

*STAFF REPORT**CITY OF OCEANSIDE*

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DATE: October 1, 2014

TO: Honorable Mayor and City Councilmembers

FROM: Financial Services Department

SUBJECT: **PROFESSIONAL SERVICES AGREEMENT WITH AAC UTILITY PARTNERS, LLC FOR CONSULTING SERVICES IN THE SELECTION OF REPLACEMENT HARDWARE AND SOFTWARE FOR A CUSTOMER INFORMATION SYSTEM**

**SYNOPSIS**

Staff recommends that the City Council approve a Professional Services Agreement with AAC Utility Partners, LLC, of Columbia, South Carolina, in an amount not to exceed \$145,000 for consulting services to assist with the selection of a customer information system (CIS) replacement that will allow for the billing and collection of utility services; and authorize the City Manager to execute the agreement.

**BACKGROUND**

Staff from Finance, Water Administration and Information Technology met in early 2014 to discuss replacement of the current CIS system. It was agreed that CIS replacement would be a priority project for FY14/15. The Water Department budgeted \$2.1 million dollars in its FY14/15 budget for this project. It was determined that due to the complexity of CIS systems and all the vendor options, City staff needed the expertise of a consultant to ensure all functionality was documented, requested and would be delivered by the selected vendor in the scope of the contract. It was also determined that the scope of the selection process needed to be defined.

The current system that bills and collects for water, wastewater and solid waste services, currently referred to as CIS systems, was installed in 1996. The system runs on an IBM machine and the software view is referred to as a "green screen". The software, called HTE, is now a SunGard Public Sector product line that was very popular at the time and had excellent customer support and services. It has been a very reliable system but the software technology is outdated, the support is slow, and City staff is often more knowledgeable than the personnel at the software company. The software vendor stopped enhancing or selling the product in 2003 and has struggled to maintain adequate customer support since that time.

Knowing SunGard had changed the course for the HTE CIS software system, in 2009 City staff embarked on a replacement project. The first step was to hire a consultant to conduct a customer information system (CIS) needs assessment. AAC Utility Partners (AAC) was selected and worked over several months with City staff to produce a needs

assessment report. The report found that HTE did not meet 35 percent of the current or future needs of the City. The functional matrix, with over 2500 items that outlined the City's needs, was to be used in the next step which was to issue a request for proposal for a new CIS solution. With the great recession, priorities were reset toward reducing City expenditures and the CIS replacement efforts were put on hold.

With the economy stabilizing, pressure to conform to State mandates, and drought conditions continuing, the CIS replacement efforts have been revived. Staff met with AAC in February 2014 to review the 2009 work and get an update on the CIS industry.

AAC has continued to perform consulting services exclusive to CIS replacement projects. They have been hired to assist several California utility providers with replacement services. AAC is proposing to assist City staff with updating the functional and technical requirements necessary for a new system, issuing a request for proposal (RFP), managing the RFP process, and assisting the City in selecting and entering into a contract for a new system.

## **ANALYSIS**

Because SunGard moved the HTE product to a legacy system, changes to the system are now all billable and are scheduled based on the company's shrinking/small support staff. It makes it very difficult or impossible to obtain additional services. For example, SunGard agreed to assist in creating integration between the central cashing system and their HTE software. In addition to paying for these services, the project took fourteen months to complete. The actual number of hours worked by the company was approximately eighty but due to the limited resources, the project had a delayed start date and constantly stalled. This example highlights the City's inability to quickly react to change.

Basically, the system hasn't changed in the last five years and is inflexible in many of its features and basic design. The City is unable to provide simple services requested by our customers such as "Can you please change the due date on my bill from the 1<sup>st</sup> to the 10<sup>th</sup>?". Requests such as "Can you send me a copy of my bill electronically every month?" are difficult to commit to since the process is not automated. Alternatives are provided and usually meet the customer's needs. As other companies offer billing services, customers expect the City to provide comparable services. At this time, we do not have the ability to meet expectations other companies are setting.

Additionally, rate consultants must adhere to the system limitations when providing rate model recommendations. There have been many changes in the industry and the current system limits our ability to react to those demands. One example is a rate model where an account is provided an annual amount of water to use and if the account exceeds the average monthly usage of that annual amount, an increased rate is applied. Rate structures such as this would require staff to manually calculate the billing charges and then input charge adjustments on the account every month. This would not be feasible for 44,000 accounts.

AAC works exclusively in the CIS replacement field. Their team is composed of experts with years of experience in assessing systems and working with clients to ensure a successful transition to a new system. The company has developed a systematic program that identifies the major drivers for the project and identifies gaps to ensure the team effectively and quantifiably assesses alternatives based on the major drivers. The firm educates staff on the alternatives and shares their experiences from other installation projects. They provide insight into how the products successfully met the expectations of other agencies and drivers for other agencies. AAC will ensure that the final contract is comprehensive and holds the vendor accountable for delivering the product and features outlined in the vendor's response and demonstrations. AAC's experience will prevent the City from pitfalls experienced by other agencies that could be costly and delay the project.

AAC has recently contracted with the City of Anaheim for replacement services more comprehensive than as proposed for Oceanside. Pursuant to the City's purchasing policy, Oceanside is able to utilize Anaheim's bidding process to secure the proposed professional services agreement.

The proposed agreement will ensure City staff is focused on agreed upon objectives, is engaged and trained on the options available, has a thorough understanding of the top vendors and products, selects a vendor that will meet the objectives, and secures a contract that will hold the vendor accountable. The statement of work anticipates that the entire services agreed upon would take about eight months but is dependent upon City resources being available.

**FISCAL IMPACT**

For FY 2014-15, the CIS project in total has an available budget of \$2,100,000. The budget is split three ways in the Water (fund 711), Sewer (fund 721) and Solid Waste (fund 731) funds. There are sufficient funds available for the \$145,000 for the AAC agreement. The expense will be split three ways and charged to the following accounts:

750010711.5326	\$48,400
800010721.5326	\$48,300
700101731.5326	\$48,300

The funding source for the project is the unassigned fund balances from each fund listed above.

**COMMISSION/COMMITTEE REPORT**

The Utilities Commission was advised of this matter at its regularly scheduled meeting on September 16, 2014.

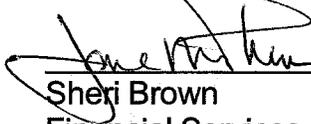
**CITY ATTORNEY'S ANALYSIS**

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

**RECOMMENDATION**

Staff recommends that the City Council approve a Professional Services Agreement with AAC Utility Partners, LLC, of Columbia, South Carolina, in an amount not to exceed \$145,000 for consulting services to assist with the selection of a customer information system (CIS) replacement that will allow for the billing and collection of utility services; and authorize the City Manager to execute the agreement.

