

## **AGREEMENT FOR PROFESSIONAL SERVICES**

THIS AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2018, by and between the City of Merced, a California Charter Municipal Corporation, whose address of record is 678 West 18<sup>th</sup> Street, Merced, California 95340, (hereinafter referred to as "City") and Nexlevel Information Technology, Inc., a California corporation, whose address of record is 6829 Fair Oaks Blvd., Suite 100, Carmichael, CA 95608 (hereinafter referred to as "Consultant").

WHEREAS, City is undertaking a project to procure an Enterprise Resource Planning (ERP) System to replace the City's current system; and,

WHEREAS, Consultant represents that it possesses the professional skills to provide procurement and selection services in connection with said project.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants hereinafter recited, hereby agree as follows:

1. **SCOPE OF SERVICES.** The Consultant shall furnish the following services: Consultant shall provide the procurement and selection services described in Exhibit "A" attached hereto.

No additional services shall be performed by Consultant unless approved in advance in writing by the City, stating the dollar value of the services, the method of payment, and any adjustment in contract time. All such services are to be coordinated with City and the results of the work shall be monitored by the Director of Information Technology or his designee. However, the means by which the work is accomplished shall be the sole responsibility of the Consultant.

2. **TIME OF PERFORMANCE.** All of the work outlined in the Scope of Services shall be completed in accordance with the Schedule outlined in Exhibit "B" attached hereto and incorporated herein by reference. By mutual agreement and written addendum to this Agreement, the City and the Consultant may change the requirements in said Schedule.

3. **RESERVED.**

4. **COMPENSATION.** Payment by the City to the Consultant for actual services rendered under this Agreement shall be made upon presentation of an

invoice detailing services performed under the Scope of Services, in accordance with the fee schedule set forth in Exhibit "C" attached hereto and incorporated herein by reference. The Consultant agrees to provide all services required under the Scope of Services in Exhibit "A" within the compensation amount set forth in Exhibit "C". For Consultant's services rendered under this Agreement, City shall pay Consultant the not to exceed sum of Ninety-Seven Thousand Seven Hundred Fifty Dollars (\$97,750.00).

5. **METHOD OF PAYMENT.** Compensation to Consultant shall be paid by the City after submission by Consultant of an invoice delineating the services performed.

6. **RECORDS.** It is understood and agreed that all plans, studies, specifications, data magnetically or otherwise recorded on computer or computer diskettes, records, files, reports, etc., in possession of the Consultant relating to the matters covered by this Agreement shall be the property of the City, and Consultant hereby agrees to deliver the same to the City upon termination of the Agreement. It is understood and agreed that the documents and other materials including but not limited to those set forth hereinabove, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use.

7. **CONSULTANT'S BOOKS AND RECORDS.** Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement. Any records or documents required to be maintained shall be made available for inspection, audit and/or copying at any time during regular business hours, upon oral or written request of the City.

8. **INDEPENDENT CONTRACTOR.** It is expressly understood that Consultant is an independent contractor and that its employees shall not be employees of or have any contractual relationship with the City. Consultant shall be responsible for the payment of all taxes, workers' compensation insurance and unemployment insurance. Should Consultant desire any insurance protection, the Consultant is to acquire same at its expense.

In the event Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement is determined by a court of



competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, protect, defend, and hold harmless the City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

9. INDEMNITY. Consultant shall indemnify, protect, defend (with legal counsel selected by the City), save and hold City, its officers, employees, and agents, harmless from any and all claims or causes of action for death or injury to persons, or damage to property resulting from intentional or negligent acts, errors, or omissions of Consultant or Consultant's officers, employees, volunteers, and agents during performance of this Agreement, or from any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct, negligent acts, or omissions of Consultant or its employees, subcontractors, or agents, or by the quality or character of Consultant's work, or resulting from the negligence of the City, its officers, employees, volunteers and agents, except for loss caused by the sole negligence or willful misconduct of the City or its officers, employees, volunteers or agents. It is understood that the duty of Consultant to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Consultant from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall survive the termination of this Agreement and shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Consultant acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

10. INSURANCE. During the term of this Agreement, Consultant shall maintain in full force and effect at its own cost and expense, the following insurance coverage:

a. Workers' Compensation Insurance. Full workers' compensation insurance shall be provided with a limit of at least One Hundred Thousand Dollars (\$100,000) for any one person and as required by law, including Employer's Liability limits of \$1,000,000.00 per accident. The policy shall be endorsed to waive the insurer's subrogation rights against the City.

b. General Liability.

