold Mines –</b>	Led <b>upgrade</b> project from Xe to E1 8.10. Setup Security
<b>Autoliv - Ogden, UT</b>	Created two phased approach for World to E1 8.10 <b>upgrade</b> .
<b>J.D. Irving, Canada –</b>	Developed / executing Performance, Security, Change Management and custom development for coexistence.
<b>Orange County Sanitation District</b>	Migrated World systems to OneWorld Xe Web and Work Flow.
<b>New Jersey Auto Club –</b>	Executed data migration from CISC to RISC to SQL Server. Installed new software, applied Migration PTF, configured CNC design.
<b>Seattle Housing Authority</b>	Executed A81 to OneWorld Xe migration.
<b>Alameda County Water District –</b>	Designed and executed a direct conversion from A73 c7 to ERP 8.0. Configured the CNC environment.
<b>Amalgamated Sugar -</b>	Executed first ever A73 to ERP 8.0 migration / upgrade. Created technical documentation and formal training.
<b>Lennar Corp</b>	On site and remote support for the OneWorld Xe Homebuilder Beta. Configured high availability structure, installed coexistence, trouble-shooting CNC, and knowledge transfer to staff for system admin.
<b>Olympus Camera</b>	Installed World/Xe coexistence. Implemented OneWorld Customer Self Service and Portal.
<b>Vornado Reality</b>	Planned / led <u>first migration</u> from World to ERP 8.0 SQL Server Platform. Led environment consolidation and migration to a new iSeries model.

### Technical Evangelist while at JD Edwards:

- Presenter at IBM, PeopleSoft, and JD Edwards User Conferences.
- Trusted advisor to JDE clients for planning of corporate-wide initiatives.
- Co-authored **IBM Redbook: J.D. Edwards OneWorld Implementation for AS/400**.
- Continued active connections with Oracle JD Edwards personnel (Develops content for specialized seminars and web events).

### **Education:**

Brigham Young University – Information Systems - Bachelor of Science Degree

# Kevin L. Yeaman

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- Trained key users of payroll and HR.
- Provided go-live support for HR processes, time entry, and payroll processing.
- Created custom report design documents.

**Winner Associates, Inc.**      ◆      **Ft. Lauderdale, FL**      ◆      **Nov 2002 - July 2006**

**Senior HRM Business Analyst/Consultant** - led and participated in payroll and human resource management software implementations for large multinational businesses and public sector entities with between 100 and 26,000 employees. Key contributions included:

- Standardized key HR business processes for large metropolitan government operations and metropolitan schools operations to work with new business systems.
- Streamlined key business processes for Human Resources and Payroll departments of a government entity that resulted in increased efficiency and cost savings.
- Implemented JDE payroll for companies with between 100 and 26,000 employees.
- Converted HR and Payroll implementations from World Software to OneWorld Xe & Enterprise One 8.x.
- Experienced with World, OneWorld Xe, and Enterprise One 8.x HRM modules.
- Managed HR and Payroll implementations for entities with up to 26,000 employees.
- Provided detailed timelines, test-scripts, training, parallel process, custom end-user documentation, and go-live support.
- Wrote conversion specifications for HR and Payroll history, worked with developer to validate conversion program code, and worked with client team to validate converted data.
- Designed and wrote specifications for numerous custom programs and reports to meet business requirements.

**JD Edwards**      ◆      **Denver, CO**      ◆      **Jan 1989 - Nov 2002**

**Project/Client Manager** - managed and serviced successful multinational, multi-site projects that resulted in on-time and on-budget software implementations, which ranged from \$200k to \$1.5 million in implementation services.

**Business Analyst/Consultant** - led and participated in human Capital management and distribution software implementations for large multinational businesses and public sector entities. Responsibilities included writing process documentation, developing process improvement or reengineering recommendations to maximize efficiency and cost savings, and writing custom program and report specifications for development staff.

**Custom Documentation Services Manager** - built and managed a 1.5 million dollar per year custom documentation sales and service practice within the western sales and service area. These services included preparation of in-house policy, process, and procedure documentation, which focused on the improvement or reengineering of all affected processes. Project responsibilities included selling services, identifying project scope, estimating budget, assigning staff, and management reporting. All projects were completed on time and under budget.

**Project Specialist** - proposed and conducted an in-house project to eliminate all PC software licensing exposure and to catalog all PC assets company-wide. This project reduced company risk of federal fines by 2.5 million dollars in the span of one year.

**Marketing Specialist** - proposed, implemented, and managed a successful company-wide Marketing Computer Graphics Center that supported and furthered the advancement of all company sales presentation actives, which supported 300 million dollars in actual sales per year.

**Senior Documentation Specialist** - wrote the first Sales Order Management, Procurement Management, Inventory Management, Contract Management, and Human Resources and Payroll Management end-users manuals for JD Edwards software applications. The first two manuals, 800 plus pages of documentation, were completed in the first 5 months of employment.

BS Degree, University of North Texas, Denton, TX

# Kevin L. Yeaman

Denver, Colorado 80205

## Payroll & HCM Software Analyst/Consultant

Solutions-oriented HCM Business Systems Analyst/Consultant with notable success directing and implementing broad range IT initiatives in support of corporate business objectives via contract positions with organizations looking for an experienced leader.

- Managed both multi-site and multinational projects with a record of on-time and on-budget results.
- Demonstrated capacity to propose and implement innovative programs to drive sales, decrease exposure and risks, and increase revenue.
- Extensive experience in leading all stages of system development efforts, including scope and requirements definition, design, testing, and support.
- Outstanding leadership abilities; able to coordinate all phases of project-based efforts while managing, motivating, and guiding project teams.
- Adept at developing effective business policies and procedures, project documentation and milestones, technical and business specifications, and end-user guides and training materials.

### Core Competencies

- Project management
- Business impact analysis
- Regulatory adherence
- Risk assessment
- Process reengineering
- Contingency planning
- Documentation
- System design & testing
- Cost benefit analysis

### Systems Knowledge

- JD Edwards Payroll Management
- JD Edwards Human Capital Management
- Microsoft Project & Access
- JD Edwards Employee Self Service

### Professional Experience

**City of Oceanside** ◆ **Oceanside, CA** ◆ **September 2008 - Present**

**Senior HRM Consultant** - performing version upgrade from EnterpriseOne 8.10 to 8.12 for all Payroll, Human Resources, and Benefits Administration processes.

**ABM Industries** ◆ **San Francisco, CA** ◆ **Aug 2007 - September 2008**

**Senior HRM Consultant** - assisted with multiple site payroll and human resource management software implementation for large corporation of 110,000 employees. Key contributions included:

- Provided guidance for and assisted with system setup and configuration.
- Converted both employee information data and payroll history data.
- Trained key users of payroll, HR, and Benefits Administration.
- Provided go-live support for payroll, human resources, and benefits administration processes.
- Created custom report, interface, and enhancement design documents.

**Knife River, Inc.** ◆ **Bismarck, ND** ◆ **July 2006 - Aug 2007**

**Senior HRM Consultant** - assisted with multiple site payroll and human resource management software implementation for large mining and heavy construction corporation. Sites implemented typically employed between 200 and 800 employees. Key contributions included:

- Provided guidance for and assisted with system setup and configuration.
- Converted both employee information data and payroll history data.

## **Adam Fleck - JD Edwards Functional Consultant**

- Expert in set-up, configuration and implementation of functions and features in both EnterpriseOne and World Software.
  - Excellent business problem solution skills through creative use of JD Edwards functional components to achieve custom results without customization.
  - Assertive consensus building, proactive process improvement / crisis management skills.
  - Professional confidence in business structure efficiency models. Applied Accenture, JD Edwards and IBM methodologies to multi-phased projects for billion dollar companies.
- **Results Oriented:** Engineers steps needed to efficiently complete project scope.
  - **Innovation and Creativity:** Satisfies difficult functional business requirements using multiple elements of JD Edwards to create process configurations without custom code.

### **JD Edwards Functional / Business Knowledge**

- Fixed Assets
- General Accounting
- Sales Order
- Inventory
- Customer Service Management
- Job Cost / Contract management
- Purchasing
- Enterprise Asset Management
- Distribution Management
- Plant & Equipment Maintenance

### **Professional Experience**

#### **Value Strategies LLC – JD Edwards Clients:**

##### **Sundt Construction: (Tucson/Phoenix, AZ) June 2009 – Present)**

Conducted Software Functional Configuration Assessment as member of Value Strategies team to identify potential improvements and new opportunity features in the software. Configuration validation services for upgrade from World A73 to World A92 to go live 8/20/11. Restoring native JD Edwards module to replace custom package for fleet maintenance of construction equipment.

##### **City of Oceanside, CA 2010 – Present**

Configuration of Fixed Assets and Job Cost Accounting in EnterpriseOne Release 8.12.

##### **University Mechanical & Engineering Contractors: San Diego, CA (2007 – Present)**

As member of Value Strategies team, completed several EnterpriseOne functional configuration projects for this division of EMCOR. Consulted to EMCOR corporate on implementation strategies.

##### **Pacific Steel and Recycling Co., (Great Falls, MT). 2011**

Functional assessment of payment process for purchase of recycled materials. Wrote Functional Specification for EnterpriseOne programmer to develop method to print payment checks from JD Edwards at the local office level with 'positive pay' verification and appropriate GL updates.

##### **Atlas Pacific Engineering Company - Pueblo, CO (August 2010 – Present)**

Conducted Software Functional Configuration Assessment as member of Value Strategies team to identify potential improvements and opportunity features in the software. Uncovered high potential improvements to the business via module re-configuration and other configuration changes.

##### **Jenny Craig (Carlsbad, CA) (2009)**

Reconfigured Financial Functions for client's World Software (A91) system, resulting in positive reallocation of finance staff to higher priority duties.

##### **Acme Brick: (Fort Worth, TX) (June 2008 – Present)**

Conducted several projects to improve functionality of client's Enterprise One 9.0 system. As member of Value Strategies team implemented wireless SmartPhone access to JD Edwards. Advised on best way to set up JDE for an acquired company. Consulted on best use of JDE in support of retail operations.

**Other Clients:**

**Molina Healthcare: (Long Beach, CA) 2010 - 2011**

Complete, ground-up installation, configuration and implementation of EnterpriseOne 9.1 for this healthcare services company. Configured Fixed Assets, Warehouse/Inventory, Plant and Equipment Maintenance. Oversee complete functional implementation as member of implementation team.

**Edwards Lifesciences: (Orange County, CA) (Jan 2007 – Present)**

Provided Lead Business process support for a full Customer Service Management System implementation and coordinated a re-work of their current Fixed Asset system. Provided support for Global Distribution implementation. Took over project that was behind schedule. Assembled team to catch project up and make the original desired go live date. Continued project enhancements after go live and have been working on taking the system architecture to their European operations. Worked on a new project to implement Asset Management across their global operations.

**Minneapolis Airport Commission: (Minneapolis, MN) 2008**

Provided lead application support for a full Enterprise Asset Management Implementation for the government run Airport commission. Coordinated and reconciled Fixed Assets during upgrade. Worked with Facilities Maintenance, Fire Department, Police Department, Building Systems, and the general offices to design and implement Asset management using JD Edwards EOne 8.12. Provided technical support for report generation and creatively implemented JDE Asset management with Preventative maintenance and Work orders with integration across Fixed Assets, Purchasing, Inventory, and General accounting.

**DJ Orthopedics: (Vista, CA) (December 2005 – Jan 2007)**

Provided lead application support for JD Edwards Distribution systems reengineering. Used JD Edwards tools to create a Lean system using JD Edwards purchasing and Sales order processing to drive all distribution and manufacturing requirements. Created multiple reports and custom applications using the JD Edwards development tools.

**Lane Construction: (Meriden, CT) (April 2004 – December 2005)**

Provided lead business process support for fixed assets, work orders, security and inventory systems during a full business process redesign and implementation using JD Edwards business systems. Set up and configured User Defined Depreciation and Tax books and reconciled balances to legacy systems. Created a program to help support business practices with standard operating procedures and organizational structure. Provided specification design and technical support for new set of standard reports and analysis tools.

**Amgen Pharmaceuticals: (Longmont, CO) – (June 2003 – April 2004) (\$7 Billion annual revenue)**

Provided business process and project management support for Amgen's largest manufacturing and distribution facility. Coordinated validation protocols and testing during a JD Edwards World upgrade and coordinated with corporate office in California to maintain five fully integrated tests to comply with GMP and FDA process requirements.

**Somera Telecom: (Santa Barbara, CA) – (May 2002 – June 2003)**

Worked with Somera, a \$300 million dollar multinational telecom provider, to support corporate centralization of a new distribution center and business system. Provided project management, application, and technical support. Helped maintain organizational control for a JDE One World XE upgrade. Provided lead business support for the operations division including departments in Europe and Asia. Worked on new systems enhancement for customer service management including inventory to fixed asset tracking system. Implemented a manufacturing work order module using the JD Edwards manufacturing configurator. Completed several rounds of business systems testing and several fully integrated conference room pilots.

**Metal Management Inc: (Metal Recycling Company) (2002)**

Lead consultant for application configuration for One World XE business systems implementation. Completed analysis and configuration of distribution, time entry, work order, fixed assets, and purchasing process systems. Worked with upper management to centralize processes across several different recently merged companies. Used the JD Edwards tool set to help with conversion processes, report writing, and business restructure. Configured processing options, and automatic accounting instructions for each module. Established menu structure and corresponding business roles. Created pilot scripts. Managed full implementation life cycle including to define, model, test, refine, and go live.

**Blue Ridge Paper Products Inc: (Paper-board, and box manufacturing - \$2B revenue) (Aug. 2000 – Oct 2001)**

Provided project management, application and technical support for equipment plant management, fixed assets, inventory, purchasing, accounts payable, and accounting systems. Developed a new corporate structure that resulted in an increased efficiency for continuous business improvement. Managed five small teams of employees that established JD Edwards throughout the corporation. Established new business and system workflow for each area. Wrote custom reports, custom applications, documentation and technical specifications as needed. Managed full business systems implementation life cycle. The project was multi-facility using JD Edwards One World as the primary business system.

**CCL Custom Manufacturing: (Home and personal care products) (\$4 billion annual revenue) (May 1997 – Continued periodic work through Jan 2002)**

Project manager and senior business applications specialist. Provided lead consulting support for the inventory, storeroom purchasing and maintenance areas. Worked with accounting to develop a sales tax reporting system for tax adherence, and manufacturing costing. Developed and configured a preventative maintenance, and work order program that significantly reduced downtime on manufacturing equipment. Provided all technical specifications needed for legacy system data conversion. Managed all JD Edwards configurations to meet individual needs for six different plants with different manufacturing processes.

**Wisapak Bottling (Midwest Pepsi bottling company – largest in the Midwest) 1999**

Full business system implementation. Worked as the lead consultant for the Maintenance and Fixed asset systems. Specifically hired for a quick implementation due to time pressures set by management. Trained the IT staff as well as the end user group on JD Edwards configuration and use. Configured AAI's and processing options for maintenance, fixed assets, and purchasing. Created documentation and was successful with a custom configured implementation in record time.

**Guam Power (Govt. Power and distribution company) 1998**

Provided lead application support for the purchasing, inventory, maintenance, maintenance planning and fixed asset systems. Led a team supported by Southern California Edison and Deloitte and Touche to eliminate power outages using JD Edwards preventative maintenance and work order systems, and to reduce equipment overhaul time. Trained several groups, including the IT staff on JD Edwards functionality. Helped them adhere to a number of regulations set forth by the government by routing purchasing and inventory through the proper channels.

**Other consulting clients have included:**

<b>Select Beverages</b>	<b>Wabash National</b>
<b>Dick Construction</b>	<b>Stillwater Mining</b>
<b>Boise Cascade</b>	<b>Morrison Knudsen</b>

**Education:** Bachelor of Science – University Of Montana. Major: Finance / Economics

**Duane Varnum, Founder and President**

As the founder of Value Strategies LLC, Duane applies his 30+ years of technology, outsourcing and software product development experience to the service of improving the efficiency of ERP software for his clients. Specializing in JD Edwards ERP software, Duane has assembled an experienced and impressive team of expert consultants.

Duane brings his Project Management experience with large scale software product development projects for large software companies (Computer Sciences Corp. (CSC) Sterling Software, CE Software) to the table for each Value Strategies client. This experience ensures high quality, attention to detail and proper sequential order to the projects undertaken by Value Strategies.

Duane's software product experience includes development projects for:

- Electronic mail and FTP
- Value Added Network Services
- Financial Consolidation Software
- Mainframe Application Environments and Q&R Tools
- GUI Front-ends for Mainframe Software
- RDBMS Query & Reporting Tools
- ETL Tools
- SaaS Applications
- Web Services and SOAs

Structured Analysis and Design of Business Processes and Applications (Yourdan based). Business Process Analysis. Certified ISO9000 Auditor. Disaster Recovery Planning.

**Pre-Value Strategies Customers Have Included:**

Korn Ferry International	Cedars Sinai Med Center	The Oil Shale Company
MGM	NASSCO Shipbuilders	Ameriquist
Wells Fargo Bank	Flexivan Truck Chassis	Mitchell Info. Systems
Dole Food Company	Memec Electronics	Kyocera America
Fluor Corporation	Western Digital	Quiznos
Brooks Brothers	Jack in the Box	Dollar Tree Stores
Star Markets	RFC GMAC	Apple Computer Stores
Hilton Hotels	Wickes Furniture	Fremont General Ins.

**Past Employers Have Included:**

Litton Computer Services	VP & GM	System Outsourcing; PeopleSoft
Vectiv, Inc.	Vice President	SaaS Retail Store Location S/ware
Fidelity Info. Services	Managing Director	System & App Outsourcing
CommerceOne	Regional VP	B2B Exchange Software
CE Software	Dir. Of Prod. Mktg.	Develop/Launch Software Prods.
Sterling Software	Product Project Mgr	Develop/Launch Software Prods.
Computer Sciences (CSC)	Product Project Mgr.	Develop/Launch Software Prods.
IBM	Marketing Manager	Small Computer Systems

BA, Cal State Univ. Northridge; IBM Advanced Mgmt Program, Harvard Bus. School

# Oracle – JD Edwards Software Services

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## CITY OF OCEANSIDE

### PROFESSIONAL SERVICES AGREEMENT

**PROJECT: Oracle – JD Edwards Software Support Including Maintenance and General Improvements**

THIS AGREEMENT, dated December 1, 2011 for identification purposes, is made and entered into by and between the CITY OF OCEANSIDE, a municipal corporation, with offices located at 300 North Coast Highway, Oceanside, CA 92054 hereinafter designated as "CITY", and Value Strategies LLC, with offices located at 7101 Mimosa Drive, Carlsbad, California 92011 hereinafter designated as "CONSULTANT."