PREPARED BY:

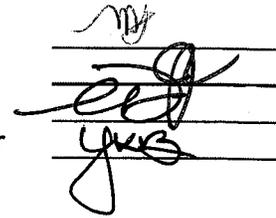
  
FOR S. BROWN  
Sheri Brown  
Financial Services Division Manager

SUBMITTED BY:

  
Steven R. Jepsen  
City Manager

REVIEWED BY:

Michelle Skaggs-Lawrence, Assistant City Manager  
James R. Riley, Financial Services Director  
Cari Dale, Water Utilities Director  
Yukari Krause-Brown, Information Technologies Division Manager



Attachment: Professional Services Agreement

**CITY OF OCEANSIDE**

**PROFESSIONAL SERVICES AGREEMENT**

**PROJECT: AAC UTILITY PARTNERS CIS REPLACEMENT SERVICES**

THIS AGREEMENT, dated \_\_\_\_\_, 2014, for identification purposes, is made and entered into by and between the CITY OF OCEANSIDE, a municipal corporation, hereinafter designated as "CITY", and AAC Utility Partners LLC, hereinafter designated as "CONSULTANT."

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

1. **SCOPE OF WORK.** The project is more particularly described as follows: Consultant will provide services to assist the City in the selection of a customer information system (CIS) that will allow for the billing and collection of utility services. Consultant will lead the City in the following processes:

- Project initiation and Strategy Development
- Identification of Functional and Technical Requirements
- Request for Proposal (RFP) Development and Evaluation Criteria
- Issuance and Management of the RFP process
- Response Evaluation and Short List
- Executive Management Presentation
- Demonstration Activities and Reference Checks
- Identifying Vendor Finalist and Confirmation Activities
- Contract Development and Negotiations

Roles, responsibilities, deliverables and additional details are further outlined in the attached Statement of Work, Work Order #1.

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

## AAC UTILITY PARTNERS CIS REPLACEMENT SERVICES

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

<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.

4.3 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 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

## AAC UTILITY PARTNERS CIS REPLACEMENT SERVICES

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 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.
- 4.7 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.
- 4.8 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.** To the greatest extent

## AAC UTILITY PARTNERS CIS REPLACEMENT SERVICES

allowed by law, CONSULTANT shall indemnify, defend and hold harmless the CITY and its officers, agents and employees against all third party claims for damages to persons or tangible property arising out of the negligent acts, errors or omissions or wrongful acts or conduct of the CONSULTANT, or its employees, agents or subcontractors in connection with the execution of the work covered by this Agreement, except to the extent arising from the willful misconduct or negligence of the CITY, its officers, agents, or employees. This indemnification is subject to the CITY providing prompt written notice to CONSULTANT of any claim for indemnification and tendering to CONSULTANT the right to defend and settle any such claim. To the extent that CONSULTANT does not promptly assume the defense, CONSULTANT'S indemnification shall include any and all reasonable 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.

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 \$145,000.

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 results in incidental expenses to CITY.

The CITY shall pay directly, or reimburse CONSULTANT for all taxes and tariffs assessed or levied by any governmental entity that are now or may become applicable to the services or measured by payments made by the CITY to CONSULTANT hereunder, or are required to be collected by CONSULTANT or paid by CONSULTANT to tax authorities including interest assessment thereon if such assessments are due to the CITY's actions or inactions. This does not include taxes based upon CONSULTANT's net income.

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.
9. **DISCLAIMER OF WARRANTIES; LIMITATIONS OF LIABILITY.**
  - 9.1 **EXCEPT FOR ANY WARRANTIES EXPRESSLY IDENTIFIED IN THIS AGREEMENT, CONSULTANT MAKES NO ADDITIONAL**

## **AAC UTILITY PARTNERS CIS REPLACEMENT SERVICES**

**WARRANTIES, EXPRESS, IMPLIED, ARISING FROM COURSE OF DEALING OR USAGE OF TRADE, OR STATUTORY, AS TO THE SERVICES OR ANY MATTER WHATSOEVER. IN PARTICULAR, ANY AND ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE EXPRESSLY EXCLUDED.**

- 9.2 CONSULTANT'S LIABILITY FOR DAMAGES ARISING OUT OF ANY SERVICES FOR SUCH FAILURE, WHETHER IN CONTRACT OR TORT (INCLUDING NEGLIGENCE), LAW, EQUITY OR OTHERWISE, SHALL NOT EXCEED THE AMOUNTS PAID BY THE CITY FOR THAT PORTION OF THE SERVICES WHICH FAIL TO CONFORM. IN NO EVENT SHALL CONSULTANT'S AGGREGATE LIABILITY UNDER THIS AGREEMENT EXCEED THE AMOUNTS PAID BY THE CITY TO CONSULTANT IN THE TWELVE (12) MONTH PERIOD PRECEDING ANY FAILURE OR BREACH BY CONSULTANT OR CLAIM BY THE CITY. THE FOREGOING LIMITATIONS OF LIABILITY SHALL NOT APPLY TO CONSULTANT'S INDEMNIFICATION OBLIGATIONS UNDER SECTION 6.**
- 9.3 UNDER NO CIRCUMSTANCES SHALL CONSULTANT BE LIABLE TO THE CITY FOR ANY LOSS OF USE, INTERRUPTION OF BUSINESS, LOSS OR CORRUPTION OF DATA, OR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OF ANY KIND (INCLUDING LOST PROFITS) REGARDLESS OF THE FORM OF ACTION WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), LAW, EQUITY OR OTHERWISE, EVEN IF CONSULTANT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, OR FOR ANY CLAIM OR DAMAGES ASSERTED BY ANY THIRD PARTY.**

## **10. CONFIDENTIALITY.**

- 10.1** This Section 10 shall apply to all confidential and proprietary information disclosed by either party ("Disclosing Party") to the other party ("Receiving Party"), including all CITY information, materials of CONSULTANT, and information related to the Disclosing Party's technology, software, know-how, products, potential products, services, potential services, financial information, employees, customers, markets and/or business information (collectively, "Confidential Information"). Confidential Information shall not include any information which (i) was known to the Receiving Party prior to being disclosed by the Disclosing Party, (ii) becomes publicly known through no wrongful act of the Receiving Party, (iii) is approved for release by written authorization of the Disclosing Party, (iv) is received from a third party not in breach of any separate

## AAC UTILITY PARTNERS CIS REPLACEMENT SERVICES

confidentiality obligation known to the Receiving Party, or (v) is independently developed without reference to the Disclosing Party's Confidential Information. In addition, Confidential Information shall not include the terms of this Agreement.

