

**CITY CLERK
ORIGINAL**

**C-10786
04/12/2016**

**PROFESSIONAL SERVICES AGREEMENT
BETWEEN
CITY OF GLENDALE AND NORTHSTAR UTILITIES SOLUTIONS**

This Professional Services Agreement (“Agreement”) is entered into and effective between CITY OF GLENDALE, an Arizona municipal corporation (“City”) and N. Harris Computer Corporation dba as NorthStar Utilities Solutions, a Canadian company, authorized to do business in the State of Arizona, (“Consultant”) as of the 14 day of April, 2016 (“Effective Date”).

RECITALS

- A. City intends to undertake a project for the benefit of the public and with public funds that is more fully set forth in **Exhibit A**, Project (the “Project”);
- B. City desires to retain the professional services of Consultant to perform certain installation, implementation, training and other specific duties as set forth in the attached **Exhibit B**, Project Scope of Work (“Scope”) to accomplish and support an upgrade to certain NorthStar software owned by Consultant (the “Software”) and licensed to City;
- C. Consultant desires to provide City with professional services as set out in the Scope (“Services”) on the terms and conditions of this Agreement; and
- D. City and Consultant desire to memorialize their agreement with this document.

AGREEMENT

The parties hereby agree as follows:

1. Key Personnel.

1.1 Professional Services. Consultant will provide all Services necessary to assure the Scope is completed in a timely and efficient manner, including, but not limited to, working in close interaction and interfacing with City and its designated employees, and working closely with others, including other consultants or contractors, retained by City.

1.2 Project Scope.
a. Project Manager.

(1) Consultant will designate an employee as Project Manager with sufficient training, knowledge, and experience to, in the City’s opinion, complete the Services and handle all aspects of the Services such that the work produced by Consultant is consistent with applicable standards as detailed in this Agreement; and

(2) The City must approve the designated Project Manager.

b. Project Team.

(1) The Project Manager and all other employees assigned to the Project by Consultant will comprise the “Project Team”.

(2) Project Manager will have responsibility for and will supervise all other

employees assigned to perform the Services by Consultant.

c. Discharge, Reassign, Replacement.

- (1) Consultant acknowledges the Project Team is comprised of the same persons and roles for each as may have been identified in **Exhibit A**.
- (2) Consultant will not discharge, reassign, replace or diminish the responsibilities of any of the employees assigned to the Project who have been approved by City without City's prior written consent unless that person leaves the employment of Consultant, in which event the substitute must first be approved in writing by City.
- (3) Consultant will change any of the members of the Project Team at the City's request if an employee's performance does not equal or exceed the level of competence that the City may reasonably expect of a person performing those duties, or if the acts or omissions of that person are detrimental to the development of the Project.

d. Subcontractors. Consultant shall not engage any Subcontractor or Subconsultant to perform any work or services under this Agreement. Engagement of any Subcontractor or Subconsultant without prior approval of the City shall be deemed a breach of this contract and may result in its immediate termination.

2. **Schedule.** The Services will be performed in a timely and efficient manner, in accordance with the Scope.

3. **Consultant's Work.**

3.1 Standard. Consultant must perform Services in accordance with the standards of due diligence, care, and quality prevailing among consultants having substantial experience with the successful furnishing of Services for projects that are equivalent in size, scope, quality, and other criteria under the Scope and identified in this Agreement.

3.2 Licensing. Consultant warrants that:

- a. The Services will be performed in a professional and diligent manner by personnel who are competent in performing their individual tasks.
- b. Consultant currently holds all appropriate and required licenses, registrations and other approvals necessary for the lawful furnishing of Services ("Approvals"); and
- c. Consultant has not been debarred or otherwise legally excluded from contracting with any federal, state, or local governmental entity ("Debarment").
 - (1) City is under no obligation to ascertain or confirm the existence or issuance of any Approvals or Debarments, or to examine Consultant's contracting ability.
 - (2) Consultant must notify City immediately if any Approvals or Debarment changes during the Agreement's duration. The failure of the Consultant to notify City as required will constitute a material default under the Agreement.

- 3.3 Compliance. Services will be furnished in compliance with federal, state, county and local Statutes, rules, and regulations applicable to the performance of the Services at the City's location.
- 3.4 Consultant must not discriminate against any employee or applicant for employment on the basis race, color, religion, sex, national origin, age, marital status, sexual orientation, gender identity or expression, genetic characteristics, familial status, U.S. military veteran status or any disability. Consultant will require any Subcontractor to be bound to the same requirements as stated within this section. Consultant, and on behalf of any subcontractors, warrants compliance with this section.
- 3.5 No Other Warranties. To the greatest extent permitted by law, the Services and all other materials and services are provided to City "as is" and there are no warranties, representations or conditions, expressed or implied, written or oral, arising by statute, operation of law, course of dealing, usage of trade or otherwise, regarding them or any other product, service or material provided hereunder or in connection herewith. Consultant and its licensors and suppliers disclaim any implied warranties or conditions regarding the Services and any other products, services or materials provided hereunder or in connection herewith, including but not limited to, warranties of merchantable quality, merchantability, durability, fitness for a particular purpose, title or non-infringement.
- 3.6 Coordination: Interaction.
- a. For projects that the City believes requires the coordination of various professional services, Consultant will work in close consultation with City to proactively interact with any other professionals retained by City on the Project ("Coordinating Project Professionals").
 - b. Subject to any limitations expressly stated in the Project Budget, Consultant will meet to review the Scope, Schedule, Project Budget, and in-progress work with Coordinating Project Professionals and City as often and for durations as City reasonably considers necessary in order to ensure the timely work delivery and completion of Services.
 - c. For projects not involving Coordinating Project Professionals, Consultant will proactively interact with any other contractors when directed by City to obtain or disseminate timely information for the proper execution of the Services.
- 3.7 Work Product. City acknowledges and agrees that no work product is being provided by Consultant as part of the Services or under this Agreement and no license rights are granted to City under this Agreement.

4. **Compensation for the Project.**

- 4.1 Compensation. Consultant's compensation for the Services, including those furnished by its Subconsultants or Subcontractors will not exceed **\$175,252.00** as specifically detailed in **Exhibit D** ("Compensation").
- 4.2 Expenses.

- a. City will reimburse Consultant for certain out-of-pocket expenses necessarily incurred by Consultant in connection with this Agreement, without mark-up (the "Reimbursable Expenses"), including, but not limited to, document reproduction, materials for book preparation, postage, courier and overnight delivery costs incurred with Federal Express or similar carriers, travel and car mileage, subject to the following:
 - (1) Mileage, airfare, lodging and other travel expenses will be reimbursable only to the extent these would, if incurred, be reimbursed to City of Glendale personnel under its policies and procedures for business travel expense reimbursement made available to Consultant for review prior to the Agreement's execution, and which policies and procedures will be furnished to Consultant;
 - (2) The Reimbursable Expenses in this section are approved in advance by City in writing; and
- b. The total of all Reimbursable Expenses paid to Consultant in connection with this Agreement will not exceed the "not to exceed" amount identified for Reimbursable Services in the Compensation.

5. Billings and Payment.

5.1 Applications.

- a. Consultant will submit monthly invoices (each, a "Payment Application") to City's Project Manager and City will remit payments based upon the Payment Application as stated below.
- b. The period covered by each Payment Application will be one calendar month ending on the last day of the month.

5.2 Payment.

- a. After a full and complete Payment Application is received, City will process and remit payment within 30 days.
- b. Payment may be subject to or conditioned upon City's receipt of:
Completed work generated by Consultant

5.3 Review and Withholding.

- a. City's Project Manager will timely review and certify Payment Applications. If the Payment Application is rejected, City may withhold that portion of payment of any amounts that are disputed by City in good faith pending resolution of the dispute. City shall notify Consultant of the reasons for disputing any amount, including a written listing of items not approved for payment, within fifteen (15) days after receipt of the applicable invoice and the parties shall promptly seek to resolve the dispute in accordance with **Exhibit "E"**. Any such dispute shall not relieve City from paying when due any undisputed portion of the invoice.