CONSULTANT is a business entity (LLC) consisting of a consortium of contractually bound consultants who provide functional, technical, programming and integration services and products to clients using JD Edwards ERP software, both World and Enterprise One.

#### **NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:**

#### **1. SCOPE OF WORK – JD Edwards Software Services**

##### **1.1 Functional Software Configuration and Feature Set-Up Services:**

- Provide Assessment Evaluations of existing JD Edwards software set-ups for inactive features and dormant functionality available for use from the native software.
- Provide configuration of JD Edwards native features to support existing or planned business processes.
- Advise the best practices for processes that take advantage of JD Edwards software.
- Perform end-user training for all areas of JD Edwards software.

**1.2 Software Technical Services:** Provide installation of upgraded software. Provide platform migrations, software updates, archiving of data, system security services, and other technical work. Provide system support vacation coverage for CITY employees. These services are provided on an "as scheduled" or "as needed" basis by CONSULTANT per individual Project Plans.

**1.3 Programming:** Provide modification of existing software. Provide development of software interfaces and integration. Provide restoration of modified programs during an upgrade. Provide programming support vacation coverage for CITY employees. Schedule "as needed" support for these services, or "as available" per individual Project Plans.

## Oracle – JD Edwards Software Services

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- 1.4 Application Development Services:** Provide design, application specification development and delivery of custom business applications including web enabled applications and web services.
- 1.5 Project Team Structure:** CONSULTANT management services for each Project Plan will be provided by Duane Varnum, President, Value Strategies LLC. The Project outlined in each Project Plan will be coordinated for the CITY by a designated CONSULTANT manager. The CONSULTANT manager will schedule members of the project team on an “as needed, as available” basis during projects. Generally, it is not a requirement that CONSULTANT be on site full-time unless requested by the CITY for a specific duration. CONSULTANTS can be added to or removed from projects as the work load requires. CITY and CONSULTANT will cooperate to manage the schedule for all CONSULTANTS during projects. In certain cases, CONSULTANT may request specific schedule dates for the project in order to take advantage of specific expertise to the benefit of CITY.
- 1.6 Designated Project Team Roles:** CONSULTANT President, Duane Varnum serves as Program Operations Manager (POM) for each defined project. The POM participates in the entire relationship between CITY and CONSULTANT for the duration of this agreement. The POM serves as a liaison between CITY and CONSULTANTS to ensure that THE CITY’S needs are met and projects are satisfying CITY requirements. The POM shall maintain a close relationship with CITY to fulfill any CITY consulting requirements. The Program Operations Manager may also fulfill the role of Project Manager for a particular project. A Project Manager may be added for more complex or lengthy projects. CONSULTANTS will be named in each project plan. A single individual may fulfill more than one role.
- 2. INDEPENDENT CONTRACTOR.** CONSULTANT'S relationship to the CITY shall be that of an independent contractor. CONSULTANT shall have no authority, express or implied, to act on behalf of the CITY as an agent, or to bind the CITY to any obligation whatsoever, unless specifically authorized in writing by the CITY. CONSULTANT shall be solely responsible for the performance of any of its employees, agents, or subcontractors under this Agreement. CONSULTANT shall report to the CITY any and all employees, agents, and consultants performing work in connection with this project, and all shall be subject to the approval of the CITY.
- 3. WORKERS’ COMPENSATION.** Pursuant to Labor Code section 1861, the CONSULTANT hereby certifies that the CONSULTANT is aware of the provisions of

## Oracle – JD Edwards Software Services

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Section 3700 of the Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and the CONSULTANT will comply with such provisions, and provide certification of such compliance as a part of this Agreement.

**4. LIABILITY INSURANCE.** CONSULTANT shall, throughout the duration of this Agreement maintain comprehensive general liability and property damage insurance, or commercial general liability insurance, covering all operations of CONSULTANT, its agents and employees, performed in connection with this Agreement including but not limited to premises and automobile.

**4.1** CONSULTANT shall maintain liability insurance in the following minimum limits:

Comprehensive General Liability Insurance  
(Bodily injury and property damage)

Combined Single Limit per Occurrence	\$ 1,000,000
General Aggregate	\$ 2,000,000*

Commercial General Liability Insurance  
(Bodily injury and property damage)

General limit per occurrence	\$ 1,000,000
General limit project specific aggregate	\$ 2,000,000

<u>Automobile Liability Insurance</u>	\$ 1,000,000
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\*General aggregate per year, or part thereof, with respect to losses or other acts or omissions of CONSULTANT under this Agreement.

**4.2** If coverage is provided through a Commercial General Liability Insurance policy, a minimum of 50% of each of the aggregate limits shall remain available at all times. If over 50% of any aggregate limit has been paid or reserved, the CITY may require additional coverage to be purchased by the CONSULTANT to restore the required limits. The CONSULTANT shall also notify the CITY promptly of all losses or claims over \$25,000 resulting from work performed under this contract, or any loss or claim against the CONSULTANT resulting from any of the CONSULTANT'S work.

**4.3** All insurance companies affording coverage to the CONSULTANT for the purposes

## Oracle – JD Edwards Software Services

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of this Section shall add the City of Oceanside as "additional insured" under the designated insurance policy for all work performed under this agreement.

Insurance coverage provided to the CITY as additional insured shall be primary insurance and other insurance maintained by the City of Oceanside, its officers, agents, and employees shall be excess only and not contributing with insurance provided pursuant to this Section.

- 4.4 All insurance companies affording coverage to the CONSULTANT pursuant to this agreement shall be insurance organizations admitted by the Insurance Commissioner of the State of California to transact business of insurance in the state or be rated as A-X or higher by A.M. Best.
- 4.5 CONSULTANT shall provide thirty (30) days written notice to the CITY should any policy required by this Agreement be cancelled before the expiration date. For the purposes of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation.
- 4.6 CONSULTANT shall provide evidence of compliance with the insurance requirements listed above by providing, at minimum, a Certificate of Insurance and applicable endorsements, in a form satisfactory to the City Attorney, concurrently with the submittal of this Agreement.
- 4.7 CONSULTANT shall provide a substitute Certificate of Insurance no later than thirty (30) days prior to the policy expiration date. Failure by the CONSULTANT to provide such a substitution and extend the policy expiration date shall be considered a default by CONSULTANT and may subject the CONSULTANT to a suspension or termination of work under the Agreement.
- 4.8 Maintenance of insurance by the CONSULTANT as specified in this Agreement shall in no way be interpreted as relieving the CONSULTANT of any responsibility whatsoever and the CONSULTANT may carry, at its own expense, such additional insurance as it deems necessary.
5. **PROFESSIONAL ERRORS AND OMISSIONS INSURANCE.** Throughout the duration of this Agreement and four (4) years thereafter, the CONSULTANT shall maintain professional errors and omissions insurance for work performed in connection with this Agreement in the minimum amount of One Million Dollars (\$1,000,000.00).

CONSULTANT shall provide evidence of compliance with these insurance requirements by providing a Certificate of Insurance.

## Oracle – JD Edwards Software Services

**6. CONSULTANT'S INDEMNIFICATION OF CITY.** To the greatest extent allowed by law, CONSULTANT shall indemnify and hold harmless the CITY and its officers, agents and employees against all claims for damages to persons or property arising out of the negligent acts, errors or omissions or wrongful acts or conduct of the CONSULTANT, or its employees, agents, subcontractors, or others in connection with the execution of the work covered by this Agreement, except for those claims arising from the willful misconduct, sole negligence or active negligence of the CITY, its officers, agents, or employees. CONSULTANT'S indemnification shall include any and all costs, expenses, attorneys' fees, expert fees and liability assessed against or incurred by the CITY, its officers, agents, or employees in defending against such claims or lawsuits, whether the same proceed to judgment or not. Further, CONSULTANT at its own expense shall, upon written request by the CITY, defend any such suit or action brought against the CITY, its officers, agents, or employees resulting or arising from the conduct, tortious acts or omissions of the CONSULTANT.

**6.1** CONSULTANT'S indemnification of CITY shall not be limited by any prior or subsequent declaration by the CONSULTANT.

**7. COMPENSATION AND PAYMENT TERMS.** CONSULTANT'S compensation for all work performed in accordance with this Agreement, shall not exceed the total contract price of \$47,850. Information Technologies will be responsible for payment of the CNC technical software support portion of the project (Exhibit A, item no. 1), not to exceed \$11,600. Financial Services will be responsible for payment not to exceed \$36,250, which includes all other items outlined in Exhibit A. The terms of this agreement shall be in force from December 1, 2011 to November 30, 2012.

**7.1** Compensation is based on the CONSULTANT'S required level of expertise for the work that is performed. A rate table outlining the CONSULTANT'S level of expertise, a description of the associated work and the related hourly rate range follows:

<b>Category</b>	<b>Work Description</b>	<b>Rate Range/ Hour</b>
Software Technical Consultants	Installation and set-up of actual software objects. Data refreshes. "CNC" work.	\$145 - \$160
Software Programmers	Programming of software modifications / customizations and reports	\$145 - \$180
Software Functional Consultants	Configure software set-ups to match business processes	\$150 - \$190

## Oracle – JD Edwards Software Services

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- 7.2** No work shall be performed by CONSULTANT in excess of the total contract price without prior written approval of the CITY. CONSULTANT shall obtain approval by the CITY prior to performing any work that result in incidental expenses to CITY.
- 7.3** Payment shall be made by the CITY to CONSULTANT thirty (30) days from the completion of services as defined in Exhibit A hereto.
- 7.4** CONSULTANT retains the option to suspend or terminate services under this agreement for failure of CITY to pay invoices for services or expenses within 60 calendar days from the date the invoice was issued or submitted to the CITY.
- 8.** **RISK OF DATA LOSS.** CITY agrees to take all necessary steps to provide for data security and backups prior to any service performed on computer hardware, software or other equipment by CONSULTANT. CONSULTANT also agrees to take all necessary steps to provide for data security and backups prior to and during services performed by CONSULTANT on computer hardware, software or other equipment owned by the CITY.
- 9.** **NON-SOLICITATION.** CITY agrees that for the term of this agreement that CITY will not solicit, hire or recruit or help any other party to solicit, hire, or recruit any consultant working under this agreement to work for any other organization. Likewise CONSULTANT agrees not to solicit, hire or recruit any of CITY'S employees for the same term.
- 10.** **TIMING REQUIREMENTS.** Time is of the essence in the performance of work under this Agreement and the timing requirements shall be strictly adhered to unless otherwise modified in writing. All work shall be completed in every detail to the satisfaction of the CITY on a monthly schedule, but no later than the 30<sup>th</sup> of each month.
- 11.** **ENTIRE AGREEMENT.** This Agreement comprises the entire integrated understanding between CITY and CONSULTANT concerning the work to be performed for this project and supersedes all prior negotiations, representations, or agreements.
- 12.** **INTERPRETATION OF THE AGREEMENT.** The interpretation, validity and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. The Agreement does not limit any other rights or remedies available to CITY.
- 12.1** The CONSULTANT shall be responsible for complying with all local, state, and

## Oracle – JD Edwards Software Services

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federal laws whether or not said laws are expressly stated or referred to herein.

- 12.2** Should any provision herein be found or deemed to be invalid, the Agreement shall be construed as not containing such provision, and all other provisions, which are otherwise lawful, shall remain in full force and effect, and to this end the provisions of this Agreement are severable.
- 13. AGREEMENT MODIFICATION.** This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto.
- 14. TERMINATION OF AGREEMENT.** Either party may terminate this Agreement by providing thirty (30) days written notice to the other party. If any portion of the work is terminated or abandoned by the CITY, then the CITY shall pay CONSULTANT for any work completed up to and including the date of termination or abandonment of this Agreement. The CITY shall be required to compensate CONSULTANT only for work performed in accordance with the Agreement up to and including the date of termination.
- 15. SIGNATURES.** The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the CONSULTANT and the CITY.

IN WITNESS WHEREOF, the parties hereto for themselves, their heirs, executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Professional Services Agreement to be executed by setting hereunto their signatures on the dates set forth below.

Value Strategies LLC

By: \_\_\_\_\_

Duane Varnum - President

City of Oceanside

By: \_\_\_\_\_

Michael Sherwood, CIO

Witnessed:

By: \_\_\_\_\_

\_\_\_\_\_  
Name/Title

\_\_\_\_\_  
Employer ID No.

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of San Diego }

On 11-17-11 before me, Elizabeth S. Hedrick, Notary Public

Date

Here Insert Name and Title of the Officer

personally appeared Duane Varnum

Name(s) of Signer(s)

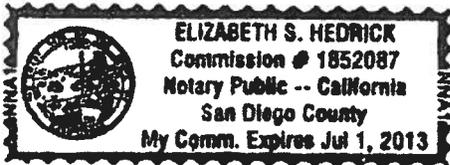
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Elizabeth S. Hedrick

Signature of Notary Public



Place Notary Seal Above

## OPTIONAL

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

### Description of Attached Document

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_

Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

### Capacity(ies) Claimed by Signer(s)

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

RIGHT THUMBPRINT OF SIGNER

Top of thumb here

Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

RIGHT THUMBPRINT OF SIGNER

Top of thumb here

Signer Is Representing: \_\_\_\_\_

# **Oracle – JD Edwards Software Services**

## **EXHIBIT A**

### **Rationale:**

City has spent considerable time and effort to correct, optimize and upgrade its JD Edwards ERP system. In the process, City's system has become a model for others using JD Edwards Software. The City recognizes the need for ongoing maintenance and improvements to the system to better support City business processes.

### **Purpose:**

This SOW creates a support program designed to provide a baseline level of maintenance and improvement for City's JD Edwards EnterpriseOne ERP System. Generally, support can be broken down into three areas:

1. CNC: Technical software support for software objects and their proper installation.

Includes response and correction of software related problems:

2. Functional Application Support: Ensure software set-ups and configurations are working as designed and accurately match City business processes and requirements.

Response and correction of JD Edwards application problems.

3. Programming: Services to 1) respond to State of California or PERS requirements to create "verified need" customizations to JD Edwards software. 2) Interface JD Edwards to other software packages and services. 3) Enable software configuration set-ups constructed by Functional Consultants.

### **Other Services:**

- JD Edwards/ERP Strategic Planning for Upgrades, Integration and ancillary products.
- Archiving
- Disaster Recovery Plan Creation

### **Team Members for this SOW include but are not limited to:**

1. CNC: Jon Auger
2. Functional Team: Adam Fleck, Kevin Yeaman, Mario Alvarado,
3. Programmers: Arnell Anon, John Bleich,

Services will be mutually scheduled and agreed upon based on availability of consultants.

### **When will services be provided?**

1. Planned Support as Scheduled
  - a. End of year Oracle updates, ESUs, SARS, and Software Tools Releases, etc.
  - b. Can be pre-scheduled as agreed
2. On Call Support:
  - a. Additional non-emergency support to be scheduled as needed.
  - b. See procedures under "How to obtain support" below.

## **Oracle – JD Edwards Software Services**

### **EXHIBIT A**

3. Emergency Support:
  - a. Crisis response needed urgently
  - b. See procedures under “How to obtain support” below.

#### **How to obtain support service:**

##### **A. Scheduled:**

Certain activities such as year-end updates will be pre-scheduled with time allotted for their completion.

Schedule to be set-up during periodic planning meetings.

##### **B. On Request, as needed, during Normal Business Hours:**

1. Requests for service are directed to Duane Varnum for triage to correct team member.
2. Requests can only originate from specific members of City I.T. Management and Staff, including: Michael Sherwood, Yukari Brown, Gina Walsh and Yvette Barajas.
3. Duane will notify the best and most available team member to handle the request and will obtain estimates of time and availability from them.
4. Estimates will be relayed back to City for approval via email. Email approval from City is sufficient.
5. Consultant will be scheduled and will start the work on the agreed upon day.

##### **C. Emergency (Outside of NBH):**

1. Call, email and text Duane. Leave message with call back number.
  - Duane will acknowledge via call back to City as soon as he picks up message.
  - Duane will immediately use ‘best efforts’ to acquire best team member for quickest response possible.
  - Duane will notify City of results of efforts within one hour.
2. If immediate action needed and Duane is not able to respond within one hour, place call to Jon Auger directly. Leave message.
  - a. Jon Auger, if immediately available, will determine best consultant to handle the issue and attempt to notify consultant for direct response back to CoO.
  - b. If Jon not immediately available, he will respond back to COO when he picks up the message.

##### **Meetings:**

Consultant (Duane Varnum) will come in for periodic planning and procedure adjustment meetings.

During the first two months of this agreement, meetings will be bi-weekly.

Thereafter, meetings will be once per month.

##### **Where will Support Services be Provided?**

1. It is anticipated that most services will be provided onsite at COO offices.
2. Wherever possible services from remotely based consultants will be provided via remote access to the City system.

**Oracle – JD Edwards Software Services**  
**EXHIBIT A**

3. Facilities:
  - a. Work spaces
  - b. Meeting rooms

**CITY OF OCEANSIDE**  
**AMENDMENT 4 TO**  
**PROFESSIONAL SERVICES AGREEMENT**

**PROJECT: LICENSETRAK MODULE OF TRAKIT (BUSINESS LICENSING)**

THIS AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (hereinafter "Amendment"), dated February 1, 2012 for identification purposes, is made and entered into by and between the CITY OF OCEANSIDE, a municipal corporation, hereinafter designated as "CITY", and CRW Systems, Inc. of San Diego, California hereinafter designated as "CONSULTANT."