- 10.2** The Receiving Party agrees to use the Confidential Information of the Disclosing Party only as provided for in this Agreement. Each party agrees to hold the other party's Confidential Information in strict confidence and not to disclose such Confidential Information to any third parties. Notwithstanding the foregoing, each party may disclose the other party's Confidential Information only to those employees, agents, representatives and/or consultants who require such information only in connection with this Agreement. Each party agrees to instruct all such employees, agents, representatives and consultants regarding the foregoing obligations and ensure that such employees, agents, representatives and consultants are bound by obligations of confidentiality to the Receiving Party that are at least as restrictive as those contained herein. Each party agrees that it will take all reasonable measures to protect the confidentiality of, and avoid the unauthorized disclosure or use of, the other party's Confidential Information in order to prevent it from being made public or in the possession of persons other than those persons authorized hereunder to have any such Confidential Information, which measures shall include at least the same degree of care that the Receiving Party utilizes to protect its own confidential information of a similar nature but in any event shall include commercially reasonable precautions designed to protect the Disclosing Party's Confidential Information from unauthorized disclosure and/or use.
- 10.3** Confidential Information may be disclosed to the extent required by court order or as otherwise required by law, including the California Public Records Act, provided that the Receiving Party, to the extent legally permissible, notifies the Disclosing Party promptly upon learning of the possibility of any such requirement and, to the extent legally permissible, has given the Disclosing Party a reasonable opportunity to contest or limit the scope of such required disclosure.
- 10.4** Promptly upon termination of this Agreement, or at any other time upon the request by a party, the other party shall (i) return to the Disclosing Party or, at the Disclosing Party's request, destroy all Confidential Information of such Disclosing Party, whether in paper or electronic form, provided, however that the foregoing shall not apply to Confidential Information that is stored in the Receiving Party's electronic archives, which Confidential Information will be destroyed in the ordinary course of the Receiving Party's business in accordance with its document destruction policies; and (ii) certify to the Disclosing Party in writing that it has complied with the provisions of this Section 10.

## AAC UTILITY PARTNERS CIS REPLACEMENT SERVICES

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.

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.

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. **FORCE MAJEURE.** Neither party shall be liable hereunder by reason of any failure or delay in the performance of its obligations hereunder (except for the payment of money) on account of strikes, shortages, riots, insurrection, fires, flood, storm, explosions, acts of God, war, governmental action, labor conditions, earthquakes, material shortages or any other cause which is beyond the reasonable control of such party.



Certificate of Acknowledgement

State of South Carolina

County of Richland

On Sept 12, 2014, before me, Daphne Spratling,  
personally appeared, Edwin Crow

personally known to me

-- OR --

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

WITNESS my hand and official seal

Daphne F. Spratling

My Commission Expires: Apr 21, 2018

(seal)

Certificate of Acknowledgement

State of South Carolina

County of Richland

On Sept 12, 2014, before me, Daphne Spratling,  
personally appeared, John Cutter Jr

personally known to me

-- OR --

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

WITNESS my hand and official seal

Daphne F. Spratling

My Commission Expires: Apr 21, 2018

(seal)

# City of Oceanside Work Order #1

with AAC Utility Partners

for CIS Replacement Services



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**City of Oceanside**  
300 N Coast Highway  
Oceanside, CA 92054



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**AAC Utility Partners, LLC**  
PMB 374  
4840 Forest Drive, Suite 6B  
Columbia, SC 29206

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## 1.0 Overview

**THE PURPOSE OF THIS WORK ORDER ("WO") IS TO DOCUMENT THE AGREED SERVICES (AS DEFINED IN THE AGREEMENT) THAT AAC UTILITY PARTNERS (AAC) SHALL PROVIDE IN RELATION TO THE PROJECT (AS DEFINED IN THIS WO) FOR CITY OF OCEANSIDE (CLIENT). THIS WO SHALL BE EFFECTIVE ON THE EFFECTIVE DATE OF THE AGREEMENT.**

### 1.1 Controlling Provisions

This WO shall be governed by the Terms and Conditions as outlined in the Master Services Agreement ("Agreement") as entered into this \_\_\_\_ day of \_\_\_\_\_, 2014 between AAC and CLIENT.

## 2.0 Definitions

All capitalized terms used and not defined herein shall have the same meanings given them in the WO between the parties.

Term	Definition
<b>AAC</b>	Abbreviation for AAC Utility Partners.
<b>AAC Resource(s)</b>	References all AAC consultant(s) assigned by AAC to the Project, whether such consultant is employed by AAC or an independent contractor engaged by AAC.
<b>Change Control or Change Order</b>	Formal process utilized to change the scope or costs of the services outlined in this Work Order. This process is formal and must be in writing and mutually agreed to by each party.
<b>Client</b>	City of Oceanside. References all business units of the Client and their employees and authorized agents.
<b>Client Core Team</b>	Client employees dedicated to be available to work full-time on the Project.
<b>Client Project Director</b>	Individual assigned by Client to manage the overall activities for this work order. This person will be the primary contact with AAC Project Manager.
<b>Client Executive Sponsor</b>	This person is the Client executive that is ultimately responsible for the implementation project and with whom AAC's PQA will have one-on-one reporting meetings on a monthly basis if PQA services are utilized.
<b>Client Project Team</b>	Client employees responsible for providing services and expertise needed to support this work order.

Term	Definition
<b>Client Subject Matter Expert (SME)</b>	Client employees with detailed specific knowledge related to how Client conducts business.
<b>Functional Requirement Matrix</b>	Document that outlines the major functional issues required by CLIENT to be accomplished by the new software application being proposed by vendors.
<b>Holidays</b>	Client holiday schedule
<b>Microsoft (MS) Project</b>	Microsoft application designed to assist with management of time, materials and work.
<b>NavigateOne</b>	AAC Proprietary tools and methodology work products.
<b>Project</b>	Services that AAC shall provide, per this WO, in relation to the CIS Implementation Project for Client.
<b>RFP</b>	Abbreviation for Request for Proposal.
<b>RFP RESPONSE</b>	Documents provided by Customer Information System vendors in response to an RFP.
<b>Statement of Work (SOW)</b>	Document executed between Client and Vendor detailing work, accountability and measurements.
<b>Steering Committee</b>	Executive group assigned to attend a monthly review of project related reports and activities. This group consists of senior executives from each branch of the organization impacted by the Project, i.e., Finance, Information Technology, Operations, etc. The composition of the Steering Committee may change from time to time based upon the scope of the issues then being presented to the Steering Committee.
<b>Vendor</b>	Software company and/or Systems Integrator responsible for leading the technical portion of the Project, which includes developing the solution, configuring the system, developing modifications and interfaces as well as providing training.
<b>Work Order</b>	Work Order, a document that describes work to be performed, duties, responsibilities and pricing information for the work.