- (i) Consultant shall obtain and keep in full force and effect general liability coverage at least as broad as ISO commercial general liability coverage occurrence Form CG 0001.
- (ii) Consultant shall maintain limits of no less than One Million Dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage.
- (iii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects liability arising out of work or operations performed by or on behalf of the Consultant.
- (iv) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Consultant and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.
- (v) Consultant shall maintain its commercial general liability coverage for three (3) years after completion of the work and shall add an additional insured endorsement form acceptable to the City naming the City of Merced, its officers, employees, agents and volunteers for each year thereafter for at least three (3) years after completion of the work. Copies of the annual renewal and additional insured endorsement form shall be sent to the City within thirty (30) days of the annual renewal.

c. Automobile Insurance.

- (i) Consultant shall obtain and keep in full force and effect an automobile policy of at least One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.
- (ii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects automobiles owned, leased, hired or borrowed by the



Consultant.

- (iii) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Consultant and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.

d. Professional Liability Insurance. Consultant shall carry professional liability insurance appropriate to Consultant's profession in the minimum amount of One Million Dollars (\$1,000,000). Architects and engineers' coverage is to be endorsed to include contractual liability.

e. Qualifications of Insurer. The insurance shall be provided by an acceptable insurance provider, as determined by City, which satisfies all of the following minimum requirements:

- (i) An insurance carrier admitted to do business in California and maintaining an agent for service of process within this State; and,
- (ii) An insurance carrier with a current A.M. Best Rating of A:VII or better (except for workers' compensation provided through the California State Compensation Fund).

f. Certificate of Insurance. Consultant shall complete and file with the City prior to engaging in any operation or activity set forth in this Agreement, certificates of insurance evidencing coverage as set forth above and which shall provide that no cancellation or expiration by the insurance company will be made during the term of this Agreement, without thirty (30) days written notice to City prior to the effective date of such cancellation—including cancellation for nonpayment of premium.

g. Notwithstanding any language in this Agreement to the contrary, Consultant shall be entitled to be paid pursuant to the terms of this Agreement until Consultant has obtained the insurance required by this Section 10 and provided documentation of said insurance to the City. In addition to any other remedies City may have, City reserves the right to withhold payment if Consultant's insurance policies are not current.

## 11. ASSIGNABILITY OF AGREEMENT. It is understood and agreed

that this Agreement contemplates personal performance by the Consultant and is based upon a determination of its unique personal competence and experience and upon its specialized personal knowledge. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express written consent of the City.

12. **TERMINATION FOR CONVENIENCE OF CITY.** The City may terminate this Agreement any time by mailing a notice in writing to Consultant that the Agreement is terminated. Said Agreement shall then be deemed terminated, and no further work shall be performed by Consultant. If the Agreement is so terminated, the Consultant shall be paid for that percentage of the phase of work actually completed, based on a pro rata portion of the compensation for said phase satisfactorily completed at the time the notice of termination is received.

13. **CONFORMANCE TO APPLICABLE LAWS.** Consultant shall comply with its standard of care regarding all applicable Federal, State, and municipal laws, rules and ordinances. No discrimination shall be made by Consultant in the employment of persons to work under this contract because of race, color, national origin, ancestry, disability, sex or religion of such person.

Consultant hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act (8 U.S.C.A. 1101 *et seq.*), as amended; and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Consultant so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any agency or instrumentality of the federal or state government, including the courts, impose sanctions against the City for such use of unauthorized aliens, Consultant hereby agrees to, and shall, reimburse City for the cost of all such sanctions imposed, together with any and all costs, including attorneys' fees, incurred by the City in connection therewith.

14. **WAIVER.** In the event that either City or Consultant shall at any time or times waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or any other covenant, condition or obligation. Waiver shall not be deemed effective until and unless signed by the waiving party.

15. **INCONSISTENT OR CONFLICTING TERMS IN AGREEMENT AND EXHIBITS.** In the event of any contradiction or inconsistency between any attached document(s) or exhibit(s) incorporated by reference herein and the



provisions of the Agreement itself, the terms of the Agreement shall control.

Any exhibit that is attached and incorporated by reference shall be limited to the purposes for which it is attached, as specified in this Agreement. Any contractual terms or conditions contained in such exhibit imposing additional obligations on the City are not binding upon the City unless specifically agreed to in writing, and initialed by the authorized City representative, as to each additional contractual term or condition.

16. **AMBIGUITIES.** This Agreement has been negotiated at arms' length between persons knowledgeable in the matters dealt with herein. Accordingly, any rule of law, including, but not limited to, Section 1654 of the Civil Code of California, or any other statutes, legal decisions, or common-law principles of similar effect, that would require interpretation of any ambiguities in this Agreement against the party that drafted this Agreement is of no application and is hereby expressly waived.