6. Termination.

- 6.1 **For Convenience.** City may terminate this Agreement for convenience, without cause, by delivering a written termination notice stating the effective termination date, which may not be less than fifteen (15) days following the date of delivery.
- a. Consultant will be equitably compensated for Services furnished prior to receipt of the termination notice and for reasonable costs incurred.
 - b. Consultant will also be similarly compensated for any approved effort expended, and approved costs incurred, that are directly associated with winding down the Services and delivery of the required items to the City, provided such costs do not cause the compensation to exceed the “not to exceed” amount provided in Section 4.1 above.
- 6.2 **For Cause.** Either party may terminate this Agreement for cause if the other party breaches any material provision of this Agreement and fails to cure such breach within seven (7) days after receipt of written notice specifying the breach.
- a. Consultant will not be entitled to further payment until after City has determined its damages. If City’s damages resulting from the breach, as determined by City, are less than the equitable amount due but not paid to Consultant for Services furnished, City will pay the amount due to Consultant, less City’s damages, in accordance with the Provisions of Section 5.
 - b. If City’s direct damages exceed amounts otherwise due to Consultant; Consultant must pay the difference to City immediately upon demand; however, Consultant will not be subject to consequential damages more than \$1,000,000 or the amount of this Agreement, whichever is greater.
7. **Conflict.** Consultant acknowledges this Agreement is subject to A.R.S. § 38-511, which allows for cancellation of this Agreement in the event any person who is significantly involved in initiating, negotiating, securing, drafting, or creating the Agreement on City’s behalf is also an employee, agent, or consultant of any other party to this Agreement.
8. **Insurance.** For the duration of the term of this Agreement, Consultant shall procure and maintain insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of all tasks or work necessary to complete the Services as herein defined. Such insurance shall cover Consultant and its employee(s).
- 8.1 **Minimum Scope and Limit of Insurance.** Coverage must be at least as broad as:
- a. Commercial General Liability (CGL): Insurance Services Office Form CG 00 01, including products and completed operations, with limits of no less than \$5,000,000 per occurrence for bodily injury, personal injury, and property damage, which amount may be supplemented with umbrella coverage. If a general aggregate limit applies, the general aggregate limit shall be twice the required occurrence limit.
 - b. Automobile Liability: Insurance Services Office Form Number CA 0001 covering Code 1 (any auto), with limits no less than \$1,000,000 per accident for bodily injury and property damage.
 - c. Professional Liability, Consultant must maintain Professional Liability insurance

covering errors and omissions arising out of the work or services performed by Consultant, or anyone employed by Consultant, or anyone for whose acts, mistakes, errors and omissions Consultant is legally liability, with a liability insurance limit of \$5,000,000 for each claim and a \$5,000,000 annual aggregate limit, which amount may be supplemented with umbrella coverage.

- d. Worker's Compensation: Insurance with all limits as required by the State of Arizona.
- e. Cyber Liability (Information Security & Privacy Insurance with Electronic Media Liability Coverage) Insurance appropriate to the Consultant's profession, with limit no less than \$5,000,000 per incident or claim, \$5,000,000 aggregate. Or 2,000,000 Individual Notification costs with \$2,000,000 per incident or claim limit for balance of insuring agreements. Including but not limited to coverage for Privacy Notification Costs, Regulatory Defense and Penalties, Cyber Extortion and Data Protection Loss.

8.2 Other Insurance Provisions. The commercial general liability policy and the automobile liability policy required by the Section above must contain, or be endorsed to contain the following insurance provisions:

- a. The City, its officers, officials, employees and volunteers are to be covered as additional insureds of the CGL and automobile policies. General liability coverage can be provided in the form of an endorsement to the Consultant's existing insurance policies, provided such endorsement is at least as broad as ISO Form CG 20 10, 11 85 or both CG 20 10 and CG 23 37, if later revisions are used.
- b. For any claims related to the Services, the Consultant's Commercial General Liability and Automobile Liability insurance coverage shall be primary insurance with respect to the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be in excess of the Consultant's insurance and shall not contribute with it.
- c. Consultant's Commercial General Liability insurance policy required by this Section shall provide that if such coverage is canceled by the insurance company, such insurance company shall provide thirty days' notice to the City.
- d. Claims-made Policies. If any policy provided is on a claims-made basis, the Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract work. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of two (2) years after the completion of contract work.

8.3 Acceptability of Insurers. Insurance is to be placed with insurers with a current AM. Best rating of no less than A: VII, unless the Consultant has obtained prior approval from the City stating that a non-conforming insurer is acceptable to the City.

8.4 Waiver of Subrogation. Consultant hereby agrees to waive its rights of subrogation which

any insurer may acquire from Consultant by virtue of the payment of any loss to the extent that Consultant's policy permits for such waiver of subrogation rights. Consultant agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation Policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Consultant, its employees, agent(s) and subcontractor(s) (if applicable).

- 8.5 Verification of Coverage. Within fifteen (15) days of the Effective Date of this Agreement, Consultant shall furnish the City with original certificates and amendatory endorsements of any applicable insurance language making the coverage required by this Agreement effective. All certificates and endorsements must be received and approved by the City before work commences. Failure to obtain, submit or secure the City's approval of the required insurance, certificates or endorsements prior to the City's agreement that work may commence shall not waive the Consultant's obligations to obtain and verify insurance coverage as otherwise provided in this Section. The City reserves the right to require complete, certified copies of any endorsements or certificates, required by this Agreement at any time during the Term stated herein.

Consultant's failure to obtain, submit or secure the City's approval certificates or endorsements shall not be considered a Force Majeure or defense for any failure by the Consultant to comply with the terms and conditions of the Agreement, including any schedule for performance or completion of the Project.

- 8.6 Subcontractors. If the City approves the use of subcontractors, the Consultant shall require and shall verify that all subcontractors maintain insurance meeting all requirements of this Agreement.

9. **Immigration Law Compliance.**

- 9.1 Consultant, on its own behalf and on behalf of any Subconsultant, warrants to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.
- 9.2 Any breach of warranty under this section is considered a material breach of this Agreement and is subject to penalties up to and including termination of this Agreement.
- 9.3 City retains the legal right to inspect the papers of any Consultant, Subconsultant, or employee who performs work under this Agreement to ensure that the Consultant, Subconsultant or any employee, is compliant with the warranty under this Section.
- 9.4 City may conduct random inspections, and upon request of City, Consultant will provide copies of papers and records of Consultant demonstrating continued compliance with the warranty under this section. Consultant agrees to keep papers and records available for inspection by the City during normal business hours and Consultant cooperate with City in exercise of its statutory duties and not deny access to its business premises or applicable papers or records for the purposes of enforcement of this section.
- 9.5 Consultant agrees to incorporate into any subcontracts under this Agreement the same obligations imposed upon Consultant and expressly accrue those obligations directly to the benefit of the City. Consultant also agrees to require any Subconsultant to incorporate into each of its own subcontracts under this Agreement the same obligations above and

expressly accrue those obligations to the benefits of the City.

- 9.6 Consultant's warranty and obligations under this section to the City is continuing throughout the term of this Agreement or until such time as the City determines, in its sole discretion, that Arizona law has been modified in that compliance with this section is no longer a requirement.
- 9.7 The "E-Verify Program" above means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.
10. **Limitation of Liability.** To the greatest extent permitted by applicable law, Consultant, its affiliates, and each of their respective directors, officers, employees, and shareholders' entire liability and City's exclusive remedy with respect to the services, and any other products, materials or services supplied by Consultant in connection with this Agreement for damages for any cause and regardless of the cause of action, whether in Contract or in tort, including negligence, strict liability or otherwise, shall not exceed in the aggregate an amount that is equal to the compensation paid to Consultant by City under this Agreement.

In addition to the foregoing, to the greatest extent permitted by applicable law, in no event shall Consultant, its affiliates and each of their respective Directors, Officers, Employees and Shareholders, be liable for any consequential, incidental, indirect, exemplary, punitive, or special damages whatsoever, including but not limited to for lost revenue or loss of profits, loss of business, loss of data, failure to realize expected savings, or cost of substitute goods or services arising out of or in connection with this Agreement, even if it has been advised of the likelihood of the occurrence of such loss or damage or such loss or damage is foreseeable and notwithstanding any failure of essential purpose of any limited remedy.

11. **Notices.**

- 11.1 A notice, request or other communication that is required or permitted under this Agreement (each a "Notice") will be effective only if:
- a. The Notice is in writing; and
 - b. Delivered in person or by overnight courier service (delivery charges prepaid), certified or registered mail (return receipt requested).
 - c. Notice will be deemed to have been delivered to the person to whom it is addressed as of the date of receipt, if:
 - (1) Received on a business day before 5:00 p.m. at the address for Notices identified for the Party in this Agreement by U.S. Mail, hand delivery, or overnight courier service; or
 - (2) As of the next business day after receipt, if received after 5:00 p.m.
 - d. The burden of proof of the place and time of delivery is upon the Party giving the Notice.
 - e. Digitalized signatures and copies of signatures will have the same effect as original signatures.

11.2 Representatives.

- a. Consultant. Consultant's representative (the "Consultant's Representative") authorized to act on Consultant's behalf with respect to the Services, and his or her address for Notice delivery is:

Patrick Shaughnessy
VP of Operations
1 Antares Drive, Suite 400
Ottawa, Ontario, K2E8C4

- b. City. City's representative (the "City's Representative") authorized to act on City's behalf, and his or her address for Notice delivery is:

City of Glendale
c/o Don Rhoden
5850 W. Glendale Ave
Glendale, Arizona 85301

With required copy to:

City Manager
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301

City Attorney
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301

- c. Concurrent Notices.

- (1) All notices to City's representative must be given concurrently to City Manager and City Attorney.
- (2) A notice will not be deemed to have been received by City's representative until the time that it has also been received by the City Manager and the City Attorney.
- (3) City may appoint one or more designees for the purpose of receiving notice by delivery of a written notice to Consultant identifying the designee(s) and their respective addresses for notices.