**RECITALS**

WHEREAS, City and Consultant are the parties to that certain Professional Services Agreement dated February 18, 2009, hereinafter referred to as the "Agreement", wherein Consultant agreed to provide certain services to the City as set forth therein;

**AMENDMENT**

NOW, THEREFORE, as set forth herein, the parties hereto do mutually agree that the Agreement shall be amended as follows:

1. Scope of Work will include the following key tasks as identified on the proposal dated January 17, 2012 (attached):
  - a. Implement LicenseTRAK module software, configuration, meetings, reports, customizations, data conversion, attached image data conversion, and user training.
2. Compensation for this scope of work shall not exceed \$79,000. Annual software support & maintenance is \$5,000.
3. Except as expressly set forth in this Amendment, the Agreement shall remain in full force and effect and is hereby ratified and reaffirmed.

**SIGNATURES.** The individuals executing this Amendment represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Amendment on behalf of the respective legal entities of the CONSULTANT and the CITY.

IN WITNESS WHEREOF the parties hereto being duly authorized on behalf of their respective entities to execute this Amendment, do hereby agree to the covenants contained in the Agreement, including this Amendment and have caused this Amendment to be executed by setting hereunto their signatures on the dates set forth below.

**LICENSETRAK MODULE OF TRAKIT (BUSINESS LICENSING)**

CRW SYSTEMS, INC.

CITY OF OCEANSIDE

By: Christa Kelly / PRESIDENT  
Name/Title

By: Peter Weiss, City Manager

Date: 1-18-12

Date: \_\_\_\_\_

33-0885659  
Employer ID No.

APPROVED AS TO FORM:  
John P. Mull  
City Attorney

**NOTARY ACKNOWLEDGMENTS OF CONSULTANT MUST BE ATTACHED.**

**ACKNOWLEDGMENT**

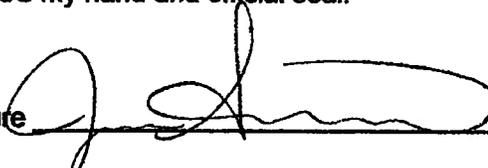
State of California  
County of San Diego

On January 18, 2012 before me, Jessica Ascencio, Notary Public  
(insert name and title of the officer)

personally appeared Christopher Wuerz, President of CRW Systems, Inc.  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in  
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the  
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing  
paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)



# LicenseTRAK Software License and Implementation

## City of Oceanside, CA

### Background

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The City of Oceanside is interested in replacing their existing business license software with the LicenseTRAK module of TRAKiT. Requested services include configuration, data conversion, and software customization to support TOT/OTMD monthly processing in the office and through eTRAKiT.

### Statement of Work

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- |   |           |
|---|-----------|
| 1. LicenseTRAK Software License   | \$15,000. |
| License for the City of Oceanside to use the LicenseTRAK module of TRAKiT                       |           |
| 2. Software Configuration   | \$13,500. |
| a. Setup and configuration of LicenseTRAK   |           |
| i. Types, Fee Schedule, etc   |           |
| b. Four (4) Custom Forms  |           |
| i. Business License (batch and single print)  |           |
| ii. Renewal Notice (batch and single print)   |           |
| • Change status to "RENEWAL"  |           |
| • (No fees are assessed - business owner calculates business fee based on gross receipts)       |           |
| iii. Delinquent Notice (batch and single print)   |           |
| • Change status to "DELINQUENT"   |           |
| iv. LicenseTRAK Receipt   |           |
| c. One (1) On-Site Meeting  |           |
| i. Review of WB and Data Conversion Map (1 day)   |           |
| 3. Three (3) Additional On-Site Meetings  | \$6,000.  |
| a. Business Process Review (1 day)  |           |
| b. Delivery of initial configuration and data conversion (1 day)                                |           |
| c. Delivery of programming customizations (1 day)   |           |
| 4. TOT/OTMD Reports   | \$6,000.  |
| a. Transient Occupancy Tax Registration Certificate (one-time print when new, from print queue) |           |
| b. TOT/OTMD Summary Report  |           |
| i. Select TOT or OTMD   |           |
| ii. Select date range   |           |
| c. TOT/OTMD Details Report  |           |
| i. Select TOT or OTMD   |           |
| ii. Select date range   |           |
| d. TOT/OTMD single print (for one license)  |           |
| 5. Two (2) additional custom reports or scripts as determined throughout the project.           | \$3,000.  |
| 6. TOT/OTMD Software Customizations   | \$22,500. |
| a. Custom table for housing TOT/OTMD data   |           |
| i. Business License No  |           |
| ii. Month   |           |
| iii. Year   |           |

- iv. A – Potential Occupancy
- v. B – Actual Occupancy
- vi. C – Percent Occupancy
- vii. D – Average Rate
- viii. E – Revenue per Room
- ix. 1 – Gross Receipts
- x. 2 – Monthly Rentals
- xi. 3 – Transient Exemptions
- xii. 4 – Taxable Rents
- xiii. 5 – TOT charge
- xiv. 6 – OTMD charge
- xv. 7 – TOT penalty
- xvi. 7A – OTMD penalty
- xvii. 8 – TOT Additional
- xviii. 8A – OTMD Additional
- xix. 9 – TOT interest
- xx. 9A – OTMD interest
- xxi. Total TOT charges
- xxii. Initial TOT Payment Amount
- xxiii. Total OTMD charges
- xxiv. Initial OTMD Payment Amount
- xxv. Initial Date Paid
- b. TRAKiT Customization
  - i. Sidebar entry for “Renew License”
  - ii. Data to collect is based on the type of license
  - iii. Calculations of fees due is based on the type of license
    - 1. Annual Renewals – user enters
      - 1. Units
    - 2. TOT/OTMD – user enters
      - 1. Month
      - 2. Year
      - 3. Potential Occupancy
      - 4. Actual Occupancy
      - 5. Gross Receipts
      - 6. Gross Receipts from Monthly Rentals
      - 7. Transient Exemptions
  - iv. User presses “Calculate Fees”
  - v. Fees and ratios calculate based on entered data
    - 1. Annual Renewals
      - 1. Admin Fee
      - 2. Base Fee
      - 3. Per Unit Fee
      - 4. Late Fees, Penalties, and Interest
    - 2. TOT/OTMD
      - 1. % occupied
      - 2. Avg Daily Rate
      - 3. Revenue per available room
      - 4. Total taxable rents
      - 5. TOT and OTMD due
      - 6. TOT and OTMD Penalty
      - 7. Additional TOT and OTMD Penalty
      - 8. TOT and OTMD Interest
      - 9. Total TOT and OTMD due

- vi. User enters payment amount(s) (one for annual, and two for TOT/OTMD)
  - 1. If amount is over, and payment is successful:
    - 1. Line items are added for the correct amounts
    - 2. Line items are added for any overage
    - 3. The overage amounts will be refunded by the user
  - 2. If the amount is under, and payment is successful:
    - 1. Line items will be added for the amount(s) collected (paid)
    - 2. Line items will be added for the amount(s) due (not paid)
    - 3. In the event that more than one fee could be partially paid the first fee paid will be in no particular order (MAX recordid).
- vii. User clicks "Pay in Class"
  - 1. CLASS MagicPay application is invoked, with the amount being paid (not the amount due) for each account being paid.
    - 1. No changes to the amounts are allowed in CLASS. These need to be controlled exclusively in TRAKiT
    - 2. MagicPay interface is only proposed for these specific transactions
      - 1. No deposits, refunds, cancels, etc.
- viii. Control is returned to TRAKiT from MagicPay
  - 1. If the payment did not occur
    - 1. User is notified that the transaction was not successful
    - 2. No records are added to the database
  - 2. If the payment was successful
    - 1. Fees are added, including over/underpayments
    - 2. If TOT/OTMD
      - 1. The custom table is populated
      - 2. Fees are marked with the month and year

c. eTRAKiT customizations

i. Action option for "Renew License"

- 1. Enter the license number for username
- 2. Enter the last four of TIN/SSN for password
- 3. Log in – user sees entry screen based on the type of business
  - 1. Processing is the same as from TRAKiT with the following exceptions
    - 1. Only Credit Cards are allowed for a payment method
    - 2. Payment is made using the existing PayFlowPro interface, not CLASS
    - 3. No overpayments are allowed
    - 4. No underpayments are allowed

7. Data Conversion \$7,500.  
 Conversion of existing SQL Server database (Progressive Solutions)

8. Attached image Data Conversion \$2,500.  
 Conversion of existing attachments to LicenseTRAK

**NOTE: Images can be attached to records in LicenseTRAK, but no direct scanner interface is provided.**

9. User Training \$5,000.  
 Two (2) days of on-site User Training for up to Eight (8) staff members  
 City is responsible for providing an adequate training room, or the training can be held at CRW Systems offices.

**Total one-time costs \$79,000.**

1<sup>st</sup> Year Software Maintenance \$5,000.  
 (This will be pro-rated to time maintenance with the overall system maintenance)

### Estimated Project Schedule

Week	Owner	On-Site	Task	Payment Due
Week 0	Mutual	No	Agreement Executed	
	CRW	No	Deliver System Key activating LicenseTRAK via email	\$15,000.
	CRW	No	Deliver Proposed Schedule to City	(+ pro-rated maint)
	CRW	No	Deliver LicenseTRAK Workbook to City	
Week 1	City	No	Provide Source Data (including files to convert) to CRW	
	Mutual	No	Signoff - Project Schedule	
Week 2	Mutual	1 Day	On-Site Business Process Review	
	CRW	No	Deliver initial design mockups of TRAKiT and eTRAKiT renewal screens	
Week 3	City	No	Provide any changes to screen mockups to CRW	
Week 4	City	No	Provide completed Workbook to CRW	
	CRW	No	Delivery of initial Conversion Map	
	CRW	1 Day	Review of Workbook, Conversion Map, and final Screen Mockups	
	Mutual	No	Signoff - Screen Mockups	
Week 5	Mutual	No	Signoff - Conversion Map	
Week 10	CRW	1 Day	On-Site delivery of Conversion, Configuration ...and Reports (CC&R)	\$36,500.
	City	No	Begin testing of CC&R	
Week 13	City	No	Provide list of any CC&R issues to CRW	
Week 15	CRW	No	Deliver CC&R Corrections	
Week 16	City	No	Signoff - CC&R	
Week 17	CRW	1 Day	On-site delivery of programming customizations (PC)	\$22,500
Week 19	City	No	Provide list of any PC issues CRW	
Week 21	CRW	No	Deliver PC Corrections	
Week 22	CRW	No	Signoff - PC	
Week 23	Mutual	2 Days	User Training	\$5,000.
Week 23	Mutual	No	System Live	

### Terms

- No changes to the Finance Export are included. Any required modifications to this routine will need to be quoted separately.
- Only work specifically identified is included.
- Any additional reports, automation, or software customizations will need to be quoted separately
- This offer expires 01/31/2012

### Authorization

Offer Authorized by:

Vance Bradshaw  
VP, Client Services  
CRW Systems, Inc

Accepted by:

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
*(on behalf of the City of Oceanside, CA)*



**AGREEMENT**  
**FOR THE INSTALLATION AND USE OF**  
**PERMIT, PLANNING, AND CODE ENFORCEMENT SOFTWARE**

This Agreement is entered into this 18th day of February, 2009, by and between the CITY OF OCEANSIDE, CALIFORNIA, (hereinafter "CLIENT") and CRW SYSTEMS, INC., (hereafter "CRW") for the installation of a permit and code enforcement software, and other services, as specifically provided herein (hereafter referred to as "the Project").

IN CONSIDERATION of the covenants as set forth in this Agreement, CLIENT and CRW agree as follows:

**A. SCOPE OF SERVICES / SCOPE OF WORK**

**A.1. PROJECT DESCRIPTION:**

The Project is more specifically defined as follows: Installation of an automated permit management, project tracking, code enforcement, and/or business license tracking software system, and related subsystems.

**A.2. AGREEMENT CONTENTS:**

This Agreement includes the following Exhibits:

- Exhibit A. Project Scope of Work.
- Exhibit B. Project Milestone and Payment Schedule.
- Exhibit C. Project Cost Summary
- Exhibit D. Software License
- Exhibit E. System Acceptance Testing
- Exhibit F. Software Escrow Agreement
- Exhibit G. Insurance Certificate

**A.3. COMMENCEMENT DATE:**

- A.3.1.** The commencement date for the services to be provided by CRW shall be the date upon which CRW is in receipt of all of the following: (a) a fully executed original of this Agreement, (b) written notice to proceed provided by CLIENT. CRW shall not be obligated to perform any work pursuant to the Project, including labor or materials, prior to the commencement date as defined herein.
- A.3.2.** A Scope of Work, with itemized pricing of various items associated with the Project is attached hereto as Exhibits A and B, and incorporated herein by this reference. Subject to CLIENT'S duties and responsibilities provided in Section C, the time periods set forth in Exhibits A and B shall be adhered to. The time periods indicated are provided as a general understanding of the estimated time period in which various Project items will be completed. It is not intended to impose strict deadlines for completion of all or any part of the work.
- A.3.3.** The time schedule provided in Exhibit A, Scope of Work, is based in large part on the assumption that CLIENT will provide all necessary information to CRW in a timely manner in accordance with Section C of this Agreement.

**B. DUTIES AND RESPONSIBILITIES OF CRW**

**B.1. SCOPE OF WORK:**

- B.1.1.** After the commencement date, CRW shall perform the following services:

- (1) Install Permit Management, Code Enforcement, Business License Tracking, and Project Tracking software.
- (2) Provide data conversion of CLIENT'S existing data and incorporate data into CRW system.
- (3) Provide hands-on, Administrator Training, as specifically provided herein.
- (4) Provide on-site, hands-on, User Training, as specifically provided herein.
- (5) Provide remote access support during Annual Maintenance period. CLIENT to provide local workstation with remote connection and appropriate remote access software.

**B.1.2.** CRW shall install software and provide all services in a workmanlike manner in accordance with the Scope of Work, subject to the terms and conditions as stated in the Agreement. Any additional services must be evidenced by a written modification of this Agreement, or change request pursuant to Section C of the Agreement. Services to be provided do not include hardware.

**B.2. MAINTENANCE AND SUPPORT:**

CRW shall provide the following maintenance and support services to CLIENT during the twelve (12) month time period following payment of Annual Maintenance and Technical Support fees. Annual Maintenance and Technical Support fees are waived for the first twelve (12) month period following the Go-Live of software, as defined in Exhibit E.

**B.2.1.** TRAKIT software modifications to correct bugs or errors that are reported to CRW by CLIENT.

**B.2.2.** TRAKIT software updates that are posted from time to time by CRW on web site ([www.crw.com/support/customer\\_support](http://www.crw.com/support/customer_support)). Updates may be downloaded and installed by CLIENT onto CLIENT's network.

**B.2.3.** Technical support via telephone. CRW reserves the right to restrict phone access to CLIENT-designated System Administrators. Toll-free phone access is provided by CRW (888-279-2043).

**B.2.4.** Technical support via web form on CRW web site ([www.crw.com/support](http://www.crw.com/support)).

**B.2.5.** TRAKIT Software enhancement requests may be submitted by CLIENT to CRW. Enhancement requests will be reviewed by CRW and may be incorporated into future releases. CLIENT understands that submittal of enhancement request does not obligate CRW to provide software modification.

**B.2.6.** CLIENT may register for and enroll in CRW training classes for System Administrators or Users. Registration fees may vary from time to time.

**B.3. NOT RESPONSIBLE FOR DAMAGES DUE TO UNFORESEEN DELAYS:**

Neither CLIENT nor CRW shall be responsible for any damages resulting from delays outside of its reasonable control, including, but not limited to, (a) failure of CLIENT to furnish timely information; (b) failure of CLIENT to approve or disapprove of CRW's work, and/or (c) strikes, lockouts, accidents, or acts of GOD.

**C. DUTIES & RESPONSIBILITIES OF CLIENT**

**C.1. INFORMATION TO BE PROVIDED BY CLIENT:**

**C.1.1.** CLIENT will provide all information necessary for CRW to establish the permit software control files, including but not limited to:

- (1) Current valuation and fee structures
- (2) Current Permit, Project, License, and Case types designations and categories
- (3) Examples of all current reports used by the CLIENT relating to permit management.
- (4) Any exceptions to the typical permit process, or any special permit processing requirements.

**C.1.2.** CRW will work with CLIENT to install software on workstations and servers.

**C.1.3.** The CLIENT will ensure and provide that staff who will be trained in the use of CRW software will have sufficient basic knowledge of permit processing and MS-Windows functions.

**C.2. CLIENT COOPERATION:**

**C.2.1.** CLIENT understands that timely completion of the Project is dependent in significant part upon the timely cooperation of CLIENT in providing information to CRW necessary to complete the project, including, but not limited to: (a) Data obtained from CLIENT'S present system to be incorporated into the new CRW system; and (b) information relative to desired permit forms to be incorporated into the CRW system.

**D. COMPENSATION**

**D.1. CRW COMPENSATION & FEES:**

CLIENT agrees to compensate CRW for professional services rendered under this Agreement for the total contract price of **\$ 203,500 [Two Hundred and Three Thousand, Five Hundred Dollars]**, which amount shall include all labor and materials associated with this Project as specified in Exhibit C "Project Cost Summary". Total Contract Price does not include any changes to the work as may be requested by CLIENT and incorporated into the project pursuant to a written request by CLIENT as provided in section E of this Agreement.

Sales, Use, Excise, or any State or Local taxes and/or licenses which may apply to this project are the responsibility of CLIENT.

**D.2. TERMS OF COMPENSATION:**

CRW will submit invoices for work performed according to the payment schedule shown in Exhibit B "Project Milestone and Payment Schedule." Project costs are divided into five (5) payments, each of which is due and payable upon completion of the preceding milestone step. CLIENT agrees to notify CRW of any disputed invoice within 10 business days of receipt of such invoice. Failure of CLIENT to pay undisputed invoices within 30 days of receipt will subject CLIENT to a late payment fee computed at a periodic rate of 1.0% per month of the amount past due, representing an annual percentage rate of 12%, which late fee shall be applied to any unpaid balance.

**E. CHANGES AND ADDITIONS TO THE WORK**

**E.1 REQUIREMENTS OF WRITTEN CHANGE ORDERS:**

CLIENT may request CRW to perform additional services not covered by the specific Scope of Work as set forth in Exhibit A of this Agreement. Any such requests shall be submitted in writing, and shall be signed by the Client Representative, as identified in I1.1 of this Agreement, and an authorized representative of CRW. Such signed requests shall include (a) a description of the additional services to be performed, and (b) the agreed upon price for such services. Any such requests signed by the Client Representative, or other authorized agent of CLIENT, shall be deemed authorized by CLIENT and shall bind CLIENT to its terms.