17. **VENUE.** This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this agreement shall be held exclusively in a state court in the County of Merced.

18. **AMENDMENT.** This Agreement shall not be amended, modified, or otherwise changed unless in writing and signed by both parties hereto.

19. **INTEGRATION.** This Agreement constitutes the entire understanding and agreement of the parties and supersedes all previous and/or contemporaneous understanding or agreement between the parties with respect to all or any part of the subject matter hereof.

20. **AUTHORITY TO EXECUTE.** The person or persons executing this Agreement on behalf of the parties hereto warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of their entity and has/have the authority to bind their party to the performance of its obligations hereunder.

21. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts with each counterpart being deemed an original. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterparts executed by the other parties hereto are in the physical possession of the party or parties seeking enforcement thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

CITY OF MERCED  
A California Charter Municipal  
Corporation

BY: \_\_\_\_\_  
City Manager

ATTEST:  
STEVE CARRIGAN, CITY CLERK

BY: \_\_\_\_\_  
Assistant/Deputy City Clerk

APPROVED AS TO FORM:

BY:  1-24-2018  
City Attorney Date

ACCOUNT DATA:

BY: \_\_\_\_\_  
Verified by Finance Officer



CONSULTANT  
NEXLEVEL INFORMATION  
TECHNOLOGY, INC.,  
A California corporation

BY:   
(Signature)

Terry Hackelman  
(Typed Name)

Its: Secretary and Chief Financial Officer  
(Title)

BY: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Typed Name)

Its: \_\_\_\_\_  
(Title)

Taxpayer I.D. No. 68-0464968

ADDRESS: 6829 Fair Oaks Blvd.,  
Suite 100

TELEPHONE: 916-692-2000

FAX: 916-692-2022

E-MAIL: terry.hackelman@nexlevelit.com

## EXHIBIT A

### Scope of Work/Background

NexLevel offers our clients proven methodologies and tools designed specifically to meet the unique needs of public sector agencies. Since our inception, we have invested in and developed methodologies, tools, and supporting processes designed specifically for the unique needs and requirements of California local government agencies. NexLevel constantly reviews and updates the knowledge base included in these toolkits based on experience with our clients. Our clients benefit directly from our processes, tools and methodologies, as we share these with our clients and in working collaboratively with our clients are able to leave behind the tools, processes, and methodologies to be used in future projects.

NexLevel understands the City's RFP Scope of Work includes the following;

- ◆ Conduct initial planning including establishing an overall project plan, risk assessment, change management plan and budget
- ◆ Perform needs assessment, process documentation, and system requirements
- ◆ Prepare a Request for Proposal (RFP)
- ◆ Facilitate proposal evaluation activities to include attending evaluation meetings, performing reference checks, facilitating product demonstrations, assisting with contract negotiations, and establishing a document repository

NexLevel has a successful history of providing services to meet all the City's RFP requested services, as well additional processes and deliverables to ensure selection of the best fit solution and a comprehensive agreement that guides a successful implementation.

For this project, NexLevel is proposing the use of our proven five phase procurement and selection methodology. Our methodology provides a comprehensive framework that will address all the City's RFP requirements. The five phases include:

1. The **"Initiate"** phase will establish the foundation for effective communication and the successful completion of the project.
2. The **"Requirements"** phase will be conducted and encompass a thorough discovery of the City's specific objectives and needs to ensure all the features, functions and requirements (e.g. user, interface, conversion, technical, etc.) necessary are defined and documented and communicated through the resulting documents for inclusion in the RFP.
3. The **"RFP"** phase will be managed to meet the procurement requirements of the City.
4. The **"Select"** phase will provide the structure for a fair and organized means to complete the review and decision process to select the best solution presented.
5. The optional **"Negotiate"** phase will result in formal completion of agreements with the selected ERP solution vendor and the City.

Figure 3 on the following page provides an overview of the phases, activities, and deliverables for our proposed methodology.





**Figure 3 – Methodology Overview**

In the following pages, we provide a detailed discussion of each phase.

## Phase 1 - Initiate

The purpose of the Initiate Phase is to prepare for, and initiate, the project under a well-defined work plan. This phase includes confirming our understanding, as well as the understanding of the stakeholders, regarding the scope of work and the process for accomplishing the overall objectives of the project.

The following table provides a detailed discussion of what each task will entail.