- d. Changes. Consultant or City may change its representative or information on Notice; by giving Notice of the change in accordance with this section at least ten (10) days prior to the change.

12. **Financing Assignment.** Neither party may assign any of its rights or duties under this Agreement without the prior written consent of the other party except as stated in this Section. City may assign this Agreement to any City-affiliated entity, including a non-profit corporation or other entity whose

primary purpose is to own or manage the Project. Consultant may assign this Agreement or its rights or duties under this Agreement to a successor entity in the event of its amalgamation or merger with an affiliated entity. The Agreement shall inure to the benefit of and by binding upon the parties to this Agreement and their respective successors and permitted assigns.

13. **Entire Agreement; Survival; Counterparts; Signatures.**

13.1 Integration. This Agreement contains, except as stated below, the entire Agreement between City and Consultant and supersedes all prior conversations and negotiations between the parties regarding the subject matter of this Agreement.

- a. Neither Party has made any representations, warranties or agreements as to any matters concerning the Agreement's subject matter.
- b. Representations, statements, conditions, or warranties not contained in this Agreement will not be binding on the parties.
- c. Inconsistencies between the solicitations, any addenda attached to the solicitation, the response or any excerpts attached as **Exhibit A**, and this Agreement, will be resolved by the terms and conditions stated in this Agreement.

13.2 Interpretation.

- a. The parties fairly negotiated the Agreement's provisions to the extent they believed necessary and the legal representation they deemed appropriate.
- b. The parties are of equal bargaining position and this Agreement must be construed equally between the parties without consideration of which of the parties may have drafted this Agreement.
- c. The Agreement will be interpreted in accordance with the laws of the State of Arizona. The City and Consultant hereby waive, to the fullest extent permitted by applicable law, the right to trial by jury in any action, proceeding or counterclaim filed by any party, whether in contract, tort or otherwise, relating directly or indirectly to this Agreement or any acts or omissions of Consultant in connection therewith or contemplated thereby.

13.3 Survival. Except as specifically provided otherwise in this Agreement, each warranty, representation, indemnification and hold harmless provision, insurance requirement, and every other right, remedy and responsibility of a Party, will survive completion of the Services, or the earlier termination of this Agreement.

13.4 Amendment. No amendment to this Agreement will be binding unless in writing and executed by the parties. Electronic signature blocks do not constitute execution for purposes of this Agreement. Any amendment may be subject to City Council approval.

13.5 Remedies. Unless otherwise stated, all rights and remedies provided in this Agreement are cumulative and the exercise of any one or more right or remedy will not affect any other rights or remedies under this Agreement of applicable law.

13.6 Severability. If any provision of this Agreement is voided or found unenforceable,

that determination will not affect the validity of the other provisions, and the voided or unenforceable provision will be reformed to conform with applicable law.

- 13.7 **Counterparts.** This Agreement may be executed in counterparts, and all counterparts will together comprise one instrument.
- 13.8 **Force Majeure.** Neither party shall be liable for delay or failure in performance resulting from acts beyond the control of such party including, but not limited to, acts of God, acts of war or of the public enemy, riots, fire, flood or other natural disaster, acts of government, strike, walkout, communication line or power failure, failure in operability or destruction of the City's computer (unless by reason of the negligence of a party to this Agreement) or failure of inoperability of any software other than the Software. Any applicable delivery schedule shall be extended by a period of time equal to the time lost because of any such delay.
14. **Term.** The term of this Agreement commences upon the effective date and continues for a five (5) year initial period. There is no renewal of this Agreement without a written amendment.
15. **Dispute Resolution.** Each claim, controversy and dispute (each a "Dispute") between Consultant and City will be resolved in accordance with **Exhibit E**.
16. **Exhibits.** The following exhibits, with reference to the terms in which they are first referenced, are incorporated by this reference.

Exhibit A Project
Exhibit B Scope(s) of Work
Exhibit C Schedule
Exhibit D Compensation
Exhibit E Dispute Resolution

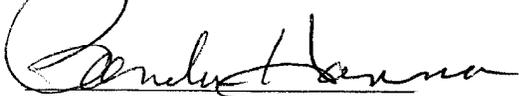
The parties enter into this Agreement effective as of the date shown above

City of Glendale,
An Arizona municipal corporation



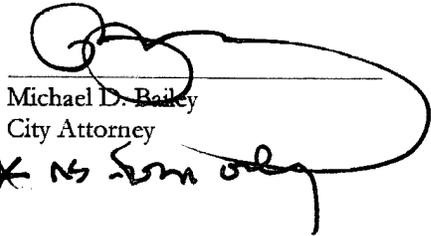
By: Kevin Phelps
Its: City Manager

WITNESS:



Pamela Hanna
City Clerk

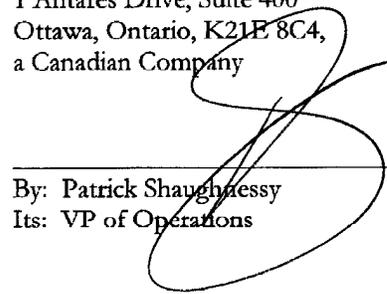
APPROVED AS TO FORM:



Michael D. Bailey
City Attorney

K is from only

Patrick Shaughnessy
VP of Operations
1 Antares Drive, Suite 400
Ottawa, Ontario, K21E 8C4,
a Canadian Company



By: Patrick Shaughnessy
Its: VP of Operations

EXHIBIT A
Professional Services Agreement

PROJECT

Contractor will provide a software upgrade to the City's current CIS billing system, provide the City with a non-exclusive license to use such software, and migrate certain NorthStar add-ons from the City's current web server to a new Windows server. The software license and support will continue for a five (5) year period.

EXHIBIT B
Professional Services Agreement

SCOPE OF WORK

Contract will perform the Services described in the three attached Scopes of Work:

NorthStar Version 6.4 Upgrade
Core Automation Suite SOW and
Migration Services Description.

Exhibit B

Statement of Work

City of Glendale, AZ

NorthStar Version 6.4 Upgrade



NORTH|STAR™
UTILITIES SOLUTIONS

Prepared for:
City of Glendale, AZ
March 15, 2016
Version 1.3

SOW VALID UNTIL: April 30, 2016

Revision Control

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Version	Date	Author	Details / Comments
Version 1.0	2013-12-13	ML Whitehead	Initial version of the document.
Version 1.1	2015-04-24	ML Whitehead	Re-issued expired quote. Updated with current Upgrade SOW.
Version 1.2	2015-10-22	ML Whitehead	Re-issued expired quote
Version 1.3	2016-03-15	J Blais	Removed T&L and sign off page

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1 INTRODUCTION

The City of Glendale, hereafter referred to as "Glendale", requires an upgrade of their billing system from NorthStar version 6.3.1 to NorthStar version 6.4. NorthStar 6.3.1 and NorthStar 6.4 share the same core business logic and leverage the years of investment both Glendale and NorthStar have made in your current CIS/billing system.

The purpose of this document is to provide information on the features and value of NorthStar 6.4, along with the level of effort associated with the upgrade, for those customers upgrading from NorthStar 6.3.1.

1.1 Objective

This Statement of Work (SOW) defines the work to be performed by NorthStar, an unincorporated division of N. Harris Computer Corporation, for Glendale CIS NorthStar 6.3.1 to NorthStar 6.4 upgrade. This SOW includes a high level timeline, fees, and other terms and conditions specific to the services requested by Glendale. Any additional requests for services that are not defined within this SOW will result in change orders with applicable fees.

Changes to this document shall be made through a change management process as described later in this SOW.

2 SERVICE DESCRIPTION

2.1 Areas within Scope

2.1.1 Upgrade Scope

All upgrade activities to be performed remotely, unless otherwise requested.

The scope of this statement of work is to upgrade <Customer>'s CIS NorthStar 6.3.1 to NorthStar 6.4.

Integration Points that will be ported to the NorthStar 6.4 environment are:

- MV-RS Meter Reading System
- iNovah Cashiering System
- PeopleSoft Financials System
- NorthStar eCARE Web Portal
- NorthStar mCARE Paperless
- NorthStar Executive Information System
- NorthStar eDOCs

Upgrade Notes:

- NorthStar's add-on applications (eCARE, mCARE, EIS, etc.) run on Microsoft server(s) and access the billing system directly. The migration of the NorthStar CIS will not have a direct impact on these applications and they will not require an upgrade or change. Migration of the add-ons will not be part of the upgrade project. NorthStar will point the TEST add-ons system to the new NorthStar database to facilitate user acceptance testing during the upgrade project.

2.1.2 Upgrade Approach

A NorthStar Project Manager (PM) will be the primary point of contact for Glendale on the NorthStar 6.4 upgrade. The PM has the overall accountability to successfully deliver the services required for a successful version 6.4 upgrade within agreed upon timeframe and budget. The project team will directly report to the PM and the PM will have the authority and support to manage the project team in the best interest of the project. The PM is also accountable for the following high-level project activities:

- Interface with Glendale assigned PM.
- Conduct regular internal project meetings to ensure that all aspects of the project are understood by the team and that progress and risks are properly reported.