### 3.0 Assumptions

1. Client is embarking on a process to select a Vendor for the replacement of Client's current Customer Information System (CIS).
2. This Project will encompass one project phase:
  - a. Phase 1 – Selection of a new CIS System and/or System Integrator, estimated to start \_\_\_\_\_.
3. Client will provide Subject Matter Experts as needed to support the Scope of Project.
4. Client will authorize one person to manage this WO.
5. AAC will provide resource(s) to manage this WO.
6. The Project phase is estimated to require the following:
  - a. Phase 1 – estimated to be from 6 to 8 months to complete.
7. All scope changes identified by either Client or AAC throughout this Project will be documented and managed through the Project Change Control process described in the Agreement for Professional Services.
8. Client will be responsible for all meeting space for Client and AAC meetings and any vendor meetings.
9. The Client team will be comprised of full-time and part-time resources from Client. Those Client Resources identified as "Core Team" are expected to be dedicated to the Project. Client and AAC Resources participating on a part-time basis may be expected to participate full-time at various periods during the Project execution.
10. CLIENT will minimize the impact of competing initiatives within the organization that may have a negative impact to the Project through distracting or pulling Project resources/executives.
11. Issues that require a decision by Client or AAC, except as otherwise described herein will be made no later than five (5) business days (or a mutually agreeable time) after the party receiving the notice is notified to ensure that the Project timeline is maintained. Vendor-associated decisions will follow the Vendor SOW with Client to ensure Client is in compliance with the Vendor requirements.
12. All scope changes identified by either Client or AAC throughout this Project will be documented and managed through the Change Requests to Associated Statements of Work process described in the Master Services Agreement ("Agreement") as entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2014 between AAC and Client.

13. AAC will utilize the **MS Office 2011 and MS Project 2011**, including MS Word, MS Excel, MS Project, MS Visio and MS PowerPoint, to produce deliverables according to AAC technical standards.
14. The work plan must conform to Client Holiday schedule.
15. AAC team members will not travel on-site during work-weeks when the Client has two days or more of Holidays scheduled. If a one-day Holiday is scheduled, the AAC team members will travel on-site on a case-by-case basis as mutually agreed by the Client and AAC.
16. AAC will be provided remote access to all pertinent Project documentation needed by AAC to perform the scope of services outlined within this WO. AAC will also have access to project related product applications as well as other products and tools required for AAC to perform the scope of services outlined within this WO.
17. Client and AAC resources will utilize Skype video conferencing for communications. The Client and AAC resources will log onto the Skype instant messaging each day and maintain that application in an active mode during the day for easier communications. This process will be utilized throughout the project when AAC/ Client team members are working on the project.
18. The AAC Resources and the Client Project Director will work together to schedule the specific on-site time for the AAC Resources.

### **3.1 Term of Work Order**

The term of the Phase 1 engagement shall be for eight (8) months from the effective date, subject to extension or termination as hereinafter provided. The Consultant Services described in this WO will be billed based on milestone deliverables as outlined in Section 6.0 of this WO.

### **4.0 Scope**

Client has embarked on this Project for the purpose of selecting and implementing a new Customer Information System (CIS). This Project will replace Client's current system with a new software solution. For this CIS Implementation Project, a Vendor will provide system integration services to Client, as defined in Vendor's SOW.

## 4.1 Client Responsibilities

### 4.1.1 General Responsibilities

Unless otherwise specifically stated, Client shall provide facilities, necessary computer system time, equipment and support, as described below, in performance of the work by AAC's resources (as described in this WO) at Client's facilities, at no cost to AAC. These facilities and services will be made available to AAC's resources during Client's normal working hours, or as otherwise agreed. AAC shall follow any guidelines set forth by Client regarding access to its facilities and services, and unless otherwise agreed, AAC's resources shall work within Client's normal working hours.

### 4.1.2 Project-Related Responsibilities

Client will be responsible for the following activities.

#### **Phase 1:**

- Review and acceptance of AAC deliverables, as defined in this WO
- Provide Client specific resources as needed
- Provide office space for AAC resources
- High speed internet access for AAC owned laptop computers (Mac and PC)
- Client network access as needed to support this project
- Workstations on the network to access the application as needed
- Telephone and access to other office equipment such as copiers and fax equipment

## 4.2 Phase 1 Project Stage Descriptions

Sections 4.2.1 through 4.2.9 provide a general description of the various stages of the project. The Deliverables, Section 5.2 provides further detail regarding each project deliverable.

### 4.2.1 Project Initiation and Strategy

This stage of the project is comprised of tasks and activities that focus on identifying major business drivers for the project. Typical drivers, for example, include business limitations that result from: regulatory changes, deregulation, technology obsolescence, inflexible software and cost of operations and maintenance.

AAC will assist Client in obtaining this information through interviews and surveys documenting your current functional and technical capabilities. Our team will document business strategies

and drivers and identify gaps, enabling the team to effectively assess alternatives. Each alternative may vary in risk and rate of return based on the business drivers.

At the beginning of the project AAC will introduce the NavigateOne™ tools that will be utilized during this phase of the project. This tool set will serve as a common thread across the lifecycle of the project, including requirement and business process identification, RFP development, vendor selection and implementation. It is also likely that the concepts introduced during this stage will become a common frame of reference for well beyond the completion of the project.

### **Interviews**

AAC will conduct in-depth interviews with key Client staff in order to clearly understand Client's organization and create an RFP that best represents Client's unique requirements.

### **Develop Project Plan, including Timelines, Milestones and Deliverables**

This step will consist of educational activities for Client and the development of the initial project schedule. AAC consultants will be on-site multiple times throughout this phase of the project and will conduct several work sessions designed to capture all required input from stakeholders for the development of a complete and realistic project schedule.

AAC will also work with the Client to conduct a Project Kick-Off meeting with the Client to aid in facilitating project awareness and end-user buy in.

#### **Development of Project Direction – (Project Charter):**

- Incorporate information from the Phase 1 Charter
- Project strategy
- Roles and responsibilities
- Technology direction
- Communication plan
- Core Team assignments
- Utility's materials research requirements (Items needed for functional and technical requirements)

#### **Development of initial Project Schedule:**

- Development of a project Schedule using Microsoft Project
- Client /AAC resource assignments
- Task development with appropriate dependencies established
- Establishment of work tracking process
- Milestone tracking

## Sequence of events

### Preparation

- Development of Project Strategy (Project Charter)
- Development of Initial Project Schedule
- On-site meetings with Client
- Interviews & discussions with Client
- Review business drivers for change
- Discuss long-term IT & customer care strategy
- Establish joint roles and responsibilities
- Client gathers information and returns to AAC
- Review of outsourcing options – If Client requests
- Conduct Project Kick-Off presentation

### Deliverables

- Deliverable 1: Project Charter & Strategy Document
- Deliverable 2: Updated Project Plan
- Deliverable 3: Project Kick-Off Presentation

## 4.2.2 Functional and Technical Requirements

AAC has already worked with the Client to develop specific requirements and future needs. As part of Phase 1. AAC will work with the Client to update existing documents to reflect the Client's current needs.

