



**AGENDA REPORT
REQUEST FOR CITY COUNCIL ACTION**

COUNCIL ACTION	
<input checked="" type="checkbox"/>	APPROVED
<input checked="" type="checkbox"/>	DENIED
<input type="checkbox"/>	CONTINUED TO _____
<input type="checkbox"/>	RETURNED TO STAFF
<input type="checkbox"/>	NO ACTION TAKEN
<input type="checkbox"/>	APPROVED WITH CHANGES
<input type="checkbox"/>	RECEIVED & FILED
<input type="checkbox"/>	SET FOR PUBLIC HEARING

DATE: April 18, 2001

TO: Honorable Mayor and City Council Members

FROM: Finance Department

SUBJECT: APPROVAL OF AWARD OF CONTRACT FOR A UTILITY BILLING SYSTEM IN THE AMOUNT OF \$350,435 FROM ADVANCED UTILITY SYSTEMS CORPORATION AND APPROVAL OF A SINGLE-SOURCE PURCHASE OF A STORAGE AREA NETWORK IN THE AMOUNT OF \$95,175 FROM XIOTECH

RECOMMENDED ACTION:

That the City Council:

1. Award the contract of \$350,435 to Advance Utility Systems Corporations for a Utility Billing System evaluated on the basis of reasonable price and functionality of software requirements and reject all other proposals subject to the contract being fully executed and as being in the best interest of the City of Corona.
2. Approve the award of a single-source purchase of a Storage Area Network from XIOTech at the cost of \$95,175.
3. Appropriate \$284,515 for the cost of the contract, necessary hardware requirements, and for temporary salaries for the implementation of the project.
4. Approve the transfer of the remaining balance of \$55,700 on CIP Project No. 66420517, a completed waterline replacement project.
5. Authorize the Interim City Manager and the Finance Director to approve appropriate change order(s) necessary for the execution of the project.

ANALYSIS:

The Citywide Computer Master Plan includes the replacement of a ten (10) year old Utility Billing System that was written in COBOL for utilization on an HP3000. Requests for

FILE NO. CC- 1010

Proposals (RFP) were mailed to forty-five (45) software vendors. Proposals were to clearly demonstrate how the proposed software, services, and support could best satisfy the needs of the City of Corona. Vendors were to include a comprehensive, fully integrated Utility Billing System, including delivery and installation, system set-up and customization, conversion of existing data, training, documentation, and on-going maintenance support.

Twelve (12) vendor responses were received and are on file in the Finance Department. The top four (4) vendors were invited to give a demonstration of the proposed software to City staff. In attendance were representatives from the Finance Department, the Water Utilities Department, and the Information Services Division. The proposed package from Advanced Utility Systems Corporation far surpassed all other systems, both in price and functionality. A copy of the agreement is on file in the City Clerk's office. See Exhibit A for a summary of the evaluation process.

It is anticipated that the complete implementation process will take approximately six to nine months. By replacing the current obsolete system, some of the following features will be available with the new window's based software:

- Payment processing through the City Website
- Pre-authorized automatic bill payment through an account holder's banking institution
- Automated keyboard credit card processing
- Integrated Cashiering and Utility Billing functions
- Interfaces to current City financial and GIS systems
- Extensive report writing capabilities
- Data import/export functions

The Information Services Division has completed a comprehensive analysis to identify the necessary components to house the new Utility Billing System. A single-source purchase has been recommended to purchase a Storage Area Network (SAN) which allows for a server cluster/failover. This item is a XIOTech Magnitude and is only available through XIOTech. Other options were researched; however, it was found that the functions and features of this product far outweigh other demonstrated systems. Other hardware requirements will be purchased through the normally required bid process.

FISCAL IMPACT:

A total of \$192,000 for the Citywide Computer Master Plan was approved and is available in the FY 2000-2001 Capital Improvement Program Budget. A recurring cost of \$31,875 for the software maintenance agreement will be included in a 2001/2002 operational budget. Project costs are estimated as follows:

Request for Council Action

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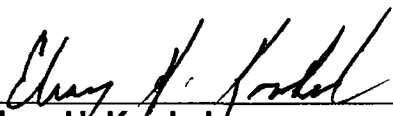
Date of Council Meeting: April 18, 2001

Software Licenses, Conversion, and Training	\$318,560
Hardware	151,800
Temporary Salaries	30,000
Contingency	31,855
Subtotal	<u>532,215</u>
Ongoing Software Maintenance	31,875
Total Estimated Cost	<u><u>\$564,090</u></u>


Funding sources are as follows:

Refuse Fund (260)	\$52,670
Sewer CRC Fund (474)	52,670
Water Capital Recovery Fund (517)	179,175
Total Appropriation Requested	<u>284,515</u>
Remaining Balance on Project 66420517	55,700
Available CIP Budget	192,000
2001/2002 Operational Budget	31,875
Total Estimated Funding	<u><u>\$564,090</u></u>

PREPARED BY:


Elray H. Konkel
Director of Finance

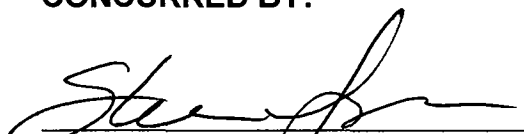
SUBMITTED BY:


George Guayante
Interim City Manager

CONCURRED BY:


Glenn E. Prentice
Water Utilities Director

CONCURRED BY:


Cheryl Anderson
Information Services Manager

Attachment: Exhibit A – Evaluation of Vendor Proposals and Software

Exhibit A

04/18/01

CITY OF CORONA Utility Billing Software System Upgrade Evaluation of Vendor Proposals and Software

<u>Vendor</u>	<u>Cost Estimates from Proposal</u>			<u>Proposal Evaluation</u>	<u>Software Evaluation</u>
	<u>Total Cost</u>	<u>Software & Project</u>	<u>Annual Maint.</u>		
				<u>Additional Cost Information</u>	

Top Vendor:

Advanced Utility Systems	\$267,255	\$235,380	\$31,875	Original proposal	Thorough proposal - Invited to demo software	Demo of software by far surpassed all other systems, both in price and functionality - Top choice of all evaluation staff from Finance, Utility Services, and Information Services
	\$350,435	\$318,560	\$31,875	Increase from original proposal for City requested enhancements which includes meter reading interface plus new interfaces to City website, accounting, credit card, and GIS systems. Estimated travel costs also included.		

Vendors Eliminated After Review of Software:

Aquium Software Corporation	\$461,960	\$432,900	\$29,060	Plus travel - Includes meter reading interface	Thorough proposal - Invited to demo software	Minimal custom report writing capabilities and automated processes
Harris Computer Systems	\$347,772	\$321,392	\$26,380	Plus travel time and materials - Includes meter reading interface	Thorough proposal - Invited to demo software	The "look and feel" of the system appeared to be quite antiquated, cumbersome, and non-window's
Sensus SofTech Inc	\$316,925	\$279,000	\$37,925	Plus all travel and living expenses - Does not include meter reading interface	Thorough proposal - Invited to demo software	Software significantly lacked ability to customize for the City's needs for billing, report writing, automated processes, and audit controls

Vendors Eliminated After Review of Proposals:

DST Innovis	\$603,798	\$569,319	\$34,479	Includes meter reading interface	Does not comply with City database standards	N/A
Dynasty	\$87,000	\$75,000	\$12,000	Unable to determine	Unable to completely evaluate, did not address many items as required in the RFP	N/A
Ezgov	\$32,000	\$12,000	\$20,000	Plus per transaction fee - Proposal for website interface only	No billing system, online utility bill payment solution only	N/A

CITY OF CORONA

Exhibit A

04/18/01

Utility Billing Software System Upgrade
Evaluation of Vendor Proposals and Software

<u>Vendor</u>	<u>Cost Estimates from Proposal</u>				<u>Proposal Evaluation</u>	<u>Software Evaluation</u>
	<u>Total Cost</u>	<u>Software & Project</u>	<u>Annual Maint.</u>	<u>Additional Cost Information</u>		
Hansen Information Technologies	\$405,450	\$373,500	\$31,950	Plus conversion and interface costs	Only one client on billing software, RFP required at least five	N/A
Optiron	\$535,400	\$374,200	\$161,200	Plus all support services for design, programming, training, project management, telephone, etc. - Web based online subscription service	Unable to determine all costs - Subscription service not the direction of the City	N/A
Springbrook Software	\$177,250	\$157,350	\$19,900	Plus conversion and interface costs - Unable to determine all costs	Does not comply with City database standards - Unable to completely evaluate, did not address all items as required in the RFP	N/A
Systems & Software, Inc.	\$1,692,491	\$1,572,078	\$120,413	Plus travel and TBD costs - Turnkey approach	Cost Prohibitive	N/A
Utilipro	\$1,456,800	\$564,000	\$892,800	Plus postage, forms, office supplies, etc, includes staff for current billing functions - Outsourcing company	Cost Prohibitive	N/A

**CITY OF CORONA AGREEMENT
FOR PROFESSIONAL CONSULTING SERVICES**

1. Parties and Date.

This Agreement is made and entered into this 18th day of April 2001 by and between City of Corona, a municipal corporation of the State of California (hereinafter "City"), and Advanced Utility Systems Corporation (hereinafter "Consultant").