- Conduct regular project meetings with Glendale.
- Review of project status, schedule, risks, resources as well as any other issues that may affect the success the project.

2.1.3 NorthStar Training Provided

NorthStar Product Orientation Session:

The Product Orientation session is held, via webex sessions, with the Core user group as the first stage of the setup portion of the upgrade implementation project. The objective of the orientation session is to introduce the users that have been working on the NorthStar 6.3.1 software to the new version of the product, NorthStar 6.4. There will be time spent on initiation to the navigation of the application, as well as reviewing the business processes specific to the Utility.

End User Training:

The End User training is held with the group of end users, via webex sessions, that will be working with the application once it is live. As some of these users will not have taken part in the Product Orientation session, this is the first area of focus for the training sessions. Training is targeted to the areas that are specific to the day-to-day work of the end users attending the training session. Agendas for the training are created in collaboration with the client prior to the training sessions, and may include some of the following topics: Security Setups, User Interface Enhancements, Cashiering and CARE.

2.1.4 NorthStar 6.4 User Acceptance Testing (UAT)

- NorthStar will work with Glendale to develop a site-specific upgrade test script for User Acceptance testing. Upon completion of testing Glendale will submit a signed copy of the UAT script confirming all areas of NorthStar 6.4 have been successfully reviewed as a prerequisite for NorthStar to schedule the Go Live activities.
- Glendale will have four weeks to complete the initial round of User Acceptance Testing. NorthStar will have two weeks of remediation for all priority 1 issues. Glendale will then have two weeks of remediation testing prior to scheduling End User Training and Go LIVE.
- In the event that Glendale needs to extend User Acceptance Testing beyond the initial four week and subsequent two week windows for UAT remediation testing, NorthStar will provide a change order for the extended testing support.

2.1.5 NorthStar 6.4 Data Refreshes



- NorthStar will perform 3 data refreshes throughout the 6.4 upgrade project. The initial data refresh will be included with the installation of NorthStar 6.4 for UAT. The second data refresh will be performed upon completion of UAT, in preparation for End User training. The final data refresh will be performed upon Go LIVE cutover. Any requests for additional data refreshes will be considered at an additional cost/schedule impact to the project.

2.1.6 City of Glendale Responsibilities

Following are the key responsibilities of Glendale under this agreement:

1. Ensuring NorthStar has direct, dedicated remote technical connection capabilities with administration access to any server that the NorthStar applications reside on for the duration of the upgrade project.
2. Ensuring that underlying infrastructure for NorthStar 6.4 is acquired and installed by the required time per agreed upon project plan (Note: Minimum specifications for servers and workstations should be discussed and agreed upon at commencement of project).
3. Installing server(s) with appropriate network connectivity.
4. Installing operating system and partitioning disk space.
5. Installing database software.
6. Creating users at the operating system level.
7. Configuring peripheral devices (printers, scanners, cash drawers, etc.).
8. Installing VPN connection.
9. Configuring back up and maintenance routines for new database.
10. Testing hardware components and environment.
11. Assisting with upgrade testing.
12. Conducting User Acceptance testing.
13. Assisting with End User Training which will be led by NorthStar. NorthStar will provide up to 16 hours of End User training. If Glendale requires additional training sessions due to staff size a Change Order will be issued for the effort.
14. Leading Go LIVE activities

2.1.7 Engagement Completion Criteria

The Engagement is deemed completed once upgraded application has been deployed to the live environment for twenty business days and that any Priority 1 items raised during that period have been resolved. NorthStar has the exclusive right to classify call types according the definitions below.

Call Type	Definition
Priority 1 – Urgent or High Priority	<ul style="list-style-type: none"> • System Down (Software Application, Hardware, Operating System, Database) • Impacts Critical Business Function without a workaround



<p>Priority 2 – Medium Priority</p>	<ul style="list-style-type: none"> • Performance issues of severe nature impacting critical processes. • System errors that have workarounds • Impact to business function is not critical: <ul style="list-style-type: none"> • Performance issues not impacting critical processes • Usability issues • Workstation connectivity issues (Workstation specific)
<p>Priority 3 – Low Priority</p>	<ul style="list-style-type: none"> • Minimal or no impact to critical business function • Report formatting issues • Training questions, how to, or implementing new processes • Aesthetic issues • Issues with workarounds for large majority of accounts • Recommendations for enhancements on system changes • Questions on documentation

2.2 Areas Out of Scope

Anything in this section and not listed in the above “Areas within Scope” is considered out of scope for this SOW. Specific items that are currently out of scope of this engagement include:

- Additional User training if deemed required above End User training.
- Post Live Refresher training if deemed required following Go LIVE.
- Migration of NorthStar add ons; eCARE, mCARE, EIS, to new server.
- Professional Services related to data archive and purge activities.
- Migrating cron jobs or automated scheduled tasks.

3 ESTIMATED TIMELINE

The estimated duration of this engagement is approximately 4 months. The possibility and feasibility of a reduced duration will be evaluated during the Customer Preparation phase as it will depend on what needs to be ported to NorthStar 6.4, availability of resources and involvement of Glendale. Adherence to the project plan and timeline is critical. NorthStar will prepare a formal project plan and timeline. Glendale will review, provide comments on, and provide NorthStar with approval of the project plan and timeline.

Timeline	Phase Activities
Month 1	<ul style="list-style-type: none"> • Customer Preparation • NorthStar 6.4 Installation
Month 2	<ul style="list-style-type: none"> • Core Team Product Orientation • User Acceptance Testing
Month 3	<ul style="list-style-type: none"> • User Acceptance Testing • End User Training
Month 4	<ul style="list-style-type: none"> • Go LIVE • Post Go LIVE Support

There are a number of factors to be considered that will have an associated un-planned increase in effort and will therefore impact the project schedule. These factors are typically not determined until project kick-off and will be a key input into the final Go LIVE date and may result in additional cost. NorthStar will notify Glendale of any increase in effort and will provide Glendale with a Change Order according to section 4 Change Management Process. These factors include:

- Custom Modifications:
 - All custom modifications with user-interface elements need time allocated for coding.
 - Some NorthStar programs will require modification if the database is changing as part of the scope of the upgrade.
 - The number of custom modifications that need to be ported to the new environment will have an impact on the time associated with coding and testing.
- Data:
 - Data clean-up (if required) by Glendale.
 - Amount of data – consideration needs to be given to the amount of historical data required and how long it will take to obtain the data.
- Peripherals:
 - If Glendale has special print handling – paper source, special commands, this will create additional effort.
 - An increase or replacement of equipment with the upgrade (i.e. cash drawer).
- Project Resourcing:

- In the event that Glendale staff is unable to be dedicated to the agreed upon project plan, resulting in an extension of the timeline, NorthStar will evaluate the need for a Change Order for additional Project Management and dedicated support services to extend the project timeframe.

4 CHANGE MANAGEMENT PROCESS

NorthStar will maintain the SOW with formal documentation denoting agreed upon changes. Glendale and NorthStar may propose changes to this SOW addressing services falling outside the scope of services described in this SOW ("Change"). The Change Order form must be used for all change requests. NorthStar shall have no obligation to commence work in connection with any change until the fee and schedule impact of the change is agreed upon in a written Change Order form signed by the designated representatives from both parties.

Upon identifying the need for a change, NorthStar shall submit the change on our standard Change Order form describing the change, including the impact of the change on the schedule, fees and expenses.

Within 5 consecutive business days of receipt of the change order form, Customer shall either indicate acceptance or rejection of the proposed change by signing the Change Order form or any other period of time mutually agreed to by the parties. If NorthStar is advised not to perform the change, then NorthStar shall proceed only with the original services. In the absence of Customer acceptance or rejection of the Change Order, NorthStar will not perform the proposed change.

5 FEES & PAYMENT SCHEDULE

5.1 Fees

Version 6.3.1 to Version 6.4 Upgrade			
Description	Estimated Effort (Hours)	Hourly Rate	Total
<i>Project Management</i>	80	\$200	\$16,000
<i>Upgrade Preparation</i>	16	\$200	\$3,200
<i>NorthStar 6.4 Installation</i>	24	\$200	\$4,800
<i>NorthStar 6.4 Product Orientation Training</i>	8	\$200	\$1,600
<i>Validation Testing Support</i>	104	\$200	\$20,800
<i>End User Training Data Refresh</i>	8	\$200	\$1,600
<i>End User Training</i>	16	\$200	\$3,200
<i>Go LIVE Cut Over*</i>	28	\$300*	\$8,400
<i>Upgrade Go LIVE Support</i>	40	\$200	\$8,000
<i>Create 6.4 Test Instance</i>	8	\$200	\$1,600
<i>5% Technology, Administration & Communication Fee</i>			\$3,460
Project Total	332		\$72,660

**As this work must be performed over a weekend an after-hours premium applies to this service.*

5.2 Payment Schedule

Any mutually agreed upon change controls will be billed at \$200/hour when incurred. An additional amount equal of 5% of the total fees billed has been included in the fee charged to cover technology, communication and administrative costs. Price excludes any applicable taxes.