AAC understands the critical importance of identifying key functional and technical requirements in support of selecting a new CIS package/SI that will provide the stability and functionality needed to serve the Client's customer base well. AAC will work with Client's functional and technical staffs to review needs and technical requirements and to identify how other parts of the organization will be impacted by the replacement of the new system.

Our process allows for end-user and executive participation throughout the process of the requirements stage to ensure total buy-in and acceptance from Client staff.

All major functional items of a CIS application(s) will be reviewed and discussed and those requirements needed by the Client will be documented in the Client Functional Matrix.

AAC will also assist in determining whether other sub-systems may need to be investigated and added to the RFP. These items may include but are not limited to:

- CRM Product & Services/ Social Media
- Document Management / Archiving
- Cashiering Software & Services
- Hardware & Networking Equipment
- Outsourcing of Components
- Mobile
- Web Self-Service

### **Sequence of events**

#### **Requirements Preparation**

- Update and deliver Functional and Technical Matrix Checklist
- Client will review the Functional and Technical Matrix Checklist (over 3,000 CIS features)
- Client follow-up research
- Follow-up requirements / business process issues / technical requirement definitions
- Working session with Client IT staff to identify technical requirements, standards and preferences and to identify additional items for further research
- Review functional & technical documents
- Update functional & technical sections
- Additional working sessions - processes & functional requirements

#### **Deliverables**

- Deliverable 4: CIS Functional Requirement Matrix documented with Client specific requirements & processes (updated)
- Deliverable 5: Technical requirements documented and updated

### **4.2.3 RFP Development & Evaluation Criteria**

The process of developing an RFP will begin with an in-depth exploration of Client business strategy and processes. Our comprehensive RFP template has been developed specifically for utilities and will focus on the unique needs of Client's technical and functional areas.

The RFP template will also identify interfaces and hardware needs which Client may use to develop and pursue identified business strategies. The result is a concise and logical framework of content that clearly communicates Client's needs to potential vendors. AAC will conduct the necessary on-site workshops during the development of the RFP, and will work with the Client project team to tailor and augment our tested RFP base format to include areas such as:

instructions on how to respond, specific Client procurement and legal requirements and forms, functional matrices, business objectives and pricing lists. AAC will also coordinate the release of the RFP with the appropriate department in accordance with their requirements and procedures and provide a list of vendors that AAC feels will meet the needs of Client requirements.

AAC, along with the Client Project Team, will develop an evaluation framework and scoring matrices for evaluation of vendor proposals. This process will take into account Client's current and long-term needs, which may include the following areas:

- Procurement Requirements
- Functional Requirements
- Technical Requirements
- Total Solution Costs
- Risk Identification
- Demonstration Results
- Support Requirements
- Vendor Statistics

#### **Deliverables**

- Deliverable 6: RFP Template
- Deliverable 7: Scoring Worksheet
- Deliverable 8: Final RFP Document
- Deliverable 9: Base Product Demo Scripts

#### **4.2.4 Issuance and Management of the RFP Process**

AAC will also coordinate the release of the RFP with the appropriate department in accordance with Client requirements and procedures. AAC will also provide a list of vendors AAC believes will be able to meet Client's stated requirements. Client may add to or delete vendors from this list as needed.

Following the release of the RFP, AAC will assist Client in supporting vendor inquiries regarding RFP contents. If appropriate, based on time constraints and Client's procurement rules, AAC strongly encourages individualized vendor discovery sessions. These sessions are intended to provide CIS/SI vendors face-to-face time with Client to ask detailed questions related to the RFP.

**Sequence of events:**

- Issue RFP Document to Vendors
- On-Site Discovery Sessions
- Vendors Prepare their Responses
- Support Research and Respond to Vendor Questions
- Issue Clarifications to Vendors
- AAC and Client Finalize Evaluation Framework as Needed
- Receive the RFP Responses
- Present a Status to the Client Stakeholders

**Deliverables:**

- Deliverable 10. Schedule and Conduct Vendor discovery sessions
- Deliverable 11. Issue clarification document or Addendum to RFP based upon discovery sessions or other Vendor clarification.

**4.2.5 Response Evaluation and Shortlist**

Following the close of the RFP response period, Client Core Team and Team AAC will work together to evaluate and identify the two to four CIS/SI vendors that best meet approved selection criteria as defined in the RFP. AAC will conduct the necessary on-site workshops during the procurement stage to document and present the project team's findings to Client's Executive Steering Committee and other stakeholders as required.

Factors considered in scoring and selecting a short list of vendors:

- RFP scoring including Functional Requirements Matrix
- Vendor experience on similar projects
- Price

**Sequence of events:**

- Conduct Proposal Evaluation Workshops with Core Team to assess and record scores
- Identify sub-set of vendors to move to next stage (Short List)
- Document and present findings to Steering Committee

**Deliverables**

- Deliverable 12: All Functional Scores and Project Solution Costs
- Deliverable 13: Selection of Short List of Vendors Based upon Scores
- Deliverable 14: Steering Committee Presentation of Short Listed Vendors

#### 4.2.6 Executive Management Presentation

AAC will work with the Steering Committee and Client's Project Manager to create an Executive Management Presentation. The Presentation will summarize Phase 1 activities and present the results of the RFP with specifics on the criteria and the Core Team's recommended short list of vendors.

##### Deliverables

- Deliverable 15: Executive Management Presentation

#### 4.2.7 Demonstration Activities and Reference Checks

AAC, along with the Client Core Team, will develop a demonstration schedule. Internal demonstration participants may include end users and/or executive staff. AAC will schedule and facilitate vendor-scripted demonstrations consisting of a half-day vendor/company overview and a four-day detailed product demonstration that will at least include the following:

- Vendor Profile
- Technical Architecture
- Implementation Strategy
- CIS Functional Review
- End User Questions

AAC will then document demonstration results including summarization of scores, providing a written recap of Client users' notes and comments. Demonstration documentation will then be added to the scoring matrix. In addition to guiding demonstrations, AAC will assist the Client in coordinating reference checks for the short-listed Vendors. Client can utilize AAC's reference check template to capture detailed questions and responses. The Client and AAC will develop the best time to conduct the reference checks. AAC will organize and update the scoring matrix to reflect the appropriate reference scores and comments.