**E.2. PAYMENT FOR ADDITIONAL WORK:**

Any such additional work performed by CRW shall be added to the contract price and billed in accordance with the "Project Cost Summary" as outlined in Exhibit C of this Agreement. CRW will not commence any additional services for the CLIENT until written authorization has been given by CLIENT and approved by CRW, as provided above.

**F. INDEMNIFICATION AND INSURANCE**

**F.1. INDEMNIFICATION:**

**F.1.1.** CRW shall indemnify, defend and hold harmless CLIENT from and against any claims, based upon infringement of any United States copyright trademark or patent by the Software. CLIENT agrees to notify CRW of any such claim promptly in writing. CLIENT agrees to cooperate fully with CRW during such proceedings. CRW shall defend at its sole expense all proceedings arising out of the foregoing. In the event of such infringement, CRW may replace, in whole or in part, Software with a substantially compatible and functionally equivalent computer program or modify Software to avoid the infringement.

**F.2. INSURANCE:**

CRW, shall at CRW's own expense, purchase, maintain and keep in force during the term of this Agreement (unless otherwise stated below) such insurance as set forth below. All insurance policies provided under this Agreement shall be written on an "occurrence" basis. The insurance requirements shall remain in effect throughout the term of this Agreement.

**F.2.1.** Worker's Compensation as required by law, Employers Liability Insurance of not less than \$100,000.00 for each accident, \$100,000.00 disease-each employee, \$500,000.00 disease-policy limit.

**F.2.2.** Commercial General Liability Insurance - \$1,000,000.00 Limit

**F.2.3.** Professional Liability Insurance - \$1,000,000.00 Limit. Professional Liability insurance will be in force for twelve (12) months from commencement date. Professional Liability insurance shall apply to services performed by CRW staff only. Professional Liability insurance shall not apply to third-party services or services of subcontractors.

**F.2.4.** All policies are to be written through companies duly approved to transact that class of insurance in the State of California.

**F.2.5.** Insurance is to be placed with carriers with a Best rating of A:VII or better.

**F.2.6.** CRW hereby waives subrogation rights for loss or damage to the extent same are covered by insurance. Insurers shall have no right of recovery or subrogation against CLIENT, it being the intention that the insurance policies shall protect all parties to the Contract and be primary coverage for all losses covered by the policies

**F.3. PROOF OF INSURANCE:**

Exhibit G contains a Certificate of Insurance for Items F.2 above as proof that said insurance is in full force as of the date of this Agreement. Additionally, CRW shall deliver to CLIENT an updated Certificate of Insurance for Items F.2 with every invoice submitted during the term of this Agreement.

CLIENT, its officers and agents, shall be endorsed as an additional insured under CRW's General Liability Insurance.

CRW will not modify or cancel its General Liability Insurance without written notification and approval from the CLIENT.

**G. TERMINATION**

**G.1. TERMINATION OF AGREEMENT**

**G.1.1.** This Agreement may be terminated by CLIENT at any time, with or without cause, upon written notice to CRW. Notwithstanding the date of such notice, termination shall be effective upon receipt by CRW of such notice of termination. In the event of termination by CLIENT, CLIENT shall pay CRW for all services and materials provided to CLIENT pursuant to this Agreement up to and including the date of receipt by CRW of notice of termination.

- G.1.2.** In the event CLIENT terminates this Agreement, the CLIENT agrees to immediately return all source code or other materials provided to CLIENT by CRW, and to destroy, erase, and purge all software provided by CRW from any and all CLIENT computers.
- G.1.3.** Within 30 days of termination CLIENT agrees to provide CRW with written confirmation that all CRW software has been destroyed. Within its sole discretion, and upon reasonable notice to CLIENT, CRW shall have the right to verify that CRW software has in fact been removed or destroyed by personal inspection of CLIENT computers.
- G.1.4.** Any intentional use by CLIENT of any CRW software after termination of this agreement by CLIENT without the express written authorization of CRW shall be a breach of this agreement, and may subject client to damages.
- G.1.5.** Upon notice to CRW, the CLIENT may issue a stop work order suspending the performance of services and delivery of products and deliverables under the agreement for a specific period of time. The stop work order shall not terminate or suspend any of the required provisions of the Warranty, Indemnity, Confidentiality, or Insurance requirements of the agreement. In the event the CLIENT issues a stop work order to CRW, the CLIENT will provide a copy of the stop work order to CRW. Upon receipt of a stop work order issued by the CLIENT, CRW shall suspend all work except as otherwise agreed by the parties. CLIENT agrees that the issuance of a stop work order or other CLIENT delays during implementation may have adverse collateral effects on CRW's overall work schedule. Although the CLIENT will use its best effort to immediately resume work following a resumption of implementation activities, CLIENT agrees that work scheduled may be delayed by more than the number of days comprising the stop work order or delay by the CLIENT. CRW will use its best efforts to provide the CLIENT notice of any potential or foreseeable delays whether caused by the CLIENT, CRW, or act of God. The CLIENT agrees that if additional time is reasonably required to complete the implementation services as a direct result of stop work orders or CLIENT delays, a reasonable amount of time may be charged to the CLIENT. Provided however that CRW agrees that within five (5) days of receiving a stop work order, or of learning of a delay caused by the CLIENT, CRW will provide a written statement estimating the impact of the delay or stop work order upon the schedule and shall specify any additional time reasonably required by CLIENT directly due to the delay or stop work order. The Chief Information Officer or the Project Manager is hereby authorized to issue stop work orders on behalf of the CLIENT.

## **H. OWNERSHIP OF DOCUMENTS**

### **H.1. OWNERSHIP OF DOCUMENTS:**

- H.1.1.** All plans, specifications, reports, and other design documents prepared by CRW pursuant to this Agreement shall become property of CLIENT only after completion of the Project.
- H.1.2.** All source code for computer programs or modifications to programs, which are produced pursuant to this Agreement shall be deemed, and remain, the intellectual property of CRW and are protected under the copyright, patent, or other laws, of the United States as well as other jurisdictions where such programs are being used.
- H.1.3.** CLIENT agrees to respect CRW's purported ownership of any such proprietary rights which may exist, including patent, copyright, trade secret, trademark and other proprietary rights, in and to Software and any corrections, bug fixes, enhancements, updates or other modifications, including custom modifications, to Software, whether made by CRW or any third party. Under no circumstances shall CLIENT sell, license, publish, display, distribute or otherwise transfer to a third party Software or any copy thereof, in whole or in part, without CRW 's prior written consent.

### **H.2. SOURCE CODE ESCROW:**

- H.2.1.** CRW shall maintain a software escrow account, as described in Exhibit F. A copy of the latest source code for the software being installed by CRW pursuant to this Agreement shall be deposited in this escrow account.
- H.2.2.** CRW will pay the entire cost of this source code escrow account.

**H.2.3.** CLIENT will be registered as a Registered Beneficiary of the Software Escrow Agreement, as defined in Exhibit F.

**I. COMMUNICATION THROUGH CLIENT / CRW DESIGNATED REPRESENTATIVES**

All communication relating to project status shall be exchanged between a designated representative of the CLIENT and a designated representative of CRW as identified below.

**I.1. DESIGNATED CONTRACT REPRESENTATIVES:**

**I.1.1.** The designated representative of CLIENT and CRW Systems is as follows:

CLIENT	CRW
Karen F. Brown Development Services Department 300 North Coast Highway Oceanside, CA 92054 Phone: (760) 435-5005 Fax: (760) 754-2958 Email: kfbrown@ci.oceanside.ca.us	Christopher R. Wuerz, P.E. President, CRW Systems, Inc. 16980 Via Tazon, Suite 320 San Diego, CA 92127 Phone: (858) 451-3030 Facsimile: (858) 451-3870 Email: chris@crw.com

**I.1.2.** If the designated representative or address of either party changes during the term of this Agreement, a written notice shall be given to the other party prior to the effective date of change.

**I.2. DESIGNATED SYSTEM ADMINISTRATOR:**

**I.2.1.** The CLIENT Representative shall identify and designate System Administrators. All communication related to day-to-day operations of the system, including system maintenance, systems problems and/or troubleshooting, shall be made to CRW only through either the designated representative of CLIENT as identified in I.1.1 above, or the System Administrators as identified below.

**I.2.2.** The System Administrators shall participate in all training sessions conducted by CRW as required by this Agreement, and shall become fully knowledgeable and competent to use all aspects of the system software. (It is highly recommended that the designated System Administrators be someone with experience and competence with personal computers.)

**I.2.3.** The System Administrator for CLIENT is designated as follows:

Name: TBD

**J. MISCELLANEOUS GENERAL PROVISIONS**

**J.1. LICENSES:**

CRW shall obtain and maintain all business licenses as may be required by law.

**J.2. STATUS OF CRW AS CONSULTANT:**

Throughout the term of this Agreement, CRW, its employees, subcontractors, consultants, and agents shall be considered as an independent contractor(s). Nothing in this Agreement shall be interpreted to imply an employee-employer relationship between CLIENT and CRW.

**J.3. MEDIATION OF DISPUTES:**

Prior to the commencement of any litigation arising out of this Agreement, both CRW and CLIENT agree to participate in good faith in non-binding mediation of any dispute or claim, which remains unresolved after informal discussions. Both CRW and CLIENT shall negotiate in good faith to select a qualified mediator.

**J.4. ATTORNEY'S FEES:**

In the event that any legal proceeding is instituted by either CRW or CLIENT to enforce the terms of this Agreement or to determine the rights of CRW or CLIENT, the prevailing party in said legal proceeding shall be entitled to recover its reasonable costs and attorney's fees.

**J.5. APPLICABLE LAW:**

This Agreement, its interpretation and all work performed thereunder shall be governed by the laws of the State of California. Venue for the enforcement of this agreement shall lie exclusively in San Diego County, California.

All claims, disputes, and other matters in question arising out of, or relating to, this agreement or the breach thereof shall be resolved in the Court of San Diego County, California, and all parties hereto specifically waive any "venue privilege" they may have in any other jurisdiction.

**J.6. BINDING ON SUCCESSORS:**

All the terms, provisions and conditions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives.

**J.7. DUE AUTHORITY:**

CLIENT represents and warrants that the person executing this Agreement on behalf of CLIENT is an agent of CLIENT and has full and complete authority to execute this Agreement and enter into the terms and covenants provided herein, and has been designated by CLIENT to execute this Agreement on behalf of CLIENT.

CRW represents and warrants that the person executing this Agreement on behalf of CRW is an agent of CRW and has full and complete authority to execute this Agreement and enter into the terms and covenants provided herein, and have been designated by CRW to execute this Agreement on behalf of CRW.

**J.8. WARRANTY ON TITLE:**

CRW warrants that it has good title and all proprietary rights to the Software to enable it to license its use to CLIENT free of any proprietary rights of any other party or any other encumbrance.

**J.9. APPLICATION SOFTWARE WARRANTY:**

CRW warrants that its Software will perform in the manner described in the Agreement documents including CRW's Proposal for a Permit Issuance & Tracking Information System dated October 10, 2008, hereby incorporated by reference as if fully contained herein and any other written user documentation for the version installed. This Warranty shall commence upon date of acceptance by CLIENT as defined by Exhibit E attached hereto.

**J.10. SERVICES WARRANTY:**

CRW warrants that the services provided hereunder shall be executed in a correct and competent manner consistent with the professional standards of the industry. Any error or defect in the services provided hereunder shall be corrected by CRW at no additional cost to the CLIENT.

**J.11. ENTIRE AGREEMENT:**

This Agreement contains the entire understanding and agreement between CRW and CLIENT. Any prior agreements, promises, proposals, negotiations or representations—oral or written—not expressly set forth herein shall be of no force or effect. In the event of a conflict between the terms and conditions of this Agreement and any document incorporated by reference, the terms and conditions of this Agreement shall prevail. This Agreement may be modified or amended only by written agreement signed by both CRW and the CLIENT.

**J.12. AGREEMENT AS OFFER:**

This Agreement shall be valid only if it is signed by both CLIENT and CRW, and a signed original has been received by both parties on or before February 28, 2009.

CITY OF OCEANSIDE  
Oceanside, California

CRW SYSTEMS, INC.  
San Diego, California

Dated: 2-19-09

Dated: 2-3-09

By: Peter A. Weiss  
Peter A. Weiss  
City Manager

By: Christopher R. Wuerz  
Christopher R. Wuerz, President  
CRW Systems, Inc.

**NOTARY ACKNOWLEDGEMENT**

STATE OF CALIFORNIA }  
COUNTY OF San Diego } S.S.

On 2-3-09, before me,  
Heather Bayes, Notary Public  
personally appeared Christopher R. Wuerz  
who proved to me on the basis of satisfaction evidence to be the  
person(s) whose name(s) is/~~are~~ subscribed to the within  
instrument and acknowledged to me that he/~~she~~/~~they~~ executed  
the same in his/~~her~~/~~their~~ authorized capacity(ies), and that by  
his/~~her~~/~~their~~ signature(s) on the instrument the person(s), or  
entity upon behalf of which the person(s) acted, executed the  
instrument.

I certify under PENALTY OF PERJURY under the laws of the State  
of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Heather Bayes (Seal)



## EXHIBIT A

### PROJECT SCOPE OF WORK

Upon receipt of a written Notice to Proceed from CLIENT, CRW shall perform the following services:

**A. On-Site attendance and participation in project meetings.**

Meetings: Project kick-off meeting; software installation; database installation; project implementation meetings.

**B. Deliver computer software (TRAKIT) and database structures for SQL/Server database.**

Deliverable: CD containing computer software; installation instructions; services to install software on CLIENT network and up to three workstations; services to train CLIENT IT staff for installation of remaining CLIENT workstations; services to install SQL/Server database and tables.

**B.1. Provide eTRAKIT modules for web-based permit processing.**

Deliverable: ASP and HTML pages (source code) to provide the following functions:

- (1) Purchase & print permits
- (2) Request inspections
- (3) Review inspection status and comments
- (4) Pay fees
- (5) Show plan status
- (6) Search general license information
- (7) Assign appropriate inspectors
- (8) Create user logins
- (9) Inspector login to change/input results

**B.2. Provide MobileTRAK module for field-ready interface.**

Deliverable: TRAKIT module for interface to either field-ready laptop/tabletPC.

**C. Provide data conversion services.**

Deliverable: Electronic transfer (via FTP or email) of converted database; services to develop conversion software for translation; services to perform data conversion; services to install converted data; services to investigate and correct any errors uncovered during conversion balancing and/or system testing.

Applies to: Permits and Inspections; Project applications; Code Enforcement; and Contractor Information.

CLIENT will provide to CRW all tables and files that are necessary for historical data conversion. CLIENT agrees to provide all necessary files and data to CRW within thirty (30) days of project commencement date.

**D. Provide software training.**

Deliverable: Provide System Administrator training for up to three (3) CLIENT staff during scheduled training at CRW designated facilities.

Deliverable: Provide Report Writing training for up to four (4) CLIENT staff during scheduled training at CRW designated facilities.

Deliverable: Conduct three (3) days of on-site, hands-on System Acceptance training at CLIENT office. Class size is limited to eight (8) students per day.

September 9, 2009

Amendment 1

11-D 0334-1

Lucie Delorme  
Administrative Analyst II  
City of Oceanside  
300 North Coast Highway  
Oceanside, CA 92054

**RE: Project Agreement -- Invoicing Enhancement and MobileTRAK trade**

Dear Lucie,

This letter shall describe the agreement between the City of Oceanside and CRW Systems. The City has agreed to the Project Schedule as outlined below and modified in the Project Implementation and Payment Schedule:

End User Training (Item 30)	September 15-17 (3 days)
End User Training (Item 31)	September 21-24 (4 days)
End User Training (Item 31a)	September 28-29 (2 days)
Go Live (Item 33)	October 5-6

Please review these items on the revised Project Implementation and Payment Schedule and sign, date, and send the approved copy via e-mail.

The City has further agreed to rescind the MobileTRAK delivery line item identified in Exhibit C, Project Cost Summary, Item A. Software & Licensing Fees in the amount of \$10,000 and apply the \$10,000 toward the Invoice Requirements identified below. CRW will prepare a formal quote with the City's assistance to ensure that the Invoicing requirements are met entirely.

**Article 1. Invoice Requirements (brief)**

- (a) Ability to select one or many fees from:
  1. A project and/or it's subproject(s)
  2. A permit and/or it's subpermit(s)
  3. A code case
  4. Use case: permit tech will select fee or fees for a permit and include all its related sub-permits and create an invoice for the applicant.
  5. Use case: applicant goes to finance with invoice. Finance must have the ability to retrieve the invoice number with the fees listed in invoice and pay them.
- (b) Ability to generate an invoice for each module
  1. Invoice for projects and/or sub-project fees
  2. Invoice for permits and/or sub-permit fees
  3. Invoice for cases
- (c) Ability to track the invoice number (function like receipts numbering)
- (d) Ability to retrieve the invoice number and pay fees for selected invoice (function like cashiering screens)
- (e) Ability to define auto number for invoice and define prefix (like receipts)
- (f) Assumptions:
  1. Invoices do not require expiration date nor do they currently incur past due fees.
  2. Invoice format for modules will use current format oc\_projectinvoice.rpt, oc\_permitinvoice.rpt.

CRW Systems will work with the City to test all authorized Items contained in Article 1.

- The programming modifications will be completed within 45 business days after the authorization of the formal specifications prepared in conjunction with the City. The specification in Article 1 is a proof of concept and not used as formal specifications.
- This quote supersedes all previous quotes and offers and is valid through September 11, 2009.
- No additional on-site work or future modifications are included.
- Delivery of the revisions would be made via remote connection.

Sincerely,

CRW SYSTEMS

Christina Papuak  
Project Manager

---

Authorized by: Lucie Delorme Authorized Date: 9/11/09  
 Please Print Name: LUCIE DELORME

---

# City of Oceanside TRAKiT Customizations – Invoice Function

## Invoice Module

### Background

- The City of Oceanside needs the ability to create an Invoice for unpaid fees.
- The City of Oceanside needs the ability to select one or many fees for one or many projects, permits, cases and/or their linked records and generate an Invoice for the selected record(s).
- The City of Oceanside needs the ability to document and track an Invoice number for the generated Invoice(s).
- The City of Oceanside needs the ability to retrieve the Invoice number and pay for the fees Invoiced.