Table 3– Initiate Phase Tasks and Deliverables

|   |
|---|
| <b>1.1 Project Sponsor Planning Meeting</b>   |
| <p><b>TASK DESCRIPTION:</b> NexLevel will meet on-site with the City’s Project Sponsor and other key staff to complete a detailed review the scope of work, project timeline, deliverables, project status methods, project participants (i.e. sponsor, subject matter experts, technical resources, etc.), and other items to ensure a well-planned project. During this meeting, NexLevel will discuss the tools and templates that will be leveraged.</p>  |
| <b>1.2 Work Plan Development</b>  |
| <p><b>TASK DESCRIPTION:</b> NexLevel will publish a Work Plan that identifies the project approach, methods, tasks, activities, resources, schedule, budget, deliverables, issue and risk management, and major milestones. NexLevel understands that our timeline will be driven by the objective to have a software vendor selected by the summer of 2018.</p> <p><b>DELIVERABLE:</b> Draft Work Plan</p>   |
| <b>1.3 Work Plan Review with Stakeholders</b>   |
| <p><b>TASK DESCRIPTION:</b> NexLevel will facilitate an on-site meeting with the Project Stakeholder and key project staff to review and obtain feedback on the proposed Work Plan. The goal of this meeting will be to obtain consensus on the Work plan and a commitment to support the Work Plan.</p> <p><b>DELIVERABLE:</b> Final Work Plan</p>   |
| <b>1.4 Kickoff Meeting</b>  |
| <p><b>TASK DESCRIPTION:</b> Since the project will have an enterprise-wide impact, it is important to proactively communicate with all impacted staff to ensure a clear understanding of project goals and objectives, roles and responsibilities, approach, tasks, and timeline. The Kickoff Meeting also provides the opportunity to introduce the NexLevel team to City staff and should involve senior level management and project sponsors to provide introduction of this City-wide endeavor.</p> <p>NexLevel anticipates that scheduling all key City staff to be in a specific location, at a specific time, may be difficult. Therefore, if necessary, NexLevel is prepared to conduct two project kickoff meetings. It is important that all City staff that will be involved in the project, regardless of their role, participates in a project kickoff.</p> <p><b>DELIVERABLE:</b> Kickoff Meeting Presentation</p> |

## Phase 2 - Requirements

This phase will allow NexLevel to develop an accurate and clear understanding of the current environment, as this provides the initial baseline from which alternatives will be evaluated. In addition, during this phase it is necessary to identify and prioritize future system features and functions. A key success factor to selecting a best fit solution is having a comprehensive understanding of the City’s true needs and requirements.

The following table provides a detailed discussion of what each task will entail.

Table 4 – Requirements Phase Tasks and Deliverables

|  |
|--|
| <b>2.1 Request and Review Documentation</b>  |
| <p><b>TASK DESCRIPTION:</b> NexLevel understands that City staff has limited time to dedicate to this project. Consequently, we will make all efforts to be as prepared as possible before asking for staff time. To accomplish this, NexLevel will request documentation to familiarize ourselves with the current environment, processes, procedures, policies, transaction levels, organizational responsibilities,</p> |



reports, technical documentation, etc. It is not NexLevel's intent to create work for the staff with this task - if requested documentation doesn't exist, then it should not be created now.

**DELIVERABLE:** Documentation Request Listing

## 2.2 Conduct System Requirements Workshops

**TASK DESCRIPTION:** NexLevel will conduct face-to-face interviews (workshops) with the City's functional subject matter experts in all City departments. For the Finance Division interviews, the workshops will occur at a functional level (i.e. general ledger, budget, fixed assets, accounts receivable, inventory, purchasing, accounts payable, payroll, grant and project accounting, treasury, human resources, etc.). For other City departments, a single workshop per department will provide the information necessary to complete an analysis of potential ERP applicability for those department functions.

In some cases, NexLevel may follow up the workshops requesting that staff demonstrate work practices. The interviews will document current processes, practices, policies, and procedures related to the City's use of the ERP system. The workshops will also explore unmet needs and focus on identifying new features and functions that can improve the existing operations.

NexLevel's approach to conducting the requirements workshops involves more than just gathering information from the City's subject matter experts. It includes educating and/or collaborating with staff on best practices and how evolving technology capabilities (i.e. workflow, reporting, integration, dashboards, document management, etc.) can be applied to the future environment.

**DELIVERABLE:** Functional Requirements Document

## 2.3 Document Functional Requirements

**TASK DESCRIPTION:** NexLevel will utilize the information gathered during Task 2.2 above to document the City's existing and desired functional requirements so that potential vendors have a full understanding of the City's requirements.

**DELIVERABLE:** Updated Functional Requirements Document

## 2.4 Document Interfaces and Technical Requirements

**TASK DESCRIPTION:** NexLevel will identify potential required or desired interfaces or integration opportunities between the ERP system and other data repositories. This helps ensure that an integration point or interface is not missed. As part of this task, NexLevel will work with City staff to identify any interface standards that should be included in the RFP (i.e. City preferred interface methods).