The NorthStar fees for the scope of services described in this Statement of Work, including the 5% technology, communication and administrative fee, is \$72,660 USD based on fixed price plus any travel and logistics (T&L) which may be required.

1. 50% on contract signature (\$36,330)
2. 20% on based solution installed within Glendale's non-production environment (\$14,532)
3. 10% on Product Orientation training delivered (\$7,266)
4. 5% on End User training delivered (\$3,633)
5. 10% on Go LIVE (\$7,266)
6. 5% on Upgrade Project Acceptance (\$3,633)



Invoices are payable upon receipt.

Quote is valid for 60 days from date of delivery. After 60 days the quote will be considered expired and would need to be reassessed and re-quoted if still required.

5.3 Travel and Living Expenses

The above mentioned fees do not include any travel and per diem expenses incurred for on-site visits required for this engagement.

Any travel time will be billed at \$75/hour. Glendale shall also pay or reimburse travel expenses plus a per diem reasonably incurred in furtherance of NorthStar duties hereunder.

6 PROJECT ASSUMPTIONS

The services, fees and delivery schedule for this engagement are based upon the following assumptions:

- Any items not explicitly identified within this document are considered out of scope. Any changes to those responsibilities and/or deliverables will be considered a change in scope for the engagement. Any proposed change to the engagement scope must be put into written format and be submitted to NorthStar during this engagement for review and consideration.
- This engagement currently has, and will continue to have, the support of senior Glendale management and will be assigned sufficient priority with respect to other projects to ensure its success.
- Glendale will assign a Lead to act as an internal resource and guide throughout this engagement.
- Glendale will secure the appropriate staff in a timely fashion in order to discuss or review the various materials produced when required.
- Glendale will provide access and support from the IT group and any other stakeholder, as deemed necessary by NorthStar throughout this engagement.
- Glendale agrees to facilitate any required corporate logistics for the fulfillment of this agreement.
- Glendale will provide the appropriate remote access to its network, facilities, and systems as may be required to perform activities from one of NorthStar's locations. NorthStar shall abide by all rules and directions of Glendale when accessing the Glendale's network, facilities or systems.
- All documentation provided by Glendale shall be up-to-date and accurate or if that is not the case, advise NorthStar as such.
- All hardware, software, and network components supplied by Glendale are working properly and are free of defects and will meet minimum hardware standards provided during the engagement.
- The environment that has been installed, configured, and validated during the upgrade implementation will become the production environment at Go LIVE. In the event this production environment is required to be migrated to another server after the initial installation a Change Order may be applicable.
- All third-party software and hardware products are assumed to perform correctly in Glendale's environment, in accordance with the appropriate third-party vendor's specifications.
- To minimize project costs, majority of project work will be performed at one of the NorthStar's locations except for project activities where face-to-face is deemed more effective.
- Price does not include Glendale approved travel and living expenses that may be required as part of the delivery of the engagement. (i.e. air fare, car rental, gas, per diem and hotel) NorthStar will work with Glendale to identify most cost effective accommodations for Glendale's onsite activities that are mutually agreed upon.
- Price for this proposal is based upon Glendale obtaining all hardware and associated operating/database systems.

- The number and complexity of the custom modifications included in Glendale's current system must be fully assessed before the project schedule can be finalized as this will affect the effort in the User Acceptance Testing phase. This assessment will take place during the Upgrade Preparation phase of the engagement.
- Glendale data provided will be complete and clean. It is the responsibility of Glendale to clean data if deemed required due to the identification of inaccurate entries.
- ***There are 3 data refreshes included (initial, refresh, final). Any requests for additional data refreshes will be considered at an additional cost/schedule impact to the project.***
- All data refreshes will be performed during regular business hours, 8:00 a.m.-5:00 p.m. EST, with the exception of Live cut-over which will be performed over a weekend.
- Transition Readiness Phase is one week.
- Glendale is responsible for preparing the underlining IT infrastructure (hardware installation, operating system, and network connectivity) and supply the required servers based on the minimum server specifications. This must be in-place per agreed upon project plan.
- Glendale is responsible to provide the Testing and Production environment.
- Any new add-ons (mCARE, eCARE, etc.) currently not within the North Star 6.3.1 environment will be considered at an additional cost and effort.

1 APPENDIX A - NORTHSTAR 6.4 – TYPICAL HARDWARE RECOMMENDATIONS

Optimal Hardware	Optimal Software
<p>NorthStar CIS v6.4 Application & Database Server</p> <ul style="list-style-type: none"> • Quad Xeon Processor (required) • 2 x Quad Xeon Processor (recommended) • 64GB Memory • 1000GB 15K (minimum) • 1000GB 15K SSD or SSHD (recommended) 	<p>NorthStar CIS v6.4 Application & Database Server</p> <ul style="list-style-type: none"> • Windows 2012 64 Bit • JBoss 5.1 • Tomcat 6.0 • Java 6 • SQL Server 2012
<p>NorthStar CIS Production Extension Server (Reports Anywhere, eDocs)</p> <ul style="list-style-type: none"> • Dual Xeon Processor • 16GB Memory • 2 X 72GB 15K SAS Drives 	<p>NorthStar CIS Production Extension Server</p> <ul style="list-style-type: none"> • Windows 2012 Standard 64 bit
<p>NorthStar CIS Production Extension Server (CustomerConnect)</p> <ul style="list-style-type: none"> • Dual Xeon Processor • 32GB Memory • 500GB 15K SAS Drives 	<p>NorthStar CIS Production Extension Server (CustomerConnect)</p> <ul style="list-style-type: none"> • Windows 2012 Standard 64 bit
<p>NorthStar CIS v6.4 Client Computer</p> <ul style="list-style-type: none"> • Quad Core CPU (Intel Core2, AMD Phenom...) • 40GB hard drive (or higher) • 4GB Memory (minimum) • 8GB Memory (recommended) • Minimal resolution: 1360 x 786 	<p>NorthStar CIS v6.4 Client Computer</p> <ul style="list-style-type: none"> • Windows XP (32 or 64) • Windows 7 (32 or 64) • JRE 6.0 • Microsoft Office 2010

Statement of Work

Glendale, AZ

Core Automation Suite SOW



NORTH|STAR™
UTILITIES SOLUTIONS

Prepared for:
Glendale, AZ
March 15, 2016
Version 2.1

SOW VALID UNTIL: April 30, 2016

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1 INTRODUCTION

Glendale, AZ, hereafter referred to as "Glendale", wishes to license the Core Automation Suite from NorthStar Utilities Solutions, an unincorporated division of N. Harris Computer Corporation ("NorthStar").

Glendale wishes retain NorthStar to perform the Services (as defined herein) and acquire a license to utilize the Software (as defined herein and owned by NorthStar). Glendale and NorthStar agree to enter into this SOW dealing the Software implementation services and Software licensing. Nowtherefore, in consideration of the mutual covenants set out in this SOW and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties agree as follows:

1.1 License

1. Grant of Licenses

- a. Subject to the terms and conditions herein, NorthStar hereby grants to Glendale a personal, non-exclusive, non-transferable and limited right and license to use the Software in object code format on the NorthStar CIS computer system (the "License") in consideration for the payment of the License fees. All Releases installed by Glendale are subject to this License. This License and the other terms and conditions related to this License do not apply to Third Party Software.
- b. Glendale may duplicate Documentation, at no additional charge for Glendale's permitted uses so long as all required proprietary markings are retained on all duplicated copies.
- c. As between NorthStar and Glendale, NorthStar reserves all rights, title and interest in and to the Software not expressly granted herein and the License specifically excludes all such reserved rights, title and interest.
- d. Any Software furnished by NorthStar in machine-readable form may be copied in whole or in part by Glendale for use on the Designated Computer System, access to which by Users can be from any computer terminal, whether internal to or external to Glendale's facility incorporating the Designated Computer System. To the extent that any temporary files associated with the Software are created during such use on terminals those temporary files are permitted under this License but only for such time that the temporary files are actually required. Glendale agrees that the original copy of all Software furnished by NorthStar and all copies thereof made by Glendale are and at all times remain the sole property of NorthStar.
- e. Any License granted under this SOW permits Glendale to: (i) use the Software for its utility billing and related purposes including, but not limited to, performing testing, disaster recovery, disaster testing, training, archival and backup as Glendale deems necessary, and (ii) use, copy and modify the Documentation for the purpose of creating and using training materials relating to the Software. Access to and use of the Software by independent contractors of Glendale shall be considered authorized use under this Section so long as any such independent contractors are bound by obligations of confidentiality and have been approved by NorthStar in



advance of the independent contractors' access to the Software. Glendale shall be responsible for (i) all of the actions of and (ii) any misuse of the Software by any independent contractor.

- f. Software is licensed for use by the current number of NorthStar CIS users and on the current operations of Glendale. Any change in the number of users of NorthStar CIS or a material increase in the Glendale's business, such as through acquisition of another utility, would require additional licensing.
- g. Glendale may purchase additional Software Licenses at the time such Licenses become necessary at NorthStar's then current prices and terms.