### TRAKIT Modifications

1.1 CRW Systems proposes to create a mechanism to generate an Invoice for a selected project, permit, case and their linked records.

1.1.1 A custom Invoice report will be created in ProjectTRAK, PermitTRAK, and CodeTRAK. These will be available from the print queue (Print Button). After selecting the "Invoice" print option, and clicking GO, the invoice will:

1.1.1.1 Load the selected Project, Permit, or Case and its linked records (if links exist) in a selection screen. (See Figure 1, #1)

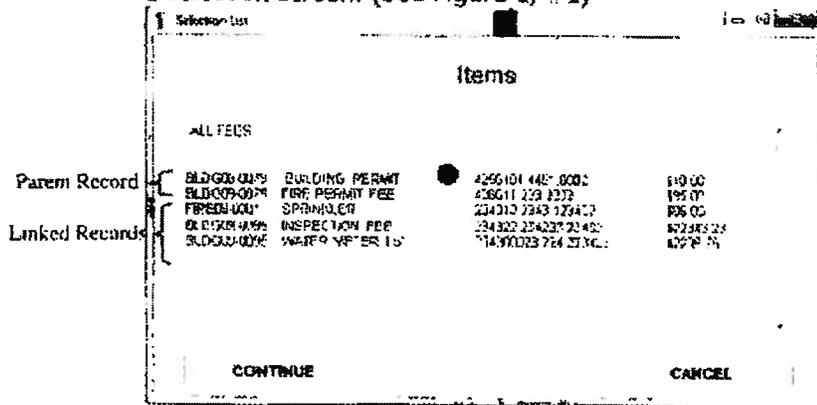


Figure 1

# City of Columbus TRAKit Customizations – Invoice Function

1.1.1.2 Allow option to select "All Fees" for selected permit. (See Figure 2).

The screenshot shows a window titled 'Selection List' with a sub-header 'Items'. Below the header is a table with four columns: Fee Code, Fee Name, Fee Amount, and Fee Amount. The table contains the following data:

Fee Code	Fee Name	Fee Amount	Fee Amount
BLDG02-009	BUILDING PERMIT	426101 481 000.1	510.00
BLDG02-009	FIRE PERMIT FEE	426111 213 22.2	595.00
FIRE01-001	SPRINKLER	234312 2343 1234.30	675.00
BLDG02-009	INSPECTION FEE	234323 23423 2343.1	377343.25
BLDG02-009	WATER METER 1.5"	23433323 234 223423	13238.75

At the bottom of the window are two buttons: 'CONTINUE' and 'CANCEL'.

Figure 2

1.1.1.3 Allow option to select one or many fees (or subfees) to Invoice (See Figure 3).

The screenshot shows a window titled 'Selection List' with a sub-header 'Items'. At the top, there is a checkbox labeled 'ALL FEES' which is checked. Below this is a table with four columns: Fee Code, Fee Name, Fee Amount, and Fee Amount. The table contains the following data:

Fee Code	Fee Name	Fee Amount	Fee Amount
BLDG02-009	FIRE PERMIT FEE	426111 213 22.2	595.00
BLDG02-009	WATER METER 1.5"	23433323 234 223423	13238.75

At the bottom of the window are two buttons: 'CONTINUE' and 'CANCEL'.

Figure 3

1.1.1.4 If an unpaid fee has subfees, the user will be able to decide which subfee(s) they want to invoice. If some are invoiced but others are not the fee will be split into two parent fees, one invoiced and the other not.

1.1.1.5 User will generate Invoice and the system will add a unique number to each selected fee for each selected Project, Permit, or Case. (See Figure 4, #1)

# City of Oceanside TRAKiT Customizations – Invoice Function

**City of Oceanside**  
Development Services Department  
207 N. Esplanade, Oceanside, CA 92054  
City of Oceanside, CA

**INVOICE**  
55111

<b>Planning Section</b> A. 1200000000 B. 1200000000	<b>Building Section</b> A. 1200000000 B. 1200000000	<b>Engineering</b> A. 1200000000 B. 1200000000	<b>Water Section</b> A. 1200000000 B. 1200000000
---	---	--	--

---

**Permit No:** 1200000000      **Contract No:** 1200000000  
**Permit Description:** WATER METER INSTALLATION

Item Description	Account Number	Unit	Amount
Permit Fee 1200000000	1200000000	1	100.00
Water Meter Fee	1200000000	1	100.00
Water Meter Fee	1200000000	1	100.00
Water Meter Fee	1200000000	1	100.00
Water Meter Fee	1200000000	1	100.00
<b>Total</b>			<b>400.00</b>

**Permit No:** 1200000000      **Contract No:** 1200000000  
**Permit Description:** WATER METER INSTALLATION

Figure 4

- 1.1.1.6 Use Case: In PermitTRAK, user will click PRINT, select INVOICE from the available list of reports, system will display a list of Permit #'s, Unpaid Fee Description, Unpaid Fee Account Number, Unpaid Fee Amount to be Invoiced (can be one or many), then generate Invoice. Developer
- 1.1.2 An additional invoice report will be created for PermitTRAK called "Water Meter Invoice". When printed (from the print queue), this invoice will load unpaid fees for all permits with the same CONTRACTOR in Contacts as the permit it was printed from. The process will then work just as the regular invoice.
- 1.2 CRW Systems proposes to create an Invoice function to allow searching and payment of Invoiced records. The invoice feature will be available in Workspace via "Tools – Invoicing" or by clicking a button labeled "Invoicing" directly in the Workspace toolbar.
  - 1.2.1 The system will allow the ability to Search for the Invoice Number and pay the Invoice.
    - 1.2.1.1 The system will display a list of INVOICE NUMBERS that match searched criteria. (See Figure 5) and display the fees invoiced
      - 1.2.1.1.1 The Searchable Invoice will include, Record # (permit number, project number, case number), Invoice number, and check number. (See PowerPoint Presentation, Slide number 8).

# City of Occochee TRAKiT Customizations – Invoice Function

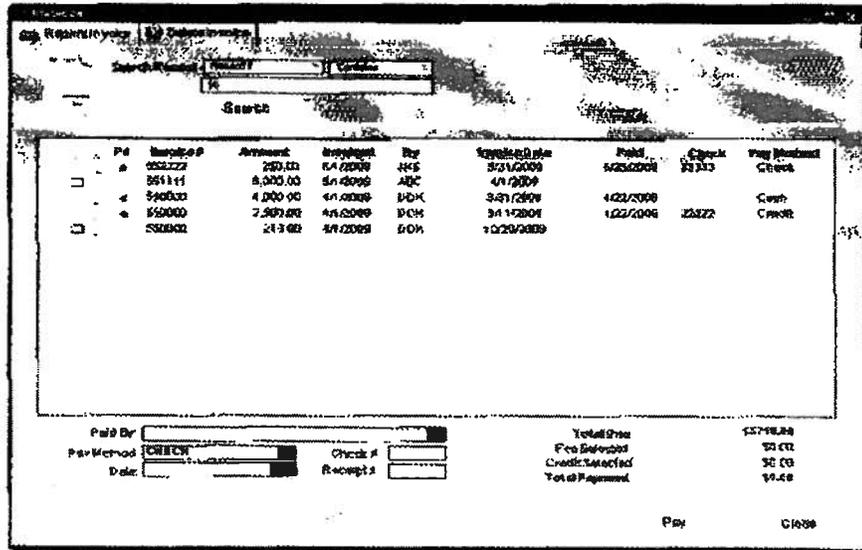


Figure 5

1.2.1.2 If user double-clicks on the Invoice Number (or Invoice # column), system will display an Invoice Details Screen with Invoice Fee details. (See Figure 6).

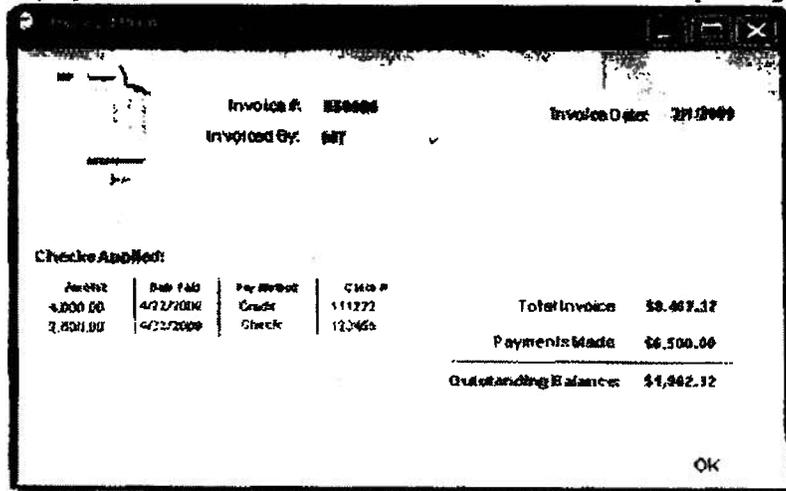


Figure 6

# TRAKit Customizations – Invoice Function

1.2.1.3 The system will allow the USER to pay the fees linked to one or more INVOICE numbers. (See Figure 7)

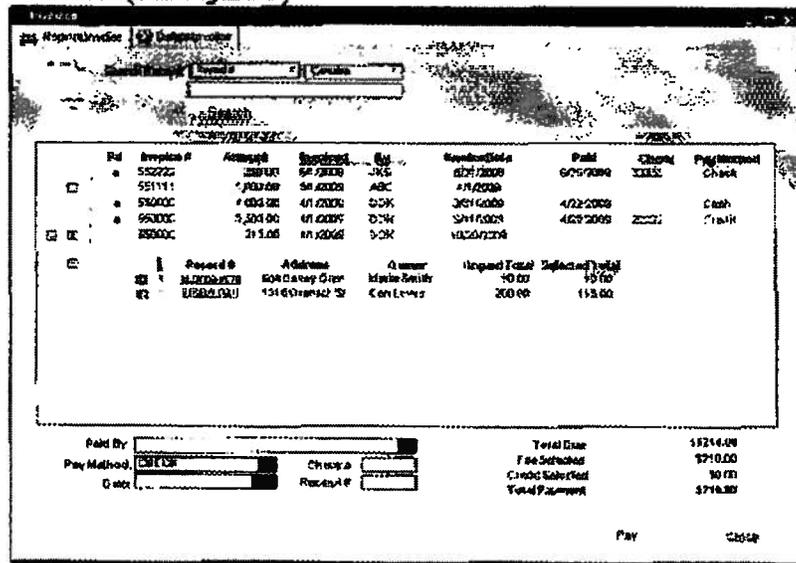


Figure 7

1.2.1.4 User will select the Invoice number and pay.

1.2.1.5 PAID BY drop-down menu will be populated with the selected Parent's Contacts (\*.People table).

1.2.1.6 Note: Payment process is similar to Financial Payment and Cashier functions.

## 1.3 ASSUMPTIONS

1.3.1 INVOICED fees will not programmatically expire.

1.3.2 INVOICED fees will not programmatically incur past due fees.

1.3.3 The City will use the current oceanside\_projectinvoice.rpt for ProjectTRAK, oceanside\_permitinvoice.rpt for PermitTRAK INVOICE reports and modify to allow the selection of multiple fees (see Item 1.1.1.2).

## 1.4 AGREEMENT

1.4.1 The City agrees to rescind the MobileTRAK delivery line item identified in Exhibit C, Project Cost Summary, Item A. Software & Licensing Fees in the amount of \$10,000 and apply the \$10,000 toward the Invoice Requirements identified below.

1.4.2 Additional requirements not defined in this document will incur additional fees.

1.4.3 The programming modifications will be completed within 60 calendar days of authorization.

1.4.4 This quote supersedes all previous quotes and offers and is valid through December 5, 2009.

1.4.5 No additional on-site work or future modifications are included.

1.4.6 Delivery of the revisions would be made via remote connection.

City of Oceanside  
**TRAKiT Customizations – Invoice Function**

  
APPROVED BY THE CITY OF OCEANSIDE

12/05/09  
DATE

Lucie Delorme  
Please Print Name

Administrative Analyst II  
Title

**PROJECT IMPLEMENTATION & PAYMENT SCHEDULE**

**\*\* indicates Project Manager On-Site days**

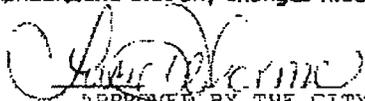
<b>Task Item</b>	<b>Customer Responsibilities</b>	<b>Vendor Responsibilities</b>	<b>Target Date</b>
<b>1. Contract Execution and Notice to Proceed.</b>	Customer signs contract; Customer provides Notice to Proceed.	Vendor signs final contract.	Feb 18, 2009
<b>2. Review Project Milestone Dates and Kick-Off Workbook delivered.</b>	Customer reviews and sets Project Milestone dates with Vendor	Vendor reviews and sets Project Milestone dates with Customer; Vendor delivers electronic copies of Project Workbook	March 6, 2009
<b>3. Review of hardware and required systems.</b>	Customer reviews all necessary hardware, servers, database systems, and related components with Vendor.	Vendor reviews hardware specifications with Customer.	March 6, 2009
<b>4. Confirm hardware and required systems in place. Install TRAKIT software.</b>	Customer provides confirmation that all required hardware, servers, database systems, and related components are ready.	Vendor reviews hardware specifications with Customer; Vendor installs and confirms GoToMyPC remote access. Vendor will install TRAKIT software onto Customer's servers.	April 13, 2009
<b>5. Project Commencement / Kick-Off Meeting.</b>	Customer attends and participates in Kick-Off Meeting.	Vendor attends and conducts Kick-Off meeting; Vendor provides remote access to TRAKIT software on Vendor's server.	March 16, 2009 **
<b>6. Source Data List Due</b>	Customer submits list of all sources of data to be converted. This includes the file type, file name, file format and approximate number of records.	Vendor reviews source data with customer.	March 16, 2009 **
<b>7. First Payment Due: 10% of Contract</b>	Customer provides 1 <sup>st</sup> payment.		March 16, 2009 **
<b>8. Business Process Review Meeting.</b>	Customer provides information and participates in preliminary business process discussion.	Vendor assists the Customer in completion of the Project Workbook and identifies process adaptation.	April 13-15, 2009 **
<b>9. Screenshots of existing software</b>	Customer provides subset of source data and screenshots of existing software that relate to the data conversion process	Vendor reviews screenshots and begins mapping of data. Vendor prepares data mapping document to submit to customer.	April 13, 2009 **
<b>10. Sample Source Data Due</b>	Customer provides sample set of source data to convert	Vendor reviews source data and generates data map for customer to review and approve by data collection meeting date.	April 13, 2009 **
<b>11. Second Payment Due: 10% of Contract</b>	Customer provides 2 <sup>nd</sup> payment.		April 13, 2009 **
<b>12. Data Mapping Document</b>	Customer to review data mapping document provided	Vendor to submit data mapping document for	April 20, 2009

<b>13. Workbook / Data Collection Meeting.</b>	Customer provides completed Workbooks and copies of needed forms/reports; Customer attends department meetings to offer insight into Customer workflow; Customer provides complete set of source data for conversion.	Vendor will collect Customer responses to Workbooks; Vendor conducts Department meetings to ensure understanding of responses and discuss procedural needs; Vendor reviews data to convert with Customer.	May 11, 2009 **
<b>14. Data Mapping Document Signoff</b>	Customer approves data mapping document after review of data map with vendor's data conversion specialist	Vendor to provide data mapping documents, layout, and explanations	May 11, 2009 **
<b>15. Vendor System Configuration.</b>	Customer participates and provides additional information as needed by Vendor.	Vendor configures system according to workbook responses and meeting discussion; Vendor converts historical data provided during Kick-Off Meeting; Vendor creates/customizes custom reports and/or forms (e.g. Permit Form).	May 11 – June 15, 2009
<b>16. Initial Delivery.</b>	Customer will attend the demonstration of the Initial Delivery.	Vendor installs and demonstrates configured system.	June 15, 2009 **
<b>17. Third Payment Due: 20% of Contract</b>	Customer provides 2 <sup>nd</sup> payment.		June 15, 2009 **
<b>18. System Acceptance Users are trained. Includes three (3) days.</b>	Customer will provide meeting space and provide up to eight (8) staff for training.	Vendor provides training materials and laptops with initial system configuration.	June 16-18, 2009 **
<b>19. System Acceptance Testing Begins.</b>	Customer "System Acceptance" Users verify accuracy and placement of converted data, forms & reports; Customer tests software configuration; Customer tests program interfaces; Customer tests software customizations; Customer notifies Vendor of desired changes.	Vendor receives change requests from Customer and makes necessary revisions.	June 18, 2009
<b>20. System Acceptance Testing Review</b>	Customer reviews data with project manager via remote sessions	Vendor schedules weekly remote meetings with each department to review system configuration	June 18 – July 27, 2009
<b>21. Initial Delivery Revisions.</b>	Customer delivers revision list to Vendor.	Vendor receives review comments from Customer and begins adjusting configured system.	July 27, 2009
<b>22. Revised Delivery.</b>	Customer continues review of system.	Vendor delivers revisions to Customer.	Aug 14, 2009
<b>23. System Acceptance Testing Review</b>	Customer reviews data with project manager via remote sessions	Vendor schedules weekly remote meetings with each department to review system configuration	Aug 14-21, 2009

25. Final Revisions List.	Customer delivers final revision list to Vendor.	Vendor receives review comments from Customer and makes final adjustments.	Aug 20, 2009
26. System Acceptance Testing Review	Customer reviews data with project manager via remote sessions	Vendor schedules weekly remote meetings with each department to review system configuration	Aug 20- Sep 7, 2009
27. Final Delivery.		Vendor installs modified system.	Sept 10, 2009
28. System Acceptance Testing Ends.	Customer approves final system before User Training commences.		Sept 10, 2009
<del>29. Fifth Payment Due: 20% of Contract</del>	<del>Customer provides 4<sup>th</sup> payment.</del>	<del>CRW Note: payment is final payment is made in item 34.</del>	<del>Sept 10, 2009</del>
30. End User Training (Week 1). Includes three (3) days.	Customer provides meeting space for up to eight (8) staff.	Vendor provides training materials for up to 41 users and laptops with configured system.	Sept 15- 17, 2009
31. End User Training (Week 2). Includes four (4) days.	Customer provides meeting space for up to eight (8) staff.	Vendor provides training materials and laptops with configured system.	Sept 21-24, 2009
31a. End User Training (Week 3). Includes two (2) days.	Customer provides meeting space for up to (8) staff.	Vendor provides training materials and laptops with configured system.	September 28-29, 2009
32. Transition to Live.	Customer provides final extract of historical data for Vendor to convert.	Vendor converts data and loads on Customer server;	Sept 30, 2009
33. Go Live	Customer Goes Live with TRAKIT	Vendor provides two (2) days of Go-Live support on site.	October 5 & 6, 2009 **
34. Final Payment Due: 20% of Contract	Customer provides final payment.		Nov 5, 2009

** System Administrator Training.	Customer provides up to two (2) System Administrators for training at a remote location.	Vendor trains up to two (2) Customer staff at any of the following locations & dates.	Date and location to be determined based on availability.
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I have reviewed and approved the Project Milestone Schedule for the TRAKIT software implementation project, and understand that any changes made to the schedule by the City of Oceanside will incur additional costs.