##### Deliverables

- Deliverable 16: Client Specific Demonstration Scripts
- Deliverable 17: Demonstration Agenda and Schedules
- Deliverable 18: Completion of Vendor Demonstrations
- Deliverable 19: Reference Checks Completed

## 4.2.8 Identify Vendor Finalist and Confirmation Activities

### Develop Ranking of Vendors from Demonstrations and References

AAC's selection approach will provide sufficient documentation and hands-on exposure to select a solution the best fits the needs of Client. AAC will conduct follow-up meetings to review the results of the demonstrations. In addition, AAC and Client will review reference results and document issues. AAC will then conduct the necessary on-site workshops to update the scoring matrix to reflect the most recent procurement activity that will include the following scoring items:

- Requirements Matrix
- Procurement Requirements
- Technical Requirements
- Total Solution Costs
- Vendor Statistics
- Risk
- Support Requirements
- Demonstration Scores
- Demonstration Comments
- References

### Vendor Confirmation

AAC will lead additional workshops with Client to identify a preferred vendor. Once the preferred Vendor is identified, AAC will coordinate and conduct on-site, a three to five-day drill down of key requirements needed by Client. This additional three to five-day workshop will be conducted with the preferred vendor to identify the following costs:

- Modifications
- Interfaces
- Conversion
- Implementation
- Process Engineering
- Hardware
- Support
- Third-Party Software
- Travel
- Licensing

Results of the detailed demonstrations and workshops will be provided to the preferred vendor so the vendor can provide an accurate cost for each item. AAC will work with the vendor to

identify the best and final price. The price will include all elements of the implementation and post go-live activities. AAC will conduct the necessary on-site workshops to document the Project Team's findings and participate in or conduct the presentation of the Project Team's results to members of Client management team.

### **Participate In Vendor and Reference Site Visits**

After the Client Project Team has ranked and identified the preferred vendor, AAC's objective is to confirm the preferred vendor by facilitating a detailed review of the proposed product and obtain an understanding of the proposing vendor's support structure and client base through site visits. AAC will coordinate and participate in up to three Vendor production site visits and one Vendor corporate visit while adhering to Client travel policy. AAC will work with the preferred vendor in scheduling the necessary site and corporate visits. AAC and the Client Project Team will develop a site visit schedule that accounts for functional, technical and project management-related interviews. AAC will summarize the Core Team's evaluations into the scoring matrix and conduct the necessary on-site workshops to review the team's findings.

### **Summary of Confirmation Activities**

- Schedule drill down / vendor preparation
- Conduct three to five-day drill down working sessions to include detail CIS discussions (Number 1 Ranked Vendor only)
- Vendor provides updated proposal
- Develop total cost to implement & five year operating cost projections
- Facilitate/Participate in reference site visits
- Present Vendor finalist recommendation

### **Deliverables**

- Deliverable 20: Summarization Score Ranking of Vendors
- Deliverable 21: Identification of Vendor Finalist (Number 1 Ranked Vendor)
- Deliverable 22: Updated Scoring Matrix (Number 1 Ranked Vendor)
- Deliverable 23: Vendor Confirmation Sessions Completed
- Deliverable 24: Solution Costs Summary (Number 1 Ranked Vendor)
- Deliverable 25: Site Visits Completed
- Deliverable 26: Presentation & Workshop: Negotiation Strategies
- Deliverable 27: Governing Body Approval Presentation

## **4.2.9 Contract Development and Negotiations**

### **Contract Negotiations**

AAC will assist Client in contract negotiations with the selected software supplier(s). In support of the negotiation process, AAC will participate in negotiations as requested by Client. AAC will review the Vendor SOW and provide comments.

### **Negotiations**

- Conduct price and term negotiations
- Contract key issues

### **Deliverables**

- Deliverable 28: Contract Key Issues Checklist
- Deliverable 29: Client Specific SOW with AAC Recommendations

## **5.0 Phase 1 Project Deliverables**

### **5.1 Overview**

In some instances, AAC will provide “draft” deliverables. The intent of “draft” deliverables is to ensure that the development of the required deliverables is consistent with Client’s expectations. “Draft” deliverables are not subject to a time limit for review. It is expected that review of “draft” deliverables is not formal in nature; therefore, “draft” reviews will generally be completed in a shorter time frame and are not scheduled in the plan.

AAC will schedule one walk through meeting for key deliverables (as deemed necessary by Client and AAC) prior to the formal submission.

All AAC deliverables will require significant input from the Client Core Team. For the purpose of this WO, electronic media will be Microsoft Word, Microsoft Project or other compatible Microsoft Office document.

### **5.2 Vendor Selection Deliverable Descriptions**

Once a final delivery is made for each deliverable listed below, Client will have five (5) business days, or a mutually agreeable timeframe, to review and accept the deliverable. If the deliverable is not accepted, Client will provide description of the deficiencies at a reasonable level of detail to assist AAC in the correction of the deliverable.

The schedule for and order of completion of the following list of deliverables is subject to change based upon the development and acceptance of the Updated Project Plan as described in deliverable 2.

Del. #	Deliverable Name	Description & Acceptance Criteria	Approximate Length	AAC Role	CLIENT Role	Anticipated Notification / Deliverable Type
1	Project Charter / Strategy Document	The Project Charter will include descriptions of the major project components, establishment of the steering committee board, identified project resources, assumptions, risks and early estimated of the budget. The Strategy section of the document will describe the approach to the project and explain why the team established this strategy.	5 to 10 pages	Lead	Support	Microsoft Word
2	Updated Project Plan	Updates plan based on meetings with Client since project start. AAC will update the plan created during the pre-sales process. An approved document used to guide both project execution and control. Documents planning assumptions, decisions and facilitates communication between stakeholders and documents approved scope, cost and schedule. There will be summary and detailed versions.	2 to 5 pages	Lead	Support	Microsoft Project
3	Project Kick-Off Presentation	Presentation by AAC to the Client. The intent of this presentation is to formally kick off the project and start end user buy-in and to heighten awareness of the project.	5 to 15 slides	Lead	Support	Microsoft PowerPoint
4	Client Specific CIS Functional Matrix (Updated)	This document captures Client's specific functional requirements within the CIS system. Document is updated based on meetings with AAC	Over 3,000 based require-	Lead	Co-Lead	Microsoft Excel

		and Client to represent Client's specific requirements.	ments			
5	Technical Requirements	Document that outlines technical aspects of the vendor solution that are of interest to Client. This document will ask questions regarding the hardware and ancillary software requirements and third party applications that will require integration to the CIS. The document will also ask the vendor to describe their strategy to improve the efficiency of the current interfaces required by Client.	5 to 20 Pages	Lead	Co-Lead	Microsoft Word and/or Excel
6	RFP Template Document	RFP Outline that lists major categories of information that may be included in Client specific RFP. Sections include: business purpose of project, utility history, utility statistics, technical requirements and template vendor required response format.	5 to 10 pages	Lead	Support	Microsoft Word
7	Scoring Work Sheet	Completed scoring worksheet that reflects Client's scoring criteria and weights.	5 to 10 pages	Lead	Co-Lead	Microsoft Excel
8	Final RFP	Document that is a derivative of Deliverable number 9. This document builds on the template information from Deliverable 9 and is updated based Client data gathering and meetings with AAC and Client. This document will be specific to the Client's specific requirements.	50 to 100 pages	Lead	Co-Lead	Microsoft Word
9	Base Product Demo Scripts	Templates - Document that defines the functionality from Deliverable 4 that will be used to create information to be used to guide CIS vendors through a functional presentation of their software.	15 to 35 pages	Lead	Co-Lead	Microsoft Word and or Excel