2. Term of License

The License commences on effective date of the SOW. The License is granted for the term of the SOW. The initial term of this SOW is 5 years and may be renewed annually thereafter.

3. Restrictions on Use

- a. Glendale shall not, and will not allow, direct or authorize (directly or indirectly) any other party to: (i) use the Software for any purpose other than in connection with Glendale's primary business or operations; (ii) disassemble, de-compile, reverse engineer, defeat license encryption mechanisms, or translate any part of the Software, or otherwise attempt to reconstruct or discover the source code of the Software except and only to the extent that applicable law expressly permits, despite this limitation; (iii) modify or create derivative works of the Software; (iv) rent, lease, lend, license, sell or use the Software for timesharing or bureau use or to publish or host the Software for others to use; or (v) take any actions that would cause the Software to become subject to any open source or quasi-open source license agreement. Glendale shall be wholly liable to NorthStar for any misuse of the Software and these restrictions are absolute except as and only to the extent that this SOW may expressly permit Glendale to do otherwise
- b. The Software and related materials supplied by NorthStar are protected by copyright and trademark laws. The Software is licensed and may not be resold by Glendale. Any rights not expressly granted herein are reserved. Glendale may not obscure, remove or otherwise alter any copyright, trademark or other proprietary notices from the Software and related materials supplied by NorthStar.

4. Ownership of Software and Confidential Information

- a. Glendale acknowledges that the Software contains proprietary information and Confidential Information of NorthStar which shall, at all times, remain the property of NorthStar.
- b. Glendale will take the same care to safeguard the Software as it takes to safeguard its own Confidential Information of a like nature and such care shall not be any less than would be taken by a reasonable person to safeguard its own confidential information.
- c. In order to assist NorthStar with the protection of its proprietary information and Confidential Information and to enable NorthStar to ensure that Glendale is complying with its obligations, Glendale shall permit NorthStar to visit during normal business hours any premises at which the



Software is used or installed and shall provide NorthStar with access to its Software. NorthStar shall provide Glendale with reasonable notice of any such audit.

5. Ownership and Disposition of Documents

- a. All materials and documents which were developed or prepared by NorthStar for general use and which are not the copyright of any other party or publicly available, including educational materials, the Software and any other computer applications, shall continue to be the property of NorthStar. The parties agree that no materials or documents are being created for Glendale by NorthStar under this SOW as of the effective date.

2 SERVICE DESCRIPTION

2.1 Areas within Scope

See Appendix A for a full description of workflows included in the Core Automation Suite

- Deployment of Full Core Automation Suite
- Configuration Training
- Configuration Assistance
- Testing Support

(a) Engagement Completion Criteria

Engagement is deemed completed once the workflows that Glendale opts to implement are deployed to a live environment. Workflows that Glendale wants to implement must be identified during the planning phase.

2.2 Areas Out of Scope

Anything in this section and not listed in the above "Areas within Scope" is considered out of scope for this SOW. Specific items that are currently out of scope of this engagement include:

- User training on the NorthStar workflow editor
- Customized rules or workflows
- Rules development of workflow bundles not considered within the Core Automation Suite
- NorthStar Automation Platform documentation
- NorthStar workflow modifications

3 ESTIMATED TIMELINE



The estimated duration of the Core Automation Suite Implementation is 3 months. NorthStar anticipates the validation stage duration to be 15 business days commencing once configuration is complete in the test environment. NorthStar will have 10 days to execute any configuration changes required at which time Glendale will have an additional 5 days remediation testing prior to moving workflows to a live environment. In the event that Glendale needs to extend the testing efforts beyond 20 days, NorthStar will provide a change order for the extended testing services.

4 CHANGE MANAGEMENT PROCESS

NorthStar will maintain the SOW with formal documentation denoting agreed upon changes. Glendale and NorthStar may propose changes to this SOW addressing services falling outside the scope of services described in this SOW ("Change"). The change order form must be used for all change requests. NorthStar shall have no obligation to commence work in connection with any change until the fee and schedule impact of the change is agreed upon in a written change order form signed by the designated representatives from both parties.

Upon identifying the need for a change, NorthStar shall submit the change on our standard change order form describing the change, including the impact of the change on the schedule, fees and expenses.

Within 5 consecutive business days of receipt of the change order form, Glendale shall either indicate acceptance or rejection of the proposed change by signing the change order form or any other period of time mutually agreed to by the parties. If NorthStar is advised not to perform the change, then NorthStar shall proceed only with the original services. In the absence of Glendale's acceptance or rejection of the change order, NorthStar will not perform the proposed change.

5 FEES & PAYMENT SCHEDULE

5.1 Fees

Description			Total
Professional services			\$8,400
Year 1 subscription fee			\$15,000
Year 2 subscription fee			\$15,525
Year 3 subscription fee			\$16,068
Year 4 subscription fee			\$16,631
Year 5 subscription fee			\$17,213

Pricing is contingent on 5 year initial term. Glendale cannot terminate the subscription within the 5 year term.

5.2 Payment Schedule

An additional amount equal of 5% of the total professional services fees billed has been included in the fee charged to cover technology, communication and administrative costs. Price excludes any applicable taxes.

The NorthStar fees for professional services described in this Statement of Work, including the 5% technology, communication and administrative fee, is \$ based on fixed price plus any travel and logistics (T&L) which may be required.

The subscription fees are per the table in section 5.1 and are payable upon deployment to a test or live environment.

1. 50% on contract signature (\$4,200)
2. 30% on deployment of workflows to TEST (\$2,520)
3. 10% on configuration of workflows in TEST (\$1,260)
4. 10% on user acceptance of workflows in TEST or 90 days post deployment of workflows to TEST, whichever milestone occurs earliest (\$1,260)

Invoices are payable upon receipt.

Any mutually agreed upon change controls will be billed at \$200/hour. when incurred. Price excludes any applicable taxes.

Quote is valid for 90 days from date of delivery. After 90 days the quote will be considered expired and would need to be reassessed and re-quoted if still required.



5.3 Travel and Living Expenses

The above mentioned fees do not include any travel and per diem expenses incurred for on-site visits required for this engagement.

Any travel time will be billed at \$75/hour. Glendale shall also pay or reimburse travel expenses plus a per diem reasonably incurred in furtherance of NorthStar duties hereunder.

6 APPENDIX A – CORE AUTOMATION SUITE WORKFLOWS

6.1 GL Archive Workflow

- NorthStar's GL Archive workflow is designed to run the full GL Archive process from Load and File Create through to running the GL Report and Interface Posting Archive. The workflow can be scheduled to run at night, eliminating the need to coordinate running the Archive process with resources performing live activities. Integration to the financial system is available automatically and users begin balancing activities immediately upon open of day. Users can spend more time analyzing GL transactions rather than waiting for them to process.

6.2 AP Archive Workflow

- NorthStar's AP Archive workflow is designed to run the full AP Archive process from Load and File Create through to running the AP Report and AP Archive. The workflow is scheduled to run at night, eliminating the need to coordinate running the Archive process with resources running Refund Journals during daily processing. Integration to the Accounts Payable system is available automatically and Accounts Payable Clerks can begin processing customer refunds immediately at start of day.

6.3 Financial Reporting Bundle

- NorthStar's Financial Reporting Bundle includes the following NorthStar reports:
 - Trial Balance By Service/Trial Balance By Account
 - Summary Trial Balance By Account
 - Accounts Deposit Listing
 - Customer Deposit Listing
 - Aging Report
 - A/R Aging Report By Service/A/R Aging Summary
- The reporting bundle is scheduled to run at night, eliminating the need to coordinate running financial reports and processes with resources performing live activities. Users begin balancing activities immediately upon open of day, freeing up several hours of time wasted waiting for the processes to run. Users can spend more time analyzing Financial reports rather than waiting for them to process

6.4 Meter Reading Workflow

- NorthStar's Meter Reading Automation workflow automatically runs the Reading Load based on a Customer's predefined reading requirements. The Import File Creation and Export file Translation are automatically processed, allowing the Automation Platform to generate the Meter Reading Verification report, saving the report for exceptions handling. Scheduling meter readings in advance and allowing NorthStar to load the meters and create the Import file(s) can increase reliability and decrease dependence on individuals. Files can be processed overnight so meter readers can begin reading their routes first thing in the morning. Once the reads have been completed, let the workflow bring the reads back into NorthStar and have the verification reports ready and waiting at the earliest possible moment. No wasted time and issues resolved more quickly leads to more efficient billing!

6.5 Billing Workflow

- NorthStar's Billing workflow automates the processing tasks associated with billing. This includes calculating the bills and generating the Verification Listing as well as completing the final steps of Journal Print and Post. Automating the various steps of a batch can result in less load on NorthStar during business hours as well as more appropriate use of the Billing Department's time. Calculation and verification listings can be completed automatically and be made available for review upon completion. Journal print and post can be sequenced to run prior to G/L automation to ensure that the day's activity is included in the correct G/L interface file. Automating these processes results in billers being able to concentrate on exceptions processing rather than waiting for processes to run.