  
APPROVED BY THE CITY OF OCEANSIDE

9/11/09  
DATE

Lucie Delcambre  
PLEASE PRINT NAME

Administrative Analyst II  
TITLE



AMENDMENT 2

INNOVATIVE GOVERNMENT TECHNOLOGY

October 19, 2010

Lucie Delorme  
300 North Coast Hwy  
Oceanside, CA 92054

**RE: Mobile TRAKIT; Laptop Sync License**

Dear Lucie,

On behalf of CRW Systems, we are pleased to submit this Cost Proposal to the City of Oceanside, in response to your request for the following items and services:

1. Mobile TRAKIT; Laptop Sync License	\$ 15,000.00
2. First Year Maintenance (pro-rated)	\$ 2,000.00
	\$17,000.00

*First year maintenance is pro-rated November 1, 2010 through June 1, 2011 up to the next annual maintenance period for the TRAKIT system.*

- *This quote supersedes all previous quotes and offers and is valid through 11/01/10.*
- *The TRAKIT Annual Software Maintenance will increase by \$3,000.00.*
- *Software will be delivered within 5 business days of authorization via email or FTP.*
- *All support will be provided remotely no CRW on-site work is included.*
- *The City agrees to the following payment schedule:*
  1. *First payment of \$8,500.00 due by November 1, 2010*
  2. *Second payment of \$8,500.00 due by February 1, 2011.*

Please confirm this request by signing and faxing this letter back to CRW. Upon receipt, you will be contacted for scheduling.

Sincerely,  
CRW Systems

Scott Talbert  
Vice President of Client Services

Approved: \_\_\_\_\_

For the City of Oceanside

Date: 10/19/2010

CITY OF OCEANSIDE, CALIFORNIA  
FINANCIAL INTERFACE

Amendment 3  
11-103361

License to use TRAKIT.NET API for Financial Integration \$7,500.

This quote is to license use of the TRAKIT.NET API by the City of Oceanside, California, to allow Active Networks to integrate their finance system to TRAKIT.

The integration provided is the ability to manipulate financial information in PermitTRAK, ProjectTRAK, CodeTRAK, and LicenseTRAK. This specifically includes the manipulation of:

- Fees
- Subfees
- Deposits
- Credits
- Refunds

Telephone support for use of the API to the City and Active Networks is included in this cost. Support is limited to the functions detailed above.

- This license incurs an additional \$1,500 per year maintenance fee.
- The maintenance period commences at purchase and will be pro-rated up to the next annual maintenance period for the TRAKIT system.
- This quote expires June 30, 2011
- API integration files will be delivered to the City via email/ftp upload
- No on-site work is included
- License is provided for the specific process indicated. Additional uses will incur additional cost
- This license allows use by the City of Oceanside and Active Networks
- The TRAKIT NET API and related documentation may NOT be released to additional parties, whether in part or in full, without express written consent from CRW Systems.

Any additional functionality or changes to the specifications detailed above may increase the time of development and require additional costs. By signing below you agree to the specifications detailed above.

Approved by: Oceanside City Council 5/1/11

Signature: [Signature] Date: 6-7-11  
(in behalf of the City of Oceanside)

Respectfully Submitted,

[Signature]  
Vance Bradshaw  
VP, Operations  
CRW Systems, Inc

State of California )  
County of San Diego ) SS:

APPROVED AS TO FORM  
OCEANSIDE CITY ATTORNEY  
[Signature]  
BARBARA L. HAMILTON  
Assistant City Attorney

On this 6 day of April 2011, before me personally came Vance Bradshaw to me known, who, being by me duly sworn, did dispose and say that he/she is the Vice President (title) of the respective organization:

Name of Firm: CRW Systems, Inc  
Address: 7044 Corte Del Naval Ste 200  
Carlsbad, CA 92011

And whose signature I witnessed:  
Signature of Notary: [Signature]  
Printed name of Notary Public: Jessica Ascencio

JESSICA ASCENCIO  
COMM. # 1842830  
NOTARY PUBLIC-CALIFORNIA  
SAN DIEGO COUNTY  
MY COM. Exp. MAR. 30, 2013  
Commission Expires: 3/30/13

# CITY OF OCEANSIDE, CALIFORNIA FINANCE EXPORT ENHANCEMENTS

## BACKGROUND:

The City of Oceanside currently exports financial information from TRAKIT into the City's GL system only when payments occur. This works for most transactions, but the City would like to recognize the revenue (and a corresponding receivable) for some transactions at the time they are invoiced. These proposed enhancements to the finance export are intended to meet this need.

## SPECIFICATIONS:

The current export is initiated by a user of TRAKIT, and exports data for payments received in an identified date range. The current export table in the TRAKIT database is called "F5509CRW", and contains the following fields:

RECORD_NO	text	15
<i>TRAKIT Permit, Project, Case, or AEC number</i>		
DESCRIPTION	text	30
<i>Fee description from TRAKIT</i>		
AMOUNT	number	
<i>Amount of payment (payments are negative at the City's request)</i>		
ACCOUNT	text	30
<i>Account number in TRAKIT</i>		
PAID_DATE	date	
<i>Date paid in TRAKIT</i>		
RUNDATE	date	
<i>Date export file was run</i>		
SUCCESSFULLY_PROCESSED	text	
<i>Set to blank</i>		
PAID_BY	text	30
<i>Payor name from TRAKIT</i>		
ST_LIC_NO	text	20
<i>If the Payor name matches a record in AEC TRAK, the license number of that payor is transferred</i>		
PAY_METHOD	text	20
<i>Method of payment from TRAKIT</i>		
SUBLEDGER	text	1
<i>Set to blank</i>		

The following payment methods are currently excluded from the export

TRANSFER  
TRUST ACCT  
REFUND  
WAIVED

The following changes are proposed to the existing export:

1. Modify Description field:  
DESCRIPTION text 30  
*If invoice no is blank or does not begin with "AR-", set to Fee Description from TRAKIT  
If invoice no begins with "AR-", set to the TRAKIT invoice number.*
2. Modify Account field:  
ACCOUNT text 30  
*If payment was NOT on an invoice beginning with "AR-", Account number in TRAKIT  
If payment WAS on an invoice beginning with "AR-", set to Receivable Account  
(nnnnnnnn.nnnn.nnnn).*
3. Include offsetting entries for the pay method DEPOSIT:  
AMOUNT will be positive on these  
ACCOUNT will be the account that the DEPOSIT was paid with
4. Exclude deposit payments  
These will be exported to the GL system from Active Cashiering

### B. Export of Receivables

A second export routine and report are needed for invoices that are receivables.

This new export routine:

- Will ONLY export fees:
  - o Whose invoice date is in the identified date range
  - o Whose invoice number begins with "AR-"
- Will export to the same target table: "FF5509CRW"
- Will always contain values in the INVOICE\_NO fields, because invoice number will always begin with "AR-"

Export of receivables requires two separate records per invoice:

#### 1. FIRST record -- (Recording the Revenue)

RECORD_NO	text	15
<i>TRAKIT Permit, Project, Case, or AEC number</i>		
DESCRIPTION	text	30
<i>Fee description from TRAKIT</i>		
AMOUNT	number	
<i>Amount of payment (revenue are negative at the City's request)</i>		
ACCOUNT	text	30
<i>Account number in TRAKIT</i>		
PAID_DATE	date	
<i>Date paid in TRAKIT</i>		
RUNDATE	date	
<i>Date export file was run</i>		
SUCCESSFULLY_PROCESSED	text	
<i>Set to blank</i>		
PAID_BY	text	30
<i>Payor name from TRAKIT</i>		
ST_LIC_NO	text	20
<i>If the Payor name matches a record in AEC TRAK, the license number of that payor is transferred</i>		
PAY_METHOD	text	20
<i>Method of payment from TRAKIT</i>		
SUBLEDDER	text	1
<i>Set to blank</i>		
INVOICE_NO	text	30
<i>Invoice Number from TRAKIT</i>		

2. SECOND record – (Recording the Receivable)

RECORD_NO	text	15	
<i>TRAKiT Permit, Project, Case, or AEC number</i>			
DESCRIPTION	text	30	
<i>Fee description from TRAKiT</i>			
AMOUNT	number		
<i>Amount of payment (receivable are positive at the City's request)</i>			
ACCOUNT	text	30	
<i>Set to Receivable Account, nnnnnnnnn.nnnn.nnnn</i>			
PAID_DATE	date		
<i>Date paid in TRAKiT</i>			
RUNDATE	date		
<i>Date export file was run</i>			
SUCCESSFULLY_PROCESSED	text		
<i>Set to blank</i>			
PAID_BY	text	30	
<i>Payor name from TRAKiT</i>			
ST_LIC_NO	text	20	
<i>If the Payor name matches a record in AEC TRAK, the license number of that payor is transferred</i>			
PAY_METHOD	text	20	
<i>Method of payment from TRAKiT</i>			
SUBLEDGER	text	1	
<i>Set to blank</i>			
INVOICE_NO	text	30	
<i>Invoice Number from TRAKiT</i>			

Finance Export Enhancements

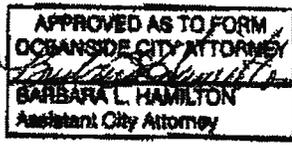
\$4,250.

- Revised export files will be delivered to the City via email/http upload
- Revised files to be delivered within 30 days of authorization
- Payment is due upon delivery of test export files
- Export files are considered accepted if no issues are reported within 15 days of delivery
- No on-site work is included
- No payments into or charges out of trust accounts are included in either export
- Refunds are not included in either export
- No custom reports are included

Any additional functionality or changes to the specifications detailed above may increase the time of development and require additional costs. By signing below you agree to the specifications detailed above.

Approved by: \_\_\_\_\_

Signature: *Orlando Weis* Date: 6-7-11  
*(on behalf of the City of Oceanside)*



Respectfully Submitted,

*Vance Bradshaw*  
 Vance Bradshaw  
 VP, Product Development  
 CRW Systems, Inc

On this 26 day of April 2011, before me personally came Vance Bradshaw to me known, who, being by me duly sworn, did dispose and say that he/she is the Vice President officer of the respective organization:

Name of Firm: CRW Systems, Inc.  
 Address: 2036 Corte Del Nogal Suite  
Carlsbad, CA 92011



And whose signature I witnessed:  
 Signature of Principal: *Vance Bradshaw*  
 Signature of Notary: *Jessica Ascencio*  
 Printed name of Notary Public: Jessica Ascencio Commission Expires: 3/30/2013

**CITY OF OCEANSIDE**  
**AMENDMENT 1 TO**  
**PROFESSIONAL SERVICES AGREEMENT**

**PROJECT: CENTRAL CASHIERING SOFTWARE MODIFICATIONS**

THIS AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (hereinafter "Amendment"), dated February 1, 2012 for identification purposes, is made and entered into by and between the CITY OF OCEANSIDE, a municipal corporation, hereinafter designated as "CITY", and The Active Network, Inc. a Delaware corporation, hereinafter designated as "CONSULTANT."

**RECITALS**

WHEREAS, City and Consultant are the parties to that certain Professional Services Agreement dated August 25, 2010, hereinafter referred to as the "Agreement", wherein Consultant agreed to provide certain services to the City as set forth therein;

**AMENDMENT**

NOW, THEREFORE, as set forth herein, the parties hereto do mutually agree that the Agreement shall be amended as follows:

1. Scope of Work will include the following key tasks as identified on the proposals dated December 21, 2011 (attached):
  - a. Department Connector to CRW business license/TOT module including integration services and one year maintenance & support - \$23,060
  - b. Department Connector to Oracle Harbor/Property Management module including integration services and one year maintenance & support - \$23,060
  - c. Department Connector to ActiveNet (i.e. parks & recreation module) including integration services and one year maintenance & support – no additional cost
  - d. Project management for all three Connectors - \$7,600
  - e. Six Payment Manager – POS Plus (i.e. cashier workstations) including software, printer and other hardware, supplies, and one year maintenance & support - \$34,340.
2. Compensation for this scope of work shall not exceed \$88,060.
3. Except as expressly set forth in this Amendment, the Agreement shall remain in full force and effect and is hereby ratified and reaffirmed.
4. City shall have the right to terminate this Amendment for convenience. In this event, CONSULTANT shall be paid for the reasonable value of the services provided as of the termination.

**CENTRAL CASHIERING SOFTWARE MODIFICATIONS**

**SIGNATURES.** The individuals executing this Amendment represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Amendment on behalf of the respective legal entities of the CONSULTANT and the CITY.

IN WITNESS WHEREOF the parties hereto being duly authorized on behalf of their respective entities to execute this Amendment, do hereby agree to the covenants contained in the Agreement, including this Amendment and have caused this Amendment to be executed by setting hereunto their signatures on the dates set forth below.

THE ACTIVE NETWORK, INC.

By: *Fredd R Wall - SVP Technology*  
Name/Title - FREDD R WALL

Date: JAN 26th 2012

By: \_\_\_\_\_  
Name/Title

Date: \_\_\_\_\_

\_\_\_\_\_  
Employer ID No.

CITY OF OCEANSIDE

By: \_\_\_\_\_  
Peter Weiss, City Manager

Date: \_\_\_\_\_

APPROVED AS TO FORM:

*John Smith*  
City Attorney

**NOTARY ACKNOWLEDGMENTS OF CONSULTANT MUST BE ATTACHED.**

*Signed before me by fredd R wall  
this 26th day of January 2012  
in the city of Burnaby Province  
of British Columbia*

*[Handwritten Signature]*

**ALAN I. CHIM**  
Barrister & Solicitor, *Notary Public*  
ALAN CHIM LAW CORPORATION  
Suite 406 - 6400 Roberts Street  
Burnaby, B.C. V5G 4C9  
Phone: (604) 606-2550

**The Active Network**  
10182 Telesis Court, 1st floor  
San Diego, CA, 92121, United States

**Date:** 12/06/2011  
**Expires:** 03/31/2012

**Customer:**

**City of Oceanside**  
Attn: Sheri Brown

**Bill To:**  
**City of Oceanside**  
300 N. Coast Highway  
Oceanside, CA 92054 United States

**Ship To:**  
**City of Oceanside**  
300 N. Coast Highway  
Oceanside, CA 92054 United States

**Sales Representative:**

**Payment Terms: 30 NET**

Line	Product	Units	Qty	Unit Price Selling (USD)	Total Price Selling (USD)
1.0	Payment Manager - POS Plus	Ea	6	\$3,000.00	\$18,000.00
1.0.1	Payment Manager - Maintenance & Support - POS Plus	Yr	6	\$750.00	\$4,500.00
	<b>Duration</b> 1    Yr				
2.0	Payment Manager - APG Series 4000 Cash Drawer, Black, Printer Interface (Cable Included)	Ea	6	\$184.00	\$1,104.00
3.0	Payment Manager - Epson Receipt Thermal Paper, 3 1/8 in x 273 in, 50/Box	Ea	1	\$82.00	\$82.00
4.0	Payment Manager - Epson Ribbon, Black, 10 Ribbons-Case	Ea	1	\$27.00	\$27.00
5.0	Payment Manager - Epson TM-H6000IV - - Thermal MICR/Endorse USB/Serial	Ea	6	\$719.00	\$4,314.00
6.0	Payment Manager - APG Fixed Till Assembly 5X5 Tray (American) w/ Lid	Ea	6	\$75.00	\$450.00
7.0	Payment Manager - MagTek Excella STX Chck Reader-Chck 21 Plat,Fr Prntr,Rr Prntr&MSR-Class6.21-ClrScn	Ea	6	\$835.00	\$5,010.00

**Category Subtotal**

Payment Manager.Hardware.HW Other	Subtotal (Selling Price)	\$6,114.00
Payment Manager.Hardware.Printer	Subtotal (Selling Price)	\$4,314.00
Payment Manager.Hardware.Supplies	Subtotal (Selling Price)	\$559.00

Payment Manager.Maintenance.Initial	Subtotal (Selling Price)	\$4,500.00
Payment Manager.Software.Software - FTP	Subtotal (Selling Price)	\$18,000.00
<b>Tax</b>		
	COUNTY (Rate 1.5% )	\$164.81
	STATE (Rate 6.25% )	\$686.71
<b>Total(USD)</b>		<b>\$34,338.52</b>

**General**

Sales taxes, where applicable, are not included and prices are in the currency of the country of installation (subject to change without notice). Hardware, operating system, 3rd party software and site preparation are not included unless otherwise noted.

**Client Server Software**

Customer shall pay TAN all fees for licensed software purchased hereunder upon delivery of the software. Delivery of licensed software shall be deemed to have occurred upon TAN's email transmission to customer's designee of an FTP link permitting download of the software from TANs designated online site, or where delivered in the form of physical media, FOB Origin. The software and manuals are available for download.

**Software**

Customer shall pay TAN all fees for licensed software purchased hereunder upon delivery of the software. The start date for support and maintenance for implementations performed by TAN will be the first day of implementation of the licensed software or 90 days following the delivery of the licensed software, whichever occurs first, and upon delivery of the licensed software for implementations performed by customer or a third party vendor.