10	Discovery Sessions	AAC will schedule and conduct Vendor 2 hour Discovery Sessions	2 hours	Support	Lead	N/A
11	Clarification Document	AAC will issues to all vendors a clarification documents prior to the vendors RFP response.	1 to 2 Pages	Lead	Co-Lead	Microsoft Word
12	Functional Scores & Costs from Responses	Documents that summarize and ranks vendors' Responses from the RFP for both Functional and Cost information.	TBD	Lead	Co-Lead	Microsoft Word and or Excel
13	Selection Vendor Finalists based on Scores	Rankings for selection of the vendor finalists. (Short list – up to 3 vendors)	TBD	Lead	Co-Lead	Microsoft Excel
14	Steering Committee Presentation	AAC will prepare an executive level PowerPoint presentation that summarizes the selection decision for Client's Steering Committee. AAC will conduct this presentation or support Client with the presentation, based on Client's preference.	15 to 25 Slides	Co-Lead	Co-Lead	Microsoft PowerPoint
15	Executive Management Presentation	AAC will prepare an executive level PowerPoint presentation that summarizes the selection decision for Client's Executive Management. AAC will conduct this presentation or support Client with the presentation, based on Client's preference.	15 to 25 Slides	Co-Lead	Co-Lead	Microsoft PowerPoint
16	Client Product Demo Scripts	AAC and Client will work together to create the appropriate level of detail for data and various business rules to be included in these scripts using the templates as a starting point from Deliverable 9. Client and AAC will also mutually determine which components of the functional matrix will be included based on Client's level of importance. These scripts will only use portions of Deliverable 9 in order to accommodate the time allocated for software	15 to 35 pages	Lead	Co-Lead	Microsoft Word and or Excel

		presentations. In addition to these scripts, AAC will provide a suggested agenda for the vendor meetings.				
17	Demonstration Agenda and Schedules	Document that outlines the schedule for demonstrations for each vendor. The document will also outline the major topics to be presented by the vendor based on Client's requirements.	5 to 20 pages	Lead	Co-Lead	Microsoft Word and or Excel
18	Completion of the Vendor Demonstrations	The short-listed vendors that participated in the demonstrations have completed their presentations.	N/A	Lead	Co-Lead	N/A
19	Reference Checks	Client has completed all reference checks, AAC has summarized results.	N/A	Co-Lead	Lead	Microsoft Excel
20	Summarization Score Ranking of Vendors Based on Completed Demonstrations and All Information	Documents that summarize and rank vendors for the demonstrations. All scoring criteria is computed and the vendor finalist is identified.	Based on number of scoring criteria	Lead	Co-Lead	Microsoft Word and or Excel
21	Selection of Vendor Finalists	Meeting conducted to review score/ ranks and review the final selection. AAC will provide a document to summarize the meeting minutes.	Based on the spirit of the meeting	Co-Lead	Co-lead	Microsoft Word
22	Updated Scoring Matrix	Executive Summary of the scoring ranks, based on the final scores.	2 to 4 pages per vendor	Lead	Support	Microsoft Word & Excel
23	Vendor confirmation	Three to five day in depth review of Selected Vendor's proposed solution with the intent to confirm completion of solution as related to RFP requirements. Product demonstration and implementation methodology review.	Three to five days	Co-Lead	Co-Lead	N/A

24	Solution Cost Summary	Document that outlines the selected vendors cost summary and evaluates for completeness. This document is used as a component of the vendor negotiations and for governing body approval. This document is delivered prior to the start of vendor negotiations.	Based on number of scoring criteria	Lead	Support	Microsoft Word & Excel
25	Site Visits Completed	AAC will assist Client to schedule and conduct one or two on-site customer reference visits for selected vendor. Additionally, Client may choose to visit the selected vendor's headquarters.	4 to 5 days	Co-Lead	Co-Lead	N/A
26	Negotiation Strategies Workshop	In preparation of contract negotiations, AAC will conduct a presentation to Client outlining contract negotiation strategies and will inform Client of expected vendor positions.	5 to 15 slides	Lead	Support	Microsoft Word
27	Governing Body Approval Presentation	AAC will prepare an executive level PowerPoint presentation that summarizes the selection decision for Client's governing body. AAC will conduct this presentation or support Client with the presentation, based on Client's preference.	15 to 25 Slides	Support	Lead	Microsoft Word
28	Contract Key Issues (including SOW review)	AAC will provide a document outlining the major business issues that should be reviewed by Client. Client will be required to have legal counsel evaluate all contracts from a legal perspective, as AAC does not render legal advice.	5 to 10 Page Review of the Vendors contract documents (including SOW).	Lead	Support	Microsoft Word
29	Client SOW	SOW that reflects the Client's specific project information. This document will include AAC's recommend language.	50 – 100 pages	Lead	Support	Microsoft Word

## 6.0 Phase 1 Selection Payment Schedule

AAC will provide the services agreed to in this Work Order based on the fixed price schedule below. Each milestone payment is based on a listed Deliverable from Section 5.2 of this Work Order.

Milestone Number	Deliverable Description	Payment Amount
1.	Deliverable 1: Project Charter & Strategy Document	\$15,000
2.	Deliverable 3: Project Kick-off Presentation	\$10,000
3.	Deliverable 4: Updated Client Specific CIS Functional Matrix	\$15,000
4.	Deliverable 6: RFP Template	\$ 5,000
5.	Deliverable 8: Final RFP Document	\$10,000
6.	Deliverable 10: Schedule and Conduct Vendor Discovery Sessions	\$5,000
7.	Deliverable 12: All Functional Scores and Project Solution Costs	\$ 5,000
8.	Deliverable 16: Client Product Demonstration Scripts	\$ 10,000
9.	Deliverable 18: Completion of Vendor Demonstrations	\$10,000
10.	Deliverable 21: Selection of Vendor Finalists	\$10,000
11.	Deliverable 23: Vendor Confirmation	\$10,000
12.	Deliverable 26: Negotiations Strategy Workshop	\$5,000
13.	Deliverable 29: Client SOW Comments	\$10,000
<i>Total Fixed Fee Services*</i>		<i>\$120,000</i>

\*Reasonable travel and living billed as incurred are not included in the fixed fee and shall be in accordance with Section 10.1 below

NOTE: Costs for printing documents (large quantity copies for example, RFP, Demo Scripts, etc.) and overnight mailings will be expensed to Client.