6.6 Pre-Authorized Payment Workflow

- NorthStar's Pre-Authorized Payment Automation workflow automatically processes your Pre-Authorized payments by transferring them to cash, printing and archiving your Cashiering Journal Print and posting payments to customer's accounts on the applicable payment date. Automating the processing of Pre-Authorized payments ensures payments are posted directly to customer's accounts on the due date without having to maintain external schedules or calendar reminders to manually post. The process can be scheduled to run at night so the payments are posted immediately at start of day. This reduces conflicts with Collection activities as well as the incidence of incorrectly applied interest charges or late fees, and the resulting reversals.

6.7 Lockbox Payment Workflow

- NorthStar's Lockbox Payment workflow automatically processes your Lockbox Import. The import is then followed by printing and archiving the Pre-Transfer Listing, transferring the payments to cash, printing and archiving the Cashiering Journal and Posting payments to customer's accounts. Automating the Lockbox process ensures payments are posted to accounts in a timely fashion. The process can be configured to run at night and throughout the day ensuring payments are posted prior to Credit Control loads running, reducing conflicts with Collection activities as well as the incidence of incorrectly applied interest charges or late fees, and the resulting reversals. Automating this process also frees up users to handle Lockbox Transfer exceptions and contact customers who may be using incorrect banking information on their payments.

6.8 Web Payment Workflow

- NorthStar's Web Payment workflow automatically processes your Web Payment Transfer to Cashiering. The transfer is then followed by printing and archiving the Cashiering Journal and Posting payments to customer's accounts. Automating the Web Payment process ensures payments are posted to accounts in a timely fashion. The process can be configured to run at night ensuring payments are posted prior to Credit Control loads running, reducing conflicts with Collection activities as well as the incidence of incorrectly applied interest charges or late fees, and the resulting reversals. Automating this process also frees up users to concentrate on walk in customer traffic and handling exceptions such as misapplied payments.

6.9 Credit Control Workflow

- NorthStar's Credit Control Automation workflow creates Credit Control batches and runs the Aging or Auto Load within Credit Control, loading delinquent accounts into the Credit Control Batch for exceptions and collections processing. By running the process at night, users are unaffected by the load and conflicts with payment processing are avoided. Credit resources can immediately begin exceptions and collections handling upon open of business day resulting in earlier Notice delivery and/or disconnections. Best of all, the Credit Department will be freed up to concentrate on Customer Service rather than monitoring the process.

6.10 Write Off Workflow

- NorthStar's Write Off workflow includes the automation of the Write Off process. Creation of the Write Off batch, loading the accounts, creating and saving the journal and posting the transactions are all available with this workflow. The Write Off process can be configured to run at a predefined time such as at month end, and for various scenarios such as credit balances, small balances write off etc.. The Write Off workflow allows Utilities to define the required parameters and load the accounts with no manual intervention required. The remaining tasks, the Journal Print and Post processes are also included in this workflow. By automating the Write Off process users spend less time completing this manual process and can be more proactive in their collection efforts to minimize bad receivables moving forward.

6.11 Reverse Write Off Workflow

- NorthStar's Reverse Write Off workflow includes the automation of the Reverse Write Off process. Creation of the Reverse Write Off batch, loading the accounts, creating and saving the journal and posting the transactions are all available with this workflow. By configuring the Reverse Write Off workflow to automatically run on a predefined schedule you eliminate the need to track and communicate bad debt payments manually. Payments through Lockbox or the Web are identified for reversal automatically with no manual intervention. Automate your write off reversals to ensure you are recovering your bad debt expense in a timely fashion.

6.12 Balance Transfer Workflow

- NorthStar's Balance Transfer Workflow creates Balance Transfer batches, loading accounts using the Filtered Method. The process identifies accounts with like Debtor Numbers to move balances between. Final steps of the rule include generating and saving the Journal and Posting the transactions to the individual accounts. This workflow is typically configured to run for credit balance transfers after posting Final Billing and once per month for debit balance transfers. Automating this process frees up both system and human resources to other tasks that require human intervention and allows NorthStar to handle the process outside of normal business hours.

6.13 Late Payment Journal Workflow

- NorthStar's Late Payment Workflow automatically loads accounts for Late Payment processing. The workflow loads accounts and is followed by generating and archiving the Late Payment Journal and Posting Late Payment to customer's accounts. The process can be configured to run over night to ensure Late Payment appears on accounts immediately at start of business day, providing accurate cash and collections balance amounts.

6.14 Overdue Interest Journal Workflow

- NorthStar's Overdue Interest Workflow automatically loads accounts for Overdue Interest processing. The workflow loads accounts and is followed by generating and archiving the Overdue Interest Journal and Posting Overdue Interest to customer's accounts. The process can be configured to run over night to ensure Overdue Interest appears on accounts immediately at start of business day, providing accurate cash and collections balance amounts.

6.15 Deposit Interest Workflow

- NorthStar's Deposit Interest Workflow automatically loads accounts into the Refund Journal for Deposit Interest processing. The workflow loads accounts and is followed by generating and archiving the Deposit Interest Refund Journal and Posting Deposit Interest to customer's accounts. This workflow is scheduled to run at night at month/year end eliminating the need to wait for the interest to be posted prior to beginning balancing activities. It also frees up time wasted waiting for the processes to run allowing users to spend more time on analyzing month/year end financial reports and results.

6.16 Deposit Refund Workflow

- NorthStar's Deposit Refund Workflow automatically loads accounts into the Refund Journal for Deposit Refund processing based on predefined refund requirements. The workflow loads accounts and is followed by generating and archiving the Deposit Refund Journal and Posting Deposit Refunds to customer's accounts. The workflow can run on a predefined schedule and will load and process accounts that are eligible for refund based on the Utility's refund rules. Automating this process frees up reps to concentrate on collection of deposits from poor paying customers and other collection processes requiring much more manual intervention and attention.

6.17 Credit Refund Workflow

- NorthStar's Credit Refund Workflow automatically loads accounts into the Refund Journal for Credit Refund processing. The workflow loads credit balance accounts for refund and is followed by generating and archiving the Credit Refund Journal and Posting the refunds to customer's accounts. The Credit Refund workflow is typically configured to automatically run after Final Billing post and the Balance Transfer Program has been run. The process is configured to locate final accounts with a remaining credit to be refunded through Accounts Payable. Automating this process frees up both system and human resources to other tasks that require human intervention and allows NorthStar to handle the process outside of normal business hours.

6.18 Reverse from Balance History Workflow

- NorthStar's Reverse from Balance History Workflow allows users to select Late Payment, Overdue Interest (from OI Journal) or Extra Charges to reverse from a customer's account. The process automatically loads the reversing entry into the Extra Charge Journal and can run the process through to post. The Reverse from Balance History workflow allows users to perform on demand reversals of Late Payment, Overdue Interest (from OI Journal) or Extra Charge entries. The process immediately updates the customer's account, ensuring an accurate balance for cash and collection purposes. The process is easy and streamlined, allowing CSRs to process the adjustment with a simple right click of the mouse.

6.19 Automation Platform Maintenance Workflow

- NorthStar's Automation Platform Maintenance workflow purges and archives the Event and Payload data that is used by and/or generated through the various rules in use by the Automation Platform. The Automation Platform Maintenance workflow ensures the automation tables maintain a reasonable size and that remaining data is easily accessible to the rules and workflows that require it. Regular maintenance minimizes performance issues due to volume of data ensuring workflows run smoothly and without interruption.



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Date: March 15, 2016
Customer: City of Glendale, AZ
Attention: Rafael Olloren

Support Call: 1342508
Department: NS-PS
Fixed Price: \$13,755

Services Description: The City of Glendale (*Glendale*) would like to migrate their NorthStar add-ons; eCARE, mCARE and Cognos Report Writer from their current web server to a new Windows server.

Scope of Work:

- Migrate eCARE to server and redirect to NorthStar TEST environment .
- Migrate mCARE to new server and redirect to NorthStar TEST environment.
- Configure IIS and Cognos.
- Install Cognos 10 on a new application server.
 - Configure new database for content store.
 - Export existing content store and import into new database.
 - Configure new database connectors to connect to NorthStar CIS TEST/LIVE.
- Provide migration User Acceptance testing support.
- Perform Go LIVE cut over upon completion of User Acceptance testing.
- Provide post LIVE support for five (5) business days after Go LIVE is completed.
- Create eCARE and mCARE TEST instances.

Assumptions:

- NorthStar will be installing Cognos 10 as part of the migration activity. This version update does not require any User training or update to existing Cognos reports.
- NorthStar recommends that the Cognos content store reside on a separate SQL server to avoid any performance degradation affecting the NorthStar CIS.
- NorthStar will create a web page announcing that the web portal is unavailable during the final Go LIVE cut-over and will disable the page once the migration activity is complete.



Glendale's Responsibilities:

- Ensuring that underlying infrastructure for the add-on applications is acquired and installed by the required time per agreed upon project plan (Note: Minimum specifications for servers and workstations should be discussed and agreed upon at commencement of project.)
- Installing server with appropriate network connectivity.
- Installing operating system and partition disk space.
- Installing database/ODBC software.
- Creating users at the operating system level.
- Installing VPN connection.
- Glendale will need to set up necessary security for their Cognos User groups.
- Testing hardware components and environment.
- Conducting migration testing.