**Hardware**

All hardware sales are final. Hardware is covered by standard manufacturer's warranty. Equipment that is defective upon arrival will be replaced. RMA process will apply for items after support has indicated there are no alternatives. Customer must notify TAN in writing of any defective hardware within 7 days of its receipt. Any notices received after 7 days concerning defective hardware will be null and void and will not be accepted for return or replacement by TAN. Thereafter, the standard manufacturer's warranty will apply.

**Method of Payment:**

- Invoice Me**                      **Purchase Order Number:** \_\_\_\_\_

---

- Credit Card**                       **Visa**                       **MasterCard**                       **American Express**

**Credit Card Number:** \_\_\_\_\_                      **Expiration Date:** \_\_\_\_\_

**I hereby Agree to Pay above quote with the stated Method.**

**Customer Name:** City of Oceanside

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Effective Date: \_\_\_\_\_

End of Quote

The Active Network  
10182 Telesis Court, 1st floor  
San Diego, CA, 92121, United States

Date: 12/21/2011  
Expires: 03/19/2012

**Customer:**

City of Oceanside

**Bill To:**

City of Oceanside  
300 N. Coast Highway  
Oceanside, CA 92054 United States  
Attn: Sheri Brown

**Ship To:**

City of Oceanside  
300 N. Coast Highway  
Oceanside, CA 92054 United States  
Attn: Sheri Brown

**Sales Representative:**

**Payment Terms:** 30 NET

Line	Product	Units	Qty	Discount	Unit Price Selling (USD)	Total Price Selling (USD)
1.0	Department Connector to CRW business license/TOT module	Ea	1		\$10,000.00	\$10,000.00
1.0.1	Payment Manager - Maintenance & Support - Department Connector Duration 1 Yr	Yr	1		\$2,500.00	\$2,500.00
2.0	Project Management	Hr	40		\$190.00	\$7,600.00
3.0	Integration services for CRW business license/TOT module	Hr	80		\$132.00	\$10,560.00
4.0	Department Connector to Oracle Harbor/Property Management module	Ea	1		\$10,000.00	\$10,000.00
4.0.1	Payment Manager - Maintenance & Support - Department Connector Duration 1 Yr	Yr	1		\$2,500.00	\$2,500.00
5.0	Integration services for Oracle Harbor/Property Management module	Hr	80		\$132.00	\$10,560.00
6.0	Department Connector to ActiveNet	Ea	1	100%	\$10,000.00	\$0.00
6.0.1	Payment Manager - Maintenance & Support - Department Connector Duration 1 Yr	Yr	1	100%	\$2500.00	\$0.00
7.0	Services for ActiveNet	Hr	80	100%	\$132.00	\$0.00

**Category Subtotal**

Payment Manager.Maintenance.Initial	Subtotal (Selling Price)	\$5,000.00
Payment Manager.Service.Consulting	Subtotal (Selling Price)	\$28,720.00
Payment Manager.Software.Software - FTP	Subtotal (Selling Price)	\$20,000.00

**Tax**

COUNTY (Rate 1.5% )	\$0.00
STATE (Rate 6.25% )	\$0.00

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<b>Total(USD)</b>		<b>\$53,720.00</b>
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**General**

Sales taxes, where applicable, are not included and prices are in the currency of the country of installation (subject to change without notice). Hardware, operating system, 3rd party software and site preparation are not included unless otherwise noted.

**Onsite Services**

Quoted prices for onsite services do not include airfare. If onsite services are required, economy airfare will be assessed and invoiced separately. Onsite services are billed in minimum, 8 hour daily increments.

**Client Server Software**

Customer shall pay TAN all fees for licensed software purchased hereunder upon delivery of the software. Delivery of licensed software shall be deemed to have occurred upon TAN's email transmission to customer's designee of an FTP link permitting download of the software from TANs designated online site, or where delivered in the form of physical media, FOB Origin. The software and manuals are available for download.

**Software**

Customer shall pay TAN all fees for licensed software purchased hereunder upon delivery of the software. The start date for support and maintenance for implementations performed by TAN will be the first day of implementation of the licensed software or 90 days following the delivery of the licensed software, whichever occurs first, and upon delivery of the licensed software for implementations performed by customer or a third party vendor.

**Method of Payment:**

**Invoice Me**                      **Purchase Order Number:** \_\_\_\_\_

**Credit Card**                       **Visa**                       **MasterCard**                       **American Express**

**Credit Card Number:** \_\_\_\_\_                      **Expiration Date:** \_\_\_\_\_

**I hereby Agree to Pay above quote with the stated Method.**

**Customer Name:** City of Oceanside

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Effective Date: \_\_\_\_\_

End of Quote

**CITY OF OCEANSIDE**

**PROFESSIONAL SERVICES AGREEMENT**

**PROJECT: Central Cashiering Purchase and Maintenance Agreement**

THIS AGREEMENT, dated August 25, 2010 for identification purposes, is made and entered into by and between the CITY OF OCEANSIDE, a municipal corporation, hereinafter designated as "CITY", and The Active Network, Inc., a Delaware corporation, hereinafter designated as "CONSULTANT."

**NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:**

1. **SCOPE OF WORK.** The project is more particularly described as follows: The consultant will deliver, install, configure, train and maintain a central cashiering software and hardware system. Consultant will provide hardware, software and maintenance as further described in detail in Attachment 1, Product and Services Agreement and more specifically as outlined in Exhibit 2 of Attachment 1. In the event of a conflict between the terms of this agreement and Attachment 1, this agreement prevails.
2. **INDEPENDENT CONTRACTOR.** CONSULTANT'S relationship to the CITY shall be that of an independent contractor. CONSULTANT shall have no authority, express or implied, to act on behalf of the CITY as an agent, or to bind the CITY to any obligation whatsoever, unless specifically authorized in writing by the City Engineer. The CONSULTANT shall not be authorized to communicate directly with, nor in any way direct the actions of, any bidder or the construction contractor for this project without the prior written authorization by the City Engineer. CONSULTANT shall be solely responsible for the performance of any of its employees, agents, or subcontractors under this Agreement. CONSULTANT shall report to the CITY any and all employees, agents, and consultants performing work in connection with this project, and all shall be subject to the approval of the CITY.
3. **WORKERS' COMPENSATION.** Pursuant to Labor Code section 1861, the CONSULTANT hereby certifies that the CONSULTANT is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and the CONSULTANT will comply with such provisions, and provide certification of such compliance as a part of this Agreement.

**[Central Cashiering Purchase and Maintenance Agreement]**

**4. LIABILITY INSURANCE.**

4.1. CONSULTANT shall, throughout the duration of this Agreement maintain comprehensive general liability and property damage insurance, or commercial general liability insurance, covering all operations of CONSULTANT, its agents and employees, performed in connection with this Agreement including but not limited to premises and automobile.

4.2. CONSULTANT shall maintain liability insurance in the following minimum limits:

Comprehensive General Liability Insurance  
(bodily injury and property damage)

Combined Single Limit Per Occurrence	\$ 1,000,000
General Aggregate	\$ 2,000,000*

Commercial General Liability Insurance  
(bodily injury and property damage)

General limit per occurrence	\$ 1,000,000
General limit project specific aggregate	\$ 2,000,000

<u>Automobile Liability Insurance</u>	\$ 1,000,000
---------------------------------------	--------------

\*General aggregate per year, or part thereof, with respect to losses or other acts or omissions of CONSULTANT under this Agreement.

4.3. If coverage is provided through a Commercial General Liability Insurance policy, a minimum of 50% of each of the aggregate limits shall remain available at all times. If over 50% of any aggregate limit has been paid or reserved, the CITY may require additional coverage to be purchased by the CONSULTANT to restore the required limits. The CONSULTANT shall also notify the CITY'S Project Manager promptly of all losses or claims over \$25,000 resulting from work performed under this contract, or any loss or claim against the CONSULTANT resulting from any of the CONSULTANT'S work.

4.4. All insurance companies affording coverage to the CONSULTANT for the purposes of this Section shall add the City of Oceanside as "additional insured" under the designated insurance policy for all work performed under this agreement. Insurance coverage provided to the City as additional insured shall be primary insurance and other insurance maintained by the City of Oceanside, its officers, agents, and employees shall be excess only and not contributing with insurance provided pursuant to this Section.

**[Central Cashiering Purchase and Maintenance Agreement]**

- 4.5 All insurance companies affording coverage to the CONSULTANT pursuant to this agreement shall be insurance organizations admitted by the Insurance Commissioner of the State of California to transact business of insurance in the state or be rated as A-X or higher by A.M. Best.
- 4.6 All insurance companies affording coverage shall provide thirty (30) days written notice to the CITY should the policy be cancelled before the expiration date. For the purposes of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation.
- 4.7 CONSULTANT shall provide evidence of compliance with the insurance requirements listed above by providing a Certificate of Insurance and applicable endorsements, in a form satisfactory to the City Attorney, concurrently with the submittal of this Agreement, however, CITY will not require CONSULTANT to effect changes to the Certificate of Insurance provided by CONSULTANT's carrier as long as certificate complies with this Section 4.
- 4.8 CONSULTANT shall provide a substitute Certificate of Insurance no later than thirty (30) days prior to the policy expiration date. Failure by the CONSULTANT to provide such a substitution and extend the policy expiration date shall be considered a default by CONSULTANT and may subject the CONSULTANT to a suspension or termination of work under the Agreement.
- 4.9 Maintenance of insurance by the CONSULTANT as specified in this Agreement shall in no way be interpreted as relieving the CONSULTANT of any responsibility whatsoever and the CONSULTANT may carry, at its own expense, such additional insurance as it deems necessary.
5. **PROFESSIONAL ERRORS AND OMISSIONS INSURANCE.** Throughout the duration of this Agreement and four (4) years thereafter, the CONSULTANT shall maintain professional errors and omissions insurance for work performed in connection with this Agreement in the minimum amount of One Million Dollars (\$1,000,000.00).

CONSULTANT shall provide evidence of compliance with these insurance requirements by providing a Certificate of Insurance.

6. **CONSULTANT'S INDEMNIFICATION OF CITY.** CONSULTANT shall indemnify and hold harmless the CITY and its officers, agents and employees against all claims for damages to persons or property arising out of the negligent acts, errors or omissions or wrongful acts or conduct of the CONSULTANT, or its

**[Central Cashiering Purchase and Maintenance Agreement]**

employees, agents, subcontractors, or others in connection with the execution of the work covered by this Agreement, except for those claims arising from the willful misconduct, sole negligence or active negligence of the CITY, its officers, agents, or employees. CONSULTANT'S indemnification obligation is conditioned upon CONSULTANT being provided the opportunity to control the defense of any claim, suit or action for which CITY seeks indemnification and shall include any and all costs, expenses, attorneys' fees, expert fees and liability assessed against the CITY, its officers, agents, or employees whether the same proceed to judgment or not. CITY shall provide assistance and at its option participate in defending against such claims or lawsuits, whether at its expense. CONSULTANT shall not settle any claim without the CITY's consent.

CONSULTANT'S indemnification of CITY shall not be limited by any prior or subsequent declaration by the CONSULTANT other than as provided in this Agreement.

7. **COMPENSATION.** CONSULTANT'S compensation for all work performed in accordance with this Agreement, shall not exceed the total contract price of \$215,000.

No work shall be performed by CONSULTANT in excess of the total contract price without prior written approval of the City Engineer. CONSULTANT shall obtain approval by the Financial Services Department Director prior to performing any work, which results in incidental expenses to CITY.

8. **TIMING REQUIREMENTS.** Time is of the essence in the performance of work under this Agreement and the timing requirements shall be strictly adhered to unless otherwise modified in writing. All work shall be completed in every detail to the satisfaction of the Financial Services Department Director within six months of initiating the project.

9. **ENTIRE AGREEMENT.** This Agreement comprises the entire integrated understanding between CITY and CONSULTANT concerning the work to be performed for this project and supersedes all prior negotiations, representations, or agreements.

10. **INTERPRETATION OF THE AGREEMENT.** The interpretation, validity and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. The Agreement does not limit any other rights or remedies available to CITY.

The CONSULTANT shall be responsible for complying with all applicable local, state, and federal laws whether or not said laws are expressly stated or referred to herein.

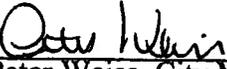
**[Central Cashiering Purchase and Maintenance Agreement]**

Should any provision herein be found or deemed to be invalid, the Agreement shall be construed as not containing such provision, and all other provisions, which are otherwise lawful, shall remain in full force and effect, and to this end the provisions of this Agreement are severable.

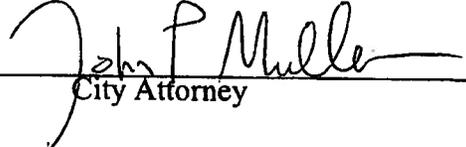
- 11. **AGREEMENT MODIFICATION.** This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto.
- 12. **SIGNATURES.** The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the CONSULTANT and the CITY.

IN WITNESS WHEREOF, the parties hereto for themselves, their heirs, executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Professional Services Agreement to be executed by setting hereunto their signatures on the dates set forth below.

The Active Network, Inc.  
By: 

CITY OF OCEANSIDE  
By:   
Peter Weiss, City Manager

By: Scott Mendel / CFO  
Name/Title

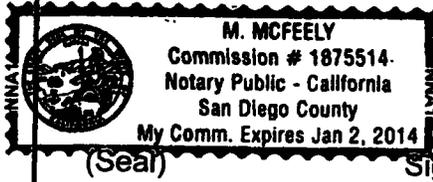
APPROVED AS TO FORM:  
  
City Attorney

33-0884962  
Employer ID No.

**NOTARY ACKNOWLEDGMENTS OF CONSULTANT MUST BE ATTACHED.**

State of California  
County of San Diego

Subscribed and sworn to (or affirmed) before me on this 02  
day of Aug., 2010, by Scott Mendel,  
proved to me on the basis of satisfactory evidence to be the  
person(s) who appeared before me.



Signature

**CITY OF OCEANSIDE**  
**AMENDMENT 1 TO**  
**PROFESSIONAL SERVICES AGREEMENT**

**PROJECT: ACCOUNTING SERVICES**

THIS AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (hereinafter "Amendment"), dated February 1, 2012 for identification purposes, is made and entered into by and between the CITY OF OCEANSIDE, a municipal corporation, hereinafter designated as "CITY", and Vavrinek, Trine, Day & Co., LLP of Rancho Cucamonga, California, hereinafter designated as "CONSULTANT."

**RECITALS**

WHEREAS, City and Consultant are the parties to that certain Professional Services Agreement dated June 22, 2011, hereinafter referred to as the "Agreement", wherein Consultant agreed to provide certain services to the City as set forth therein;

**AMENDMENT**

NOW, THEREFORE, as set forth herein, the parties hereto do mutually agree that the Agreement shall be amended as follows:

1. Scope of Work will include the following key task as identified on the proposal dated December 20, 2011 (attached):
  - a. Revamp and Document Bank Receipting System
2. Compensation for this scope of work shall not exceed \$40,000.
3. Except as expressly set forth in this Amendment, the Agreement shall remain in full force and effect and is hereby ratified and reaffirmed.

**SIGNATURES.** The individuals executing this Amendment represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Amendment on behalf of the respective legal entities of the CONSULTANT and the CITY.

IN WITNESS WHEREOF the parties hereto being duly authorized on behalf of their respective entities to execute this Amendment, do hereby agree to the covenants contained in the Agreement, including this Amendment and have caused this Amendment to be executed by setting hereunto their signatures on the dates set forth below.

**ACCOUNTING SERVICES**

[INSERT NAME OF CONSULTANT]

CITY OF OCEANSIDE

By: Joseph Aguilar  
Name/Title

By: Peter Weiss, City Manager

Date: 1/13/12  
Joseph Aguilar, Partner

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name/Title

APPROVED AS TO FORM:

Date: \_\_\_\_\_

John R. Hebb  
City Attorney

Employer ID No. \_\_\_\_\_

**NOTARY ACKNOWLEDGMENTS OF CONSULTANT MUST BE ATTACHED.**

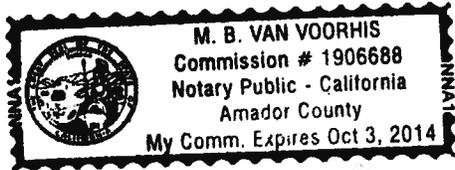
**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

County of Amador }

On 1/13/2012 before me, M.B. Van Voorhis, Notary Public  
Date Here insert Name and Title of the Officer

personally appeared Joseph Aguilar  
Name(s) of Signer(s)



who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

Signature M.B. Van Voorhis  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

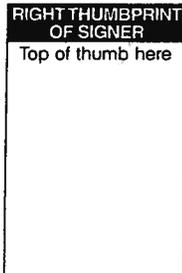
Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

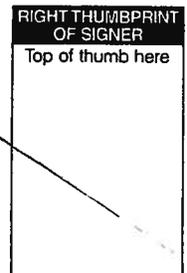
- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_



December 20, 2011

Terri Ferro  
City of Oceanside  
300 N. Coast Hwy.  
Oceanside, CA 92054

Re: Revamping and Documentation of Bank Receipting Systems

Dear Terri:

This correspondence summarizes the proposed revamping of procedures and processes related to tracking and reconciling of transactions affecting the monthly bank account reconciliations. The City uses five main bank accounts and several general ledger cash accounts for tracking and posting the various receipt and disbursement transactions the City consummates every month. It is not uncommon for the City to process \$50,000,000 to \$80,000,000 worth of banking transactions in a given month. The number of transactions vary each month from 22,000 transactions to 40,000 depending upon the activities encountered by the City.

In the recent past, the City has invested a significant amount of money and staff time for upgrading the various computerized receipting systems used by the City in recording revenues and payments. In the upcoming years, new receipting systems are to be added for the Harbor and Property Management functions. Payments from utility functions, parking lots, parking fines, recreation classes, building permits, business licenses and numerous other functions use a variety of systems for taking in funds and tracking the corresponding services. These computerized systems require the City to revamp its processes and set up new methods in establishing daily and monthly "cut-off's" for substantiating revenue totals. Filing systems and documentation need additional re-design for tracing and supporting receipts and refunds.

The City encounters additional challenges in tracking daily receipts due to ever expanding modes of payments via credit cards, debit cards, lock boxes, on-line payments and telephone payments along with cash and checks. Changes in the banking industry further complicate the landscape with services related to bank receipting being performed by outsourced companies and electronic payment intermediaries. The City needs to refine the processes related to the various payment modes and attempt to standardize the methods and filing systems supporting these recording systems.