**DELIVERABLE:** Context Diagrams and Technical Requirements Document

## 2.5 Document Data Conversion Requirements

**TASK DESCRIPTION:** NexLevel will document the City's desired data conversion and migration requirements so that potential vendors can include the costs and approach for completing the conversion in their proposals. NexLevel will meet with the City's technical and business subject matter experts to identify and document data migration and conversion requirements. NexLevel will provide consultation with regards to the pros and cons of the possible approaches/strategies and provide recommendations.

**DELIVERABLE:** Data Conversion Requirements Document

## 2.6 Develop Change Management Plan

**TASK DESCRIPTION:** Acknowledging and recognizing that change will be imminent when proceeding with a new ERP implementation, we recommend that the City adopt an OCM (Organizational Change Management) Plan to assist in resolving conflicting goals and objectives in the future. These change requirements may result from the initial discovery and requirements



gathering sessions or be identified further during implementation of the selected solution. Understanding and agreeing to change is a critical component to the successful implementation of a project of this size, and having a Change Management Plan in place prior to starting prepares the City, departments and individuals for the impending business and process changes associated with the new solution. It will be important for the City to be able to identify and monitor organizational and individual change management needs and address them before they become issues.

**DELIVERABLE:** Change Management Plan

## Phase 3 - RFP

NexLevel will prepare a comprehensive RFP outlining the business and systems requirements. While NexLevel will bring the City proven RFP templates and methods, we will also develop the RFP in accordance with the City's purchasing guidelines and requirements.

The tasks in this phase will consolidate all relevant information gathered in the prior phases to create an RFP that clearly defines the requirements and objectives of the City. The quality and accuracy of vendor responses are significantly improved using a well-organized, accurate, and clear RFP. A strong RFP is critical as it provides the foundation for evaluating vendors and ultimately provides the basis for a solid agreement between the City and the successful vendor.

The following table provides a detailed discussion of what each task will entail.

**Table 5 – RFP Phase Tasks and Deliverables**

| <b>3.1 Prepare Draft RFP</b>  |
|---|
| <p><b>TASK DESCRIPTION:</b> NexLevel will prepare a draft RFP for review by the Project Stakeholders and identified key staff. If the City has an existing preferred RFP template, NexLevel will conduct a review and compare the City templates to NexLevel's proven ERP RFP template. In addition, if necessary, NEXLEVEL will meet with the City's purchasing and/or legal resources to verify RFP terms and conditions.</p> <p>At a minimum, an RFP should include the following components: purpose and objectives, background, evaluation criteria and selection process, timeline, submission requirements (including forms and templates), RFP terms and conditions, current environment descriptions, business and operations metrics (i.e. number of employees, users, vendors, purchase orders, etc.), functional requirements, technical requirements and standards, and pricing proposal submission requirements.</p> <p>NEXLEVEL will provide the City with a draft RFP for review and discussion.</p> <p><b>DELIVERABLE:</b> Draft RFP</p> |
| <b>3.2 Review Draft RFP with Stakeholders</b>   |
| <p><b>TASK DESCRIPTION:</b> NexLevel recommends that the draft RFP be distributed to the Project Stakeholders and subject matter experts for careful review. After the staff has had the opportunity to review the RFP, NexLevel will conduct a workshop to address any changes, questions, or concerns. The workshop will provide an interactive forum to discuss the RFP content and to ensure a common understanding of the RFP content and upcoming procurement processes.</p> <p><b>DELIVERABLE:</b> Final RFP</p>   |
| <b>3.3 Identify and Notify Potential Vendors</b>  |
| <p><b>TASK DESCRIPTION:</b> While online vendor portal sites provide a valuable channel for making an RFP publicly available, NexLevel believes it is in the City's best interest to alert qualified vendors of the upcoming RFP release. NexLevel will evaluate and compile a comprehensive list of public sector ERP</p>  |



solution vendors that provide potential solutions. Our list will include key information about each vendor. NexLevel will review the listing with the City and assist the City in creating a notification message that can be distributed via email. Timely notification of the City's intent to release an RFP will help ensure the City attracts quality solution vendors and allow the vendors to be better prepared to provide a timely response.

**DELIVERABLE:** Vendor Listing and Contact Information

### 3.4 Develop Risk Management Plan

**TASK DESCRIPTION:** NexLevel will develop a Risk Management Plan (RMP) that will describe the methods that the City will use to manage risks. A risk is any potential problem that may interfere with the success of the project. Risks may impact project schedule, cost, scope, and/or quality. The RMP establishes a proactive approach to identifying and mitigating risks to minimize future problems or issues.