Approach:

Upon receipt of this signed document, the following steps will be taken:

1. Project work will be scheduled to commence approximately 30 days from receipt of approval.
2. Client will be contacted to inform them of the scheduled date of their work and the estimated timeframe for when they will be required for testing.
3. Approximately 1 week prior to beginning the work on the project, client will be contacted by the developer assigned to their tracker to confirm that they will be beginning work on their project.

To proceed with this request, we require your written approval. Once received, a Statement of Work (Detailed Requirements) to further clarify requirements may be completed if deemed necessary and will be sent to you for sign off prior to commencement of work. At that time if the scope is determined to be greater than the scope

Upon acceptance of the Statement of Work, an estimated completion date will be provided. Work will commence approximately 30 days from approval of this quote. Should additional time be required to complete this project at any time, you will be notified and asked for your approval in advance of Harris completing the incremental work.



Acceptance Terms:

The work contained within this document is deemed completed and accepted upon Go LIVE activity.

Note: Any items requiring support following acceptance of this work should be logged through the Support Desk.

Effort Breakdown:

Description	Estimated Effort (Hrs)	Hourly Rate	Total
PM Effort	6	\$200	\$1,200
Configuration of new eCARE environment	12	\$200	\$2,400
Configuration of new mCARE environment	12	\$200	\$2,400
Install & Configure Cognos 10	6	\$200	\$1,200
Configure new database for Content Store	1	\$200	\$200
Configure new database Connectors	1	\$200	\$200
Customer Testing support	7	\$200	\$1,400
Go Live Cut Over*	9	\$300*	\$2,700
Post LIVE Support	5	\$200	\$1,000
Create eCARE & mCARE TEST Instances	2	\$200	\$400
5% Technology, Administration & Communication Fee			\$655
Project Total	61		\$13,755

**As this work must be performed over a weekend an after-hours premium applies to this service.*

Price:

This is a fixed price quote based on the scope described above. An additional amount equal of 5% of the total fees billed have been included in the fee charged to cover technology, communication and administrative costs. If there are material changes to the scope or our understanding of the scope, the price is subject to change.

Any additional scope will be charged at a rate of \$200/hr.

Price excludes any applicable taxes.



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Quote is valid for 60 days from date of delivery. After 60 days the quote will be considered expired and would need to be reassessed and re-quoted if still required.

Payment Terms:

This quotation will require a 50% deposit on signing, before any work will begin.

- 25% is due upon configuration of eCARE, mCARE & Cognos 10 in non-production environment.
- 25% is due 30 days from deployment of add ons to non-production environment.

Assumptions:

Please note that upon completion of initial migration into the testing environment, clients will have thirty (30) calendar days for acceptance testing, during which time, issues reported within the 30 days will be resolved at no charge provided they are part of the original scope of work. At that time the new database will be moved to a production state upon agreement from the customer. All changes or issues reported after 30 days will be considered billable, unless a prior arrangement or extension to the acceptance period is made. There may be additional testing efforts in the event the testing extends beyond the 30 day testing period (or agreed upon testing period). If the testing period extends past 30 calendar days there may be an additional charge to move to Production unless a prior arrangement or extension has been agreed upon.

EXHIBIT C
Professional Services Agreement

SCHEDULE

The schedule for each portion of the Work performed under this Agreement is contained in the Scope(s) of Work attached hereto as Exhibit B.

EXHIBIT D
Professional Services Agreement

COMPENSATION

METHOD AND AMOUNT OF COMPENSATION

The amount and schedule for payment for each portion of the Work performed under this Agreement is contained in the Scope(s) of Work attached hereto as Exhibit B.

NOT-TO-EXCEED AMOUNT

The total amount of compensation paid to Consultant for full completion of all work required by the Project during the entire term of the Project must not exceed **\$175,252.00**.

DETAILED PROJECT COMPENSATION

The amount and schedule for payment for each portion of the Work performed under this Agreement is contained in the Scope(s) of Work attached hereto as Exhibit B. For NorthStar Version 6.4 Upgrade, the maximum amount of compensation shall not exceed **\$72,660.00**, for Core Automation Suite SOW, the maximum compensation amount shall not exceed **\$88,837.00** and for the Migration Services Description, the maximum compensation shall not exceed **\$13,755.00** over the entire term of the Agreement.

There is no contingency or allowance for additional services or payment of additional amounts without a written amendment to this Agreement signed by both parties.

EXHIBIT E
Professional Services Agreement

DISPUTE RESOLUTION

1. Disputes.

- 1.1 Commitment. The parties commit to resolving all disputes promptly, equitably, and in a good-faith, cost-effective manner.
- 1.2 Application. The provisions of this Exhibit will be used by the parties to resolve all controversies, claims, or disputes ("Dispute") arising out of or related to this Agreement-including Disputes regarding any alleged breaches of this Agreement.
- 1.3 Initiation. A party may initiate a Dispute by delivery of written notice of the Dispute, including the specifics of the Dispute, to the Representative of the other party as required in this Agreement.
- 1.4 Informal Resolution. When a Dispute notice is given, the parties will designate a member of their senior management who will be authorized to expeditiously resolve the Dispute.
- a. The parties will provide each other with reasonable access during normal business hours to any and all non-privileged records, information and data pertaining to any Dispute in order to assist in resolving the Dispute as expeditiously and cost effectively as possible;
 - b. The parties' senior managers will meet within 10 business days to discuss and attempt to resolve the Dispute promptly, equitably, and in a good faith manner, and
 - c. The Senior Managers will agree to subsequent meetings if both parties agree that further meetings are necessary to reach a resolution of the Dispute.

2. Arbitration.

- 2.1 Rules. If the parties are unable to resolve the Dispute by negotiation within 30 days from the Dispute notice, and unless otherwise informal discussions are extended by the mutual agreement, the Dispute will be decided by binding arbitration in accordance with Construction Industry Rules of the AAA, as amended herein. Although the arbitration will be conducted in accordance with AAA Rules, it will not be administered by the AAA, but will be heard independently.
- a. The parties will exercise best efforts to select an arbitrator within five business days after agreement for arbitration. If the parties have not agreed upon an arbitrator within this period, the parties will submit the selection of the arbitrator to one of the principals of the mediation firm of Scott & Skelly, LLC, who will then select the arbitrator. The parties will equally share the fees and costs incurred in the selection of the arbitrator.
 - b. The arbitrator selected must be an attorney with at least 15 years' experience with commercial construction legal matters in Maricopa County, Arizona, be independent, impartial, and not have engaged in any business for or adverse to either Party for at least 10 years.
- 2.2 Discovery. The extent and the time set for discovery will be as determined by the arbitrator. Each Party must, however, within 10 days of selection of an arbitrator deliver to the other Party copies of all documents in the delivering party's possession that are relevant to the dispute.

- 2.3 Hearing. The arbitration hearing will be held within 90 days of the appointment of the arbitrator. The arbitration hearing, all proceedings, and all discovery will be conducted in Glendale, Arizona unless otherwise agreed by the parties or required as a result of witness location. Telephonic hearings and other reasonable arrangements may be used to minimize costs.
 - 2.4 Award. At the arbitration hearing, each Party will submit its position to the arbitrator, evidence to support that position, and the exact award sought in this matter with specificity. The arbitrator must select the award sought by one of the parties as the final judgment and may not independently alter or modify the awards sought by the parties, fashion any remedy, or make any equitable order. The arbitrator has no authority to consider or award punitive damages.
 - 2.5 Final Decision. The Arbitrator's decision should be rendered within 15 days after the arbitration hearing is concluded. This decision will be final and binding on the Parties.
 - 2.6 Costs. The prevailing party may enter the arbitration in any court having jurisdiction in order to convert it to a judgment. The non-prevailing party will pay all of the prevailing party's arbitration costs and expenses, including reasonable attorney's fees and costs.
3. **Services to Continue Pending Dispute.** Unless otherwise agreed to in writing, Consultant must continue to perform and maintain progress of required Services during any Dispute resolution or arbitration proceedings, and City will continue to make payment to Consultant in accordance with this Agreement.
 4. **Exceptions.**
 - 4.1 Third Party Claims. City and Consultant are not required to arbitrate any third-party claim, cross-claim, counter claim, or other claim or defense of a third party who is not obligated by contract to arbitrate disputes with City and Consultant.
 - 4.2 Liens. City or Consultant may commence and prosecute a civil action to contest a lien or stop notice, or enforce any lien or stop notice, but only to the extent the lien or stop notice the Party seeks to enforce is enforceable under Arizona Law, including, without limitation, an action under A.R.S. § 33-420, without the necessity of initiating or exhausting the procedures of this Exhibit.
 - 4.3 Governmental Actions. This Exhibit does not apply to, and must not be construed to require arbitration of, any claims, actions or other process filed or issued by City of Glendale Building Safety Department or any other agency of City acting in its governmental permitting or other regulatory capacity.