In the end, the Finance Department makes the final accounting of banking transactions initiated by the Treasury Department and all other departments taking in City funds. The City consumes an extensive amount of staff time to record and process payments. A refinement and adjustment of the methods used by the departments will help reduce needless procedures, invoke better controls and add accountability to the receipting system.

#### **Recent Bank Reconciliation Experience**

The City used four different accountants for completing the bank reconciliations during FY 2010-11. Transitioning the work from one accountant to another added to the confusion as to whether adjustments needed to be booked or questioned. The standards used by one accountant for recommending an adjustment were not the same for another accountant later on. Furthermore, each accountant usually assumed that the work performed by the previous accountant was correct. During FY 2010-11, the accountants did not use a consistent method for recommending bank adjustments.

The bank reconciliations from January 2011 through May 2011 were performed incorrectly. The accountants whom had performed these duties no longer work for the City. However, the City needs to have a written process for reviewing the bank reconciliation work and formally tracking the clearing of timing adjustments. The Finance Department and VTD are in the process of documenting the bank reconciliation so that a managerial reviewer can follow the bank adjustments and isolate the transactions that need follow up for assuring their posting. Many of the isolated transactions are timing differences while others are deviations in processing. In the end, the Finance Department will advise other department to remedy the causes for creating the deposit timing and processing deviations.

#### **Solutions and Remedies**

- VTD has already begun revamping the template for summarizing the City's bank reconciliation. The revised template plays an important role for identifying timing differences on receipting and deviations in processing receipts. This unanticipated work was beyond the initial scope of services for the recently entered into service contract.
- VTD performed work on the previous year's bank reconciliations that was beyond the scope of work for their service contract. The work was necessary for understanding the carry-over of adjustments stemming from the prior year and clearing up cashiering differences in the closing of the City's books for June 30, 2011.
- A revamped template on the bank reconciliations more clearly identifies the timing errors for recording transactions and provides a new tool for revising receipting procedures. Further revising of receipting procedures are beyond the initial scope of services envision for VTD.
- After the installation of numerous automated systems, the old receipting procedures were not altered significantly. The City needs a fresh look at the existing receipting procedures and current City staff and VTD have the expertise and experience to refine these processes for creating better accountability in the receipting function.
- The City anticipates the automating of receipting systems for the Harbor and Property Management functions and these installations can be enhanced with the anticipated efforts surrounding the bank receipting procedures.
- City staff and VTD estimates the added services beyond the original scope of work will add \$40,000 to their service contract for Fiscal Year 2011-12

Sincerely yours,



Joe Aguilar  
Of VAVRINEK TRINE DAY & CO., LLP

**CITY OF OCEANSIDE**

**PROFESSIONAL SERVICES AGREEMENT**

**SERVICES: ACCOUNTING SERVICES**

THIS AGREEMENT, dated June 22, 2011 for identification purposes, is made and entered into by and between the CITY OF OCEANSIDE, a municipal corporation, hereinafter designated as "CITY", and Vavrinek, Trine, Day & Co., LLP, hereinafter designated as "CONSULTANT."

**NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:**

1. **SCOPE OF WORK.** The project is defined in the attached "Proposal to Provide Accounting Services" dated May 4, 2011, and is more particularly described as follows:

- 1.1 Duties of the Firm

- A. Municipal services to be provided for within the scope of this RFP are for general government and enterprise financial services. The scope of work includes all required tasks as outlined in this RFP for accounting services.

The firm will:

- 1) Provide all deliverables under the direction of the City's Director of Finance to ensure the requirements of this contract are effectively and efficiently performed. Such services shall encompass all those duties and functions reasonably and customarily associated with delivery of the services in accordance with the City Charter, City Ordinances and laws of the State of California and best practices established by industry standards.
- 2) Provide for the benefit of the City all labor, supervision and equipment not otherwise provided which are necessary and proper for the purpose of performing the services, duties and responsibilities set forth and as necessary to maintain the level of service to be rendered hereunder.
- 3) Develop, implement, maintain and improve strategies to attract, retain and formally develop highly-qualified employees in the appropriate number to comply with the requirements of this contract and to fill vacancies in staffing promptly.

## ACCOUNTING SERVICES

- 4) Devise, recommend and employ technology and process improvements to maximize efficiencies while maintaining reliable capabilities.
  - 5) Establish and maintain team-oriented working relationships with the City, City employees and other City contractors and work cooperatively to ensure and maintain the effective delivery of services to the City.
  - 6) Work cooperatively with the City, City employees and other City contractors to maximize performance, as well as to ensure financial and accounting requirements are clearly communicated, understood and satisfied for all City operations.
  - 7) Meet regularly on schedules determined by the Director of Finance to ensure the smooth operation and administration of the contract.
  - 8) Use the City's address, letterhead and forms for all City related matters and only for City related matters, including both incoming and outgoing mail.
  - 9) The firm may perform on-site work during standard work hours which are between 7:30 a.m. and 5:00 p.m. Monday through Thursday. The City is on a 9/80 work schedule, and is open every other Friday from 8:00 a.m. – 4 p.m. Work can be performed offsite from the City's premises via remote desk protocol (RDP) i.e., terminal services, but in all cases, such work must be maintained and documented on the City's servers and the appropriate care must be maintained when accessing and printing City data. Firm's network must also adhere to general computer security standards, such as ensuring passwords are changed on a 90 day cycle and that passwords maintain a minimum complexity standard of 8 characters including of one numeric and one upper case character. Additionally, firm's computers must maintain a current anti-virus application and be current on all operating system service packs and or updates. Firm is subject to an annual security audit by the City's Chief Information Officer or designee while under contract.
  - 10) Background Check, and Legal Right to Work Information – the firm's staff must pass a background check (consisting of inquiries into criminal, employment, driving record, credit history, education and civil records), and submit verification of their legal right to work in the United States.
- B. The firm shall perform the following accounting services:

## ACCOUNTING SERVICES

- 1) Maintain the general ledgers for the City in accordance with applicable laws, guidelines, standards and best practices for municipal accounting, including but not limited to General Accepted Accounting Principles (GAAP), pronouncements of the Governmental Accounting Standards Board (GASB), and best practices and advisories of the Governmental Finance Officers Association (GFOA).
- 2) Prepare and review journal entries.
- 3) Maintain fixed asset records.
- 4) Maintain accounting subsidiary ledgers and supporting schedules to support account balances in the general ledger.
- 5) Perform monthly bank reconciliations.
- 6) Identify and maintain records and accounting for all grants and capital projects.
- 7) Reconcile and maintain monthly debt service accounts and related schedules.
- 8) Analysis, reconciliation and approval of debt service transactions, including budget preparation, verification of budget postings, payments, inter-fund transfers, year-end reconciliations of short-term and long-term debt and general ledger balances.
- 9) Monthly analysis and reconciliation of investment transactions.
- 10) Monthly preparation of adjustments for bank charges and merchant fees.
- 11) Quarterly analysis of bank charges and merchant fees.
- 12) Monthly analysis of miscellaneous cash transactions (i.e. wires, voids, stop payments).
- 13) Quarterly analysis, processing and verification of submittal of unclaimed funds.

## ACCOUNTING SERVICES

- 14) Prepare and provide requested information, schedules and reports for the auditors for year end and interim reporting as well as special audits as needed (i.e. TransNET, SBOE, etc.).
- 15) Cooperate and assist grant coordinators as needed in fulfilling all obligations that accompany grants from various funding sources.
- 16) Monitor and reconcile all receivable accounts on a monthly basis.
- 17) Prepare and review journal entries for revenue and receivable accounts.
- 18) Assist with internal audits as requested by the Financial Services Director.
- 19) Monitor City revenues and prepare analytical reviews as directed.
- 20) Monitor and report on the timely collection of all monies due to the City.
- 21) Identify and analyze revenue trends and variances, and report finding to the City on a monthly basis.
- 22) Provide recommendations for improvements in internal control, accounting processes and systems.
- 23) Research current and relevant trends and laws that might have an impact on the City and provide communication on the events' impact(s) to the City.
- 24) Perform other accounting responsibilities not specifically set forth above, at the direction of the City.

### 1.2 Duties of the City

- A. The City will provide the firm's staff with reasonable work space, desk, chair, computer, telephone and office supplies.
- B. The City staff will provide training on software, utilization of our network, processes and procedures, and City policies.
- C. Director of Finance and Accounting Manager will be available for any questions.

## ACCOUNTING SERVICES

2. **INDEPENDENT CONTRACTOR.** CONSULTANT'S relationship to the CITY shall be that of an independent contractor. CONSULTANT shall have no authority, express or implied, to act on behalf of the CITY as an agent, or to bind the CITY to any obligation whatsoever, unless specifically authorized in writing by the Financial Services Director. CONSULTANT shall be solely responsible for the performance of any of its employees, agents, or subcontractors under this Agreement.

CONSULTANT shall report to the CITY any and all employees, agents, and consultants performing work in connection with this project, and all shall be subject to the approval of the CITY.

3. **WORKERS' COMPENSATION.** Pursuant to Labor Code section 1861, the CONSULTANT hereby certifies that the CONSULTANT is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and the CONSULTANT will comply with such provisions, and provide certification of such compliance as a part of this Agreement.

4. **LIABILITY INSURANCE.**

- 4.1. CONSULTANT shall, throughout the duration of this Agreement maintain comprehensive general liability and property damage insurance, or commercial general liability insurance, covering all operations of CONSULTANT, its agents and employees, performed in connection with this Agreement including but not limited to premises and automobile.

- 4.2. CONSULTANT shall maintain liability insurance in the following minimum limits:

Comprehensive General Liability Insurance  
(bodily injury and property damage)

Combined Single Limit Per Occurrence	\$ 1,000,000
General Aggregate	\$ 2,000,000*

Commercial General Liability Insurance  
(bodily injury and property damage)

General limit per occurrence	\$ 1,000,000
General limit project specific aggregate	\$ 2,000,000

## ACCOUNTING SERVICES

Automobile Liability Insurance \$ 1,000,000

\*General aggregate per year, or part thereof, with respect to losses or other acts or omissions of CONSULTANT under this Agreement.

- 4.3 If coverage is provided through a Commercial General Liability Insurance policy, a minimum of 50% of each of the aggregate limits shall remain available at all times. If over 50% of any aggregate limit has been paid or reserved, the CITY may require additional coverage to be purchased by the CONSULTANT to restore the required limits. The CONSULTANT shall also notify the CITY'S Project Manager promptly of all losses or claims over \$25,000 resulting from work performed under this contract, or any loss or claim against the CONSULTANT resulting from any of the CONSULTANT'S work.
- 4.4 All insurance companies affording coverage to the CONSULTANT for the purposes of this Section shall add the City of Oceanside as "additional insured" under the designated insurance policy for all work performed under this agreement. Insurance coverage provided to the City as additional insured shall be primary insurance and other insurance maintained by the City of Oceanside, its officers, agents, and employees shall be excess only and not contributing with insurance provided pursuant to this Section.
- 4.5 All insurance companies affording coverage to the CONSULTANT pursuant to this agreement shall be insurance organizations admitted by the Insurance Commissioner of the State of California to transact business of insurance in the state or be rated as A-X or higher by A.M. Best.
- 4.6 All insurance companies affording coverage shall provide thirty (30) days written notice to the CITY should the policy be cancelled before the expiration date. For the purposes of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation.
- 4.7 CONSULTANT shall provide evidence of compliance with the insurance requirements listed above by providing a Certificate of Insurance and applicable endorsements, in a form satisfactory to the City Attorney, concurrently with the submittal of this Agreement.
- 4.8 CONSULTANT shall provide a substitute Certificate of Insurance no later than thirty (30) days prior to the policy expiration date. Failure by the CONSULTANT to provide such a substitution and extend the policy expiration date shall be considered a default by CONSULTANT and may subject the CONSULTANT to a suspension or termination of work under the Agreement.

## ACCOUNTING SERVICES

- 4.9 Maintenance of insurance by the CONSULTANT as specified in this Agreement shall in no way be interpreted as relieving the CONSULTANT of any responsibility whatsoever and the CONSULTANT may carry, at its own expense, such additional insurance as it deems necessary.
5. **PROFESSIONAL ERRORS AND OMISSIONS INSURANCE.** Throughout the duration of this Agreement and four (4) years thereafter, the CONSULTANT shall maintain professional errors and omissions insurance for work performed in connection with this Agreement in the minimum amount of One Million Dollars (\$1,000,000.00).

CONSULTANT shall provide evidence of compliance with these insurance requirements by providing a Certificate of Insurance.

6. **CONSULTANT'S INDEMNIFICATION OF CITY.** CONSULTANT shall indemnify and hold harmless the CITY and its officers, agents and employees against all claims for damages to persons or property arising out of CONSULTANT'S work, including the negligent acts, errors or omissions or wrongful acts or conduct of the CONSULTANT, or its employees, agents, subcontractors, or others in connection with the execution of the work covered by this Agreement, except for those claims arising from the willful misconduct, sole negligence or active negligence of the CITY, its officers, agents, or employees. CONSULTANT'S indemnification shall include any and all costs, expenses, attorneys' fees, expert fees and liability assessed against or incurred by the CITY, its officers, agents, or employees in defending against such claims or lawsuits, whether the same proceed to judgment or not. Further, CONSULTANT at its own expense shall, upon written request by the CITY, defend any such suit or action brought against the CITY, its officers, agents, or employees founded upon, resulting or arising from the conduct, tortious acts or omissions of the CONSULTANT.

CONSULTANT'S indemnification of CITY shall not be limited by any prior or subsequent declaration by the CONSULTANT.

7. **COMPENSATION.** CONSULTANT'S compensation for all work performed in accordance with this Agreement, shall not exceed the total contract price of \$622,980 for three years with annual costs not to exceed \$207,600. Hourly rates will hold firm for three years. Hourly rates for years beyond the third year will be increased by 2% per year for up to two years.

Payments will be made on a monthly basis, based on hours worked for the month, not to exceed the annual cost of \$207,600.

## ACCOUNTING SERVICES

<u>Position</u>	<u>Hourly Rate</u>
Partner	\$170
Project Manager	\$150
Supervisor	\$135
Senior Accountant	\$110
Accountant	\$ 70

This agreement includes an option to extend the agreement for two one-year periods (possible five-year total), subject to the annual review and recommendation of the Director of Financial Services, the satisfactory negotiation of terms (including a price acceptable to both the CITY and CONSULTANT), the concurrence of the City Council, and the annual availability of an appropriation.

No work shall be performed by CONSULTANT in excess of the total contract price without prior written approval of the Financial Services Director.

8. **TIMING REQUIREMENTS.** Time is of the essence in the performance of work under this Agreement and the timing requirements shall be strictly adhered to unless otherwise modified in writing. All work shall be completed in every detail to the satisfaction of the Financial Services Director as defined in the Request for Proposal and confirmed by CONSULTANT in the Proposal to Provide Accounting Services dated May 4, 2011.
9. **TERMINATION FOR CONVENIENCE AGREEMENT.** The CITY may terminate this Agreement for any reason by providing thirty (30) days written notice to the CONSULTANT. CONSULTANT shall be paid for the reasonable value of the services provided as of the date of termination.
10. **ENTIRE AGREEMENT.** This Agreement comprises the entire integrated understanding between CITY and CONSULTANT concerning the work to be performed for this project and supersedes all prior negotiations, representations, or agreements.
11. **INTERPRETATION OF THE AGREEMENT.** The interpretation, validity and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. The Agreement does not limit any other rights or remedies available to CITY.

**ACCOUNTING SERVICES**

The CONSULTANT shall be responsible for complying with all local, state, and federal laws whether or not said laws are expressly stated or referred to herein.

Should any provision herein be found or deemed to be invalid, the Agreement shall be construed as not containing such provision, and all other provisions, which are otherwise lawful, shall remain in full force and effect, and to this end the provisions of this Agreement are severable.

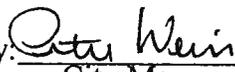
- 12. **AGREEMENT MODIFICATION.** This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto.
- 13. **SIGNATURES.** The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the CONSULTANT and the CITY.

IN WITNESS WHEREOF, the parties hereto for themselves, their heirs, executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Professional Services Agreement to be executed by setting hereunto their signatures on the dates set forth below.

VAVRINEK, TRINE, DAY & CO, LLP

CITY OF OCEANSIDE

By:   
Name/Title Joseph Aguilar, Partner

By:   
City Manager

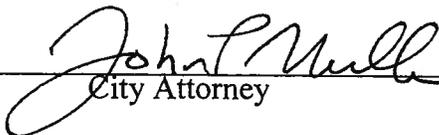
Date: 6/8/11

Date: 6-24-11

By: \_\_\_\_\_  
Name/Title

APPROVED AS TO FORM:

Date: \_\_\_\_\_

  
City Attorney

95-2648289  
Employer ID No.

**NOTARY ACKNOWLEDGMENTS OF CONSULTANT MUST BE ATTACHED.**

**CALIFORNIA ALL-PURPOSE CERTIFICATE  
OF ACKNOWLEDGMENT**

**State of California**

**County of** ALAMEDA

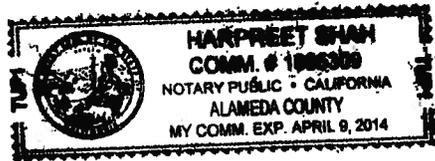
On 06/08/11 before me, HARPREET SHAH, Notary Public

personally appeared JOSEPH MICHAEL AGUILAR

\_\_\_\_\_ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the state of California that the foregoing paragraph is true and correct.

*Harpreet Shah*  
Signature of Notary



**Optional Information**

Date of Document: \_\_\_\_\_

Type or Title of Document: W/A

Number of Pages in Document: \_\_\_\_\_

Document in a Foreign Language: \_\_\_\_\_

**Type of Satisfactory Evidence:**

\_\_\_\_ Personally known with Paper Identification

\_\_\_\_ Paper Identification

\_\_\_\_ Credible Witness(es)

**Other Information**

**Capacity of Signer:**

\_\_\_\_ Trustee

\_\_\_\_ Power of Attorney

\_\_\_\_ CEO/CFO/COO

\_\_\_\_ President/Vice-President/Secretary/Treasurer

\_\_\_\_ Other: \_\_\_\_\_

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