While conducting the assessment, and preparing the RFP, NexLevel will likely identify possible risks. Some of the potential risks may be limited to the procurement and selection efforts, while others will be associated with the subsequent implementation. It is important that risks are captured in a format that supports ongoing monitoring and tracking and a means for resolution of the risks if encountered.

**DELIVERABLE:** Risk Management Plan

### 3.5 Release RFP

**TASK DESCRIPTION:** NexLevel will assist the City in preparing for and releasing the RFP. As part of this task, NexLevel will create a tracking log of who has received the RFP.

## Phase 4 - Select

The process for selecting the most appropriate, or best fit, ERP solution vendor requires the City to follow a structured methodology. The goal of this project is to ensure that the vendor who is the "best fit" for the City is selected. Up to this point in the project, the City will have invested heavily in establishing the foundation upon which a best fit selection will be made. The tasks in this phase are focused on ensuring a careful and detailed review of information provided in response to the RFP are conducted, as well as independent research, validation and verification of content.

The following table provides a detailed discussion of what each task will entail.

**Table 6 – Select Phase Tasks and Deliverables**

#### 4.1 Address Vendor Questions

**TASK DESCRIPTION:** Release of a clear and well-structured RFP will dramatically reduce the number of vendor questions. However, due to the complex nature of ERP procurements, the City should anticipate that vendors will submit questions that must be addressed to ensure quality proposals are received. In this task, NexLevel will assist the City in responding to vendor questions.

**DELIVERABLE:** Vendor Question Responses

#### 4.2 Facilitate Bidder's Conference

**TASK DESCRIPTION:** If the City desires to hold a bidder's conference, NexLevel will assist the City in preparing for and holding the conference. However, based on NexLevel's experience, a bidder's conference may not be necessary if a high-quality RFP is released and if the vendor community is made aware of the RFP prior to release.

**DELIVERABLE:** Agenda for Bidder Conference

#### 4.3 Prepare Evaluation Committee

**TASK DESCRIPTION:** NexLevel will work with the City to identify the evaluation team and prepare an evaluator's packet that includes clear descriptions and direction of the evaluation methodology. The packet will also include a scoring template to assist the evaluator in tabulating their results.

**DELIVERABLE:** Evaluation Scoring Methodology and Matrix Template

#### 4.4 Screen Proposals

**TASK DESCRIPTION:** NexLevel will conduct a screening evaluation of all proposals to determine which vendors and proposals meet the mandatory RFP requirements and minimum qualifications. NEXLEVEL will present the results of our screening evaluation to the City. The City can use this information as a guide to determine which proposals require a detailed review.

#### 4.5 Review and Score Proposals

**TASK DESCRIPTION:** The evaluation team will review and rate the proposals per the evaluation criteria. In addition, NexLevel will review proposals to identify issues, concerns, questions, or clarifications that should be addressed, will provide this information to the evaluation team, and be available to the evaluators for consultation. NexLevel will assist the City in arriving at a preliminary evaluation scoring matrix that identifies a short list of preferred vendors.

**DELIVERABLE:** Evaluation Scoring Matrix

#### 4.6 Conduct Selection Workshop

**TASK DESCRIPTION:** NexLevel will facilitate a selection workshop with the City's proposal evaluation committee. NexLevel will use a multi-step facilitation process that encourages evaluator participation and helps drive a consensus on the vendors that appear to be the best fit for the City.

**DELIVERABLE:** Updated Evaluation Scoring Matrix

#### 4.7 Prepare for Proof-of-Capabilities (POC)

**TASK DESCRIPTION:** Conducting proof-of-capabilities (POC) sessions with short-listed vendors are a key component of the selection process. This provides the vendors with the opportunity to fully demonstrate their solutions using City provided demonstration scenarios and scripts. As part of this task, NexLevel will develop the POC meeting agenda, scenarios, and scripts for the City to review. In addition, NexLevel can facilitate interaction between the City and the vendors to help ensure the vendor is adequately prepared to complete the POC. The POC provides valuable input into contract negotiations and helps clarify risk areas for special consideration.

**DELIVERABLE:** POC Meeting Agenda and Scripts

#### 4.8 Facilitate POC Meetings

**TASK DESCRIPTION:** NexLevel will facilitate the POC sessions to keep vendors on schedule and ensure all POC scripts are completed. At the conclusion of each vendor POC session, NexLevel will facilitate a debrief meeting with the evaluators to capture feedback and update the evaluation scoring matrix accordingly. This information will be used in the final selection report.