## 7.0 Acceptance of Deliverables

(a) General. The acceptance criteria set forth in this Section 7 shall apply and govern with respect to each Deliverable identified in Section 5.2 above in which acceptance thereof is required by its terms. AAC will notify Client when each Deliverable has been completed. Client shall inform AAC in writing within five (5) business days, or a mutually agreeable timeframe, following AAC's notification to Client, if Client believes AAC has not satisfied acceptance criteria set forth in Section 5.2 above with respect to such item. To the extent that Client rejects a Deliverable, it shall specify the reasons therefore to a reasonable level of detail and such reasons must be based specifically on AAC's failure to satisfy the requirements set forth in this WO and, particularly, the descriptions set forth in Section 5 above.

(b) Following a written notification to AAC described above that a Deliverable fails to meet the governing acceptance criteria, then, within a period of time, not more than ten (10) business days, or mutually agreeable time, in light of the nature and severity of the deficiency and the sequencing of the Project, AAC shall remedy the identified deficiency and provide a Deliverable which meets the acceptance criteria described in Sections 5 and 6 hereof. Following the delivery by AAC of the remedied Deliverable, then Client shall again have a five (5) business day review period, or a mutually agreeable timeframe, as applicable and the provisions of Sections 5 and 10 shall control the acceptance thereof.

## 8.0 Dispute Resolution Process

The Dispute Resolution Process shall consist of a three-step approach to resolve disputes related to this Work Order. If a dispute is identified between the parties, the following steps shall be taken:

**Step 1** – The initiating party's assigned project manager will inform the other party's project manager in writing that a dispute exists. The two project managers will work together to resolve the issue. If after five (5) business days, or a mutually agreeable timeframe, the matter has not been resolved, the issue will be escalated to Step 2.

**Step 2** – The project managers will inform their senior managers that a dispute exists. The party that initiated the dispute will clearly document their concern in writing to the other party, including a description of the matter in dispute, that party's position with regard to the dispute, and a reasonable justification for that dispute, and outline what their expectations are related to the desired cure for the outstanding issue. The party being requested to cure the problem will respond in writing within ten (10) business days to acknowledge receipt and document that party's position with regard to the dispute, including a reasonable justification for that position.

The parties will have fifteen (15) business days from the end of the ten day response period, or other mutually agreeable timeframe, to resolve the matter.

**Step 3** – If at the end of the resolution period set forth in Step 2 the matter is not resolved, either party may pursue all other available rights and remedies.

### **8.1 Client's Right to Request Personnel Replacement**

If Client experiences difficulties, concerns or other legitimate objections with AAC assigned personnel, Client shall discuss any concerns with the designated AAC Managing Partner. Client will allow AAC to attempt to resolve any issues or concerns with the resource in question, to Client's satisfaction. Failing to resolve the issues or concerns within a thirty-day period of time, Client may request and AAC will remove the assigned consultant and replace the resource with another qualified consultant. Both parties will work together to minimize any negative impact to the project due to a resource replacement.

### **9.0 Work Product**

Client has the full right to use all AAC provided items described in the Deliverables Section 5.2 of this Work Order.

### **10.0 Charges and Payment**

This section of the Work Order describes the charges and payments for the scope of services covered by this Work Order. Hourly rates are also provided for additional work that may be requested that is outside the scope of this Work Order.

Once invoices are received by Client, invoices are due net 25.

#### **10.1 Travel Expenses**

Travel costs are estimated at 16 trips for a total of \$25,000 for this Work Order. Based on current fuel and recent consistency of travel prices, we do not expect travel costs to exceed \$25,000. Travel expenses will be billed bi-monthly as incurred.

**Travel and living expenses based on actual expenses include (Receipts are required):**

- **Air Travel** Ordinarily all air travel on assignments should be at the lowest possible cost coach or economy fare available that permits travel at reasonable times and with reasonable itineraries. Airfare and associated taxes are expensed to Client account.
- **Hotels** AAC will select business class hotels in the vicinity of the Client's offices or other Client -approved location. Generally Hampton Inn, Courtyard, Fairfield, Marriott, Hilton, and Double Tree are chosen. AAC will negotiate rates with hotels within the City of Oceanside city limits and AAC will make every reasonable effort to stay at the negotiated properties. AAC will endeavor to negotiate the best available rates.
- **Phone** calls and the associated taxes.
- **Auto** rental expenses and the associated taxes.
- **Fuel** and the associated taxes.
- **Long Term Parking** and tolls and the associated taxes.
- **Mileage** if employees drive their own car (in lieu of rental car), based on IRS standard mileage rate.

**Per Diem:**

AAC will bill per diem expenses for meals and incidental expenses while traveling to the Client site or other Client approved travel.

The table below outlines the per diem based expenses for travel.

#	Item	Description	Method
1.	<b>Meals</b>	While AAC employees are away from their home offices, traveling on Client business related to the project, a daily meal per diem is charged to the Client project.	\$50.00 / day
2.	<b>Incidental Allowance</b>	AAC employees may incur additional non-meal related costs for personal expenses while away from their home offices for Client -project related travel. AAC has a fixed daily incidental allowance of \$10.00 per day out of town. This allowance is intended to cover minor costs such as laundry, personal items of necessity, short-term parking meters and other personal travel related expenses that are incurred in the course of out of town travel.	\$10.00 / Day

## 10.2 Hourly Rates by Resource Types

Below is a list of additional Resource Types, which AAC may provide to Client, throughout the implementation project if requested,

Resource Description	Standard Hourly Rate	Client Contract Hourly Rate
<b>Project Manager</b>	\$250	\$200
<b>Senior Project Manager</b>	\$350	\$275
<b>AAC Managing Partner</b>	\$450	\$350
<b>Technical Support</b>	\$200	\$175
<b>Conversion Specialist</b>	\$250	\$200
<b>Change Management Specialist</b>	\$250	\$200
<b>Business Process Consultant</b>	\$250	\$200
<b>Business Process Expert</b>	\$400	\$250
<b>Business Analyst</b>	\$225	\$190
<b>System Support</b>	\$200	\$150

If additional work is required beyond the Project Scope, Change Control Procedures will be utilized to manage the required changes and determine the additional charges and associated time frames requested for those additions/changes.

**END OF WO CONTENT**



**Signature Page**

IN WITNESS WHEREOF, intending to be legally bound hereby, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first set forth above.

**City of Oceanside**

**AAC Utility Partners, LLC.**

Signature:

Signature:

\_\_\_\_\_

\_\_\_\_\_

Name (Printed):

Name (Printed):

\_\_\_\_\_

\_\_\_\_\_

Title:

Title:

\_\_\_\_\_

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