#### 4.9 Complete Finalist(s) Due Diligence

**TASK DESCRIPTION:** NexLevel will assist the City in planning for and completing reference checks and site visits. NexLevel has templates available to the City to complete reference checks and site visits. While NexLevel is available to conduct the reference checks, it has been our experience that these are best performed by City staff because of the information exchange and opportunity to further network.

**Deliverable:** Reference Check and Site Visit Guideline



## Phase 5 – Negotiate

Key terms, conditions, scope, and pricing terms must be fully resolved before concluding a final agreement. We have found that many clients prefer utilizing outside resources for contract negotiations. The purpose of Phase 5 is to formalize and implement a negotiation strategy to ensure the City obtains a favorable contract and all outstanding issues are resolved. NexLevel brings significant experience in contract negotiations that will help ensure an agreement that fully protects the City while supporting a successful implementation.

The following table provides a detailed discussion of what each task will entail.

**Table 7 – Negotiate Phase Tasks and Deliverables**

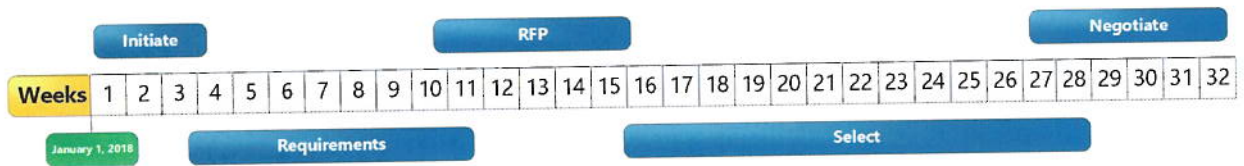
|   |
|---|
| <b>5.1 Research Prior Vendor Agreements</b>   |
| <b>TASK DESCRIPTION:</b> It is highly likely that the City will select a vendor that has recently implemented their solution with other public agencies. This task focuses on identifying signed agreements with agencies that are of a similar size and complexity as they can provide a valuable source of information to help a City prepare for negotiations. NexLevel will seek out and review available agreements. The review will include evaluating terms and conditions, pricing, payment terms, milestones, and more. The information gathered will be compared to that which was submitted with the RFP with the goal of identifying any gaps or more favorable terms and conditions. |
| <b>5.2 Conduct Initial Agreement Review</b>   |
| <b>TASK DESCRIPTION:</b> NexLevel will perform a review and provide feedback of the proposed agreement templates. Based on our experience, the City should expect multiple agreements (i.e. software licensing, maintenance and support, professional services, 3 <sup>rd</sup> party software, etc.). NexLevel will provide the City guidance and assistance on the agreement review to help prepare for subsequent negotiations.  |
| <b>5.3 Facilitate Negotiation Strategy Workshop</b>   |
| <b>TASK DESCRIPTION:</b> NexLevel will facilitate a workshop with key City staff to develop negotiation strategy. The workshop will focus on outstanding issues and questions, as well as areas of high risk that need to be addressed. A well planned negotiation strategy reduces the negotiation timeline, reduces frustration among the parties, ensures the City presents a unified front, and reduces the risk that items will be overlooked.<br><b>DELIVERABLE:</b> Negotiation Strategy Document  |
| <b>5.4 Conduct Negotiation Meetings</b>   |
| <b>TASK DESCRIPTION:</b> NexLevel will assist the City in preparing for negotiation meetings and will attend to support the City staff. If the City desires, NexLevel is available to facilitate the negotiation meetings. NexLevel will take the lead in recording the minutes from the meetings to capture outstanding items, next steps, and critical dates.<br><b>DELIVERABLE:</b> Draft and Final Agreement Comments   |
| <b>5.5 Assist in Council Approval</b>   |
| <b>TASK DESCRIPTION:</b> NexLevel will be available to attend or participate in the City's presentation of the vendor agreements to the City Council for approval.  |

## EXHIBIT B

### Work Plan

Based on our experience with similar projects, and utilizing the City's specific RFP requirements, we provide the following proposed project schedule. The ability to achieve this schedule will be dependent upon the availability of City staff throughout the project. NexLevel may be able to accelerate the proposed schedule if the City wishes to complete specific aspects of the project in a shorter timeframe.

Figure 4 - Project Timeline



NexLevel is prepared to begin the project once the City has selected and executed an agreement.



## EXHIBIT C

### Payment/Delivery & Implementation Schedule

NexLevel fees are based upon the amount of time required to complete each phase in a thorough and professional manner. We propose to complete this project for a not-to-exceed cost of \$97,750. This is based on NexLevel's level of effort estimate of 514 hours @ \$175/hour plus travel. We believe that this level of effort is required to assist the City with this complex project as the outcome will have a significant impact on the City operations for years to come.

Throughout the project NexLevel will collaborate with the City on the assignment and completion of tasks. We recognize that it may be determined that some tasks in our proposal will not need to be completed or can be completed by City staff. It is also recognized that some tasks may be amended based on project progress and to achieve the timeline goal.

In table below, we provide the level of effort by phase and resource so that City can understand our pricing.

| Phase                  | Resource                             | Rate  | Hours      | Total Cost      |
|------------------------|--------------------------------------|-------|------------|-----------------|
| Phase 1 - Initiate     | Patrick Griffin, Project Manager/SME | \$175 | 14         | \$2,450         |
|                        | Rick Keyes, SME                      | \$175 | 8          | \$1,400         |
|                        | Mike Gomez, SME                      | \$175 | 12         | \$2,100         |
|                        | <b>Subtotal</b>                      |       | <b>34</b>  | <b>\$5,950</b>  |
| Phase 2 - Requirements | Patrick Griffin, Project Manager/SME | \$175 | 38         | \$6,650         |
|                        | Rick Keyes, SME                      | \$175 | 52         | \$9,100         |
|                        | Mike Gomez, SME                      | \$175 | 48         | \$8,400         |
|                        | <b>Subtotal</b>                      |       | <b>138</b> | <b>\$24,150</b> |
| Phase 3 - RFP          | Patrick Griffin, Project Manager/SME | \$175 | 18         | \$3,150         |
|                        | Rick Keyes, SME                      | \$175 | 42         | \$7,350         |
|                        | Mike Gomez, SME                      | \$175 | 16         | \$2,800         |
|                        | <b>Subtotal</b>                      |       | <b>76</b>  | <b>\$13,300</b> |
| Phase 4 - Select       | Patrick Griffin, Project Manager/SME | \$175 | 52         | \$9,100         |
|                        | Rick Keyes, SME                      | \$175 | 124        | \$21,700        |
|                        | Mike Gomez, SME                      | \$175 | 50         | \$8,750         |
|                        | <b>Subtotal</b>                      |       | <b>226</b> | <b>\$39,550</b> |
| Phase 5 - Negotiate    | Patrick Griffin, Project Manager/SME | \$175 | 40         | \$7,000         |
|                        | Rick Keyes, SME                      | \$175 | 0          | \$0             |
|                        | Mike Gomez, SME                      | \$175 | 0          | \$0             |
|                        | <b>Subtotal</b>                      |       | <b>40</b>  | <b>\$7,000</b>  |
| <b>Total</b>           |                                      |       | <b>514</b> | <b>\$89,950</b> |

NexLevel estimates travel expenses to be \$7,800. Our total fixed cost proposed is inclusive of all costs necessary to complete the project as described in this proposal.

We have identified our pricing for the Optional Project Implementation Assistance on the City's RFP form below. This estimate is based a 12-month implementation and assumes an average of 18 hours per week. The weekly average is based on our experience in performing similar functions in support of a municipal ERP implementation. Our hourly bill rate for Project Implementation Assistance is \$165/hour. We have assumed an average of 2.5 trips per month (30 trips total) at \$700 per trip for a total cost of \$21,000.

Per the RFP requirements, we have completed the City's Proposal Pricing Form which is presented on the following page.



12.1 Proposal Pricing Form

| <b>Core Project Description of Item</b>   | <b>Cost</b>     |
|---|-----------------|
| Initial Planning Expenses   | \$ 5,950        |
| Initial Planning<br><b>(Travel/Training Expenses)</b><br>(including travel and lodging)   | \$ 1,800        |
| Needs Assessment Expenses   | \$24,150        |
| Needs Assessment<br><b>(Travel/Training Expenses)</b><br>(including travel and lodging)   | \$3,000         |
| RFP & Requirements  | \$59,850        |
| RFP & Requirements<br><b>(Travel/Training Expenses)</b><br>(including travel and lodging) | \$3,000         |
| ## Onsite training visits   |                 |
| ## Remote Training visits   |                 |
| Other   |                 |
| <b>Total Core Project Costs</b>   | <b>\$97,750</b> |

| <b>Optional Project Description of Item</b>   | <b>Cost</b>      |
|---|------------------|
| Optional add-on<br>(Phase 1 Assistance)   | \$149,688        |
| Travel/Training Expenses<br>## - Onsite training visits for<br>optional add-on,<br>(including travel & lodging) | \$21,000         |
| ## - Onsite training visits   |                  |
| ## - Remote Training visits   |                  |
| Other   |                  |
| <b>Total Optional Project Costs</b>   | <b>\$170,688</b> |