2. Recitals.

- 2.1 WHEREAS, Consultant owns the Software (as defined below); and,
- 2.2 WHEREAS, City desires to (a) acquire a license to utilize the Software, and (b) engage Consultant to perform the Services (as defined below); and,
- 2.3 WHEREAS, Consultant wishes to (a) grant City a license to utilize the Software, and (b) provide the Services to City, all upon the terms and conditions set out in this Agreement.

3. Interpretation.

3.1 Definitions.

Capitalized terms used in this Agreement and not otherwise defined shall have the meanings given to them in Schedule "A" hereto.

3.2 Time of the Essence.

Time shall be of the essence in and of this Agreement and every part hereof. Any extension, waiver or variation of any provision of this Agreement shall not be deemed to affect this provision and there shall be no implied waiver of this provision.

3.3 Currency.

Unless otherwise specified, all references to amounts of money in this Agreement refer to U.S. currency.

3.4 Headings.

The descriptive headings preceding Articles and Sections of this Agreement are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content of such Articles or Sections. The division of this Agreement into Articles and Sections shall not affect the interpretation of this Agreement.

3.5 Plurals and Gender.

The use of words in the singular or plural, or referring to a particular gender, shall not limit the scope or exclude the application of any provision of this Agreement to such persons or circumstances as the context otherwise permits.

4. Schedules.

The Schedules described below and appended to this Agreement shall be deemed to be integral parts of this Agreement.

Schedule "A" - Definitions

Schedule "B" - Detailed Description of Software

Schedule "C" - Implementation Process Checklist and Timetable

Schedule "D" - Support Agreement

Schedule "E" - Fee Structure and Payment Schedule

Schedule "F" - Response to RFP and Checklist

5. Software Licenses.

5.1 Grant of Licenses.

Subject to the terms and conditions of this Agreement, Consultant hereby grants to City:

- (a) a non-exclusive Server License; and
- (b) 25 non-exclusive User Licenses to allow no more than 25 concurrent Users in City to utilize the Software within City's computer network.

5.2 Term of Licenses.

The licenses granted herein commence on the date of this Agreement and are of indefinite duration unless terminated pursuant to the terms hereof.

5.3 Restrictions on Use.

The licenses granted hereunder are restricted to use by City to perform the basic functions of billing and customer service organization, which functions are more particularly set out in the chart constituting part of Schedules "B" and "F".

5.4 Derivation, Modification and Copyright.

- (a) City agrees that it will not attempt to derive, or permit or help others to derive the source code relating to the Software or attempt to otherwise convert or alter the Software into human readable code. City further agrees that it will not attempt to duplicate, or permit or help others to duplicate, the source code relating to the Software.
- (b) City agrees that it will not copy or otherwise reproduce the Software and that any additional copies as are reasonably necessary for the use of the Software shall be

provided to City through the issuance of additional User Licenses at Consultant's then current charges, except that any additional User Licenses required by City within 90 days of signing this Agreement shall be issued to City in exchange for the User License fee specified in Schedule "E" to this Agreement.

5.5 Acceptance of Software.

City shall promptly test the Software upon delivery and shall accept such Software if it conforms to the specifications set forth in the description of the Software set out in Schedule "B" and Schedule "F" attached. City shall be deemed to have accepted such Software if City does not give a written statement of errors or malfunctions to Consultant within the Warranty Period.

5.6 Ownership of Software and Confidential Information.

- (a) City acknowledges that the Software contains proprietary and confidential information of Consultant, which shall, at all times, remain the property of Consultant. Through the grant of licenses pursuant to Section 5.1, City is only entitled to use of the Software in accordance with the terms of this Agreement.
- (b) City will ensure that the Universal Copyright Convention symbol and other copyright and proprietary notices of Consultant will remain on the Software in machine-readable form. City will take the same care to safeguard the Software as it takes to safeguard its own confidential information and such care shall not be any less than would be taken by a reasonable person to safeguard its own confidential information.
- (c) No third party, other than duly authorized agents or employees of City authorized pursuant to the User Licenses issued hereunder, shall have access to or use of the Software.
- (d) In order to assist Consultant with the protection of its proprietary rights with respect to the Software and to enable Consultant to ensure that City is complying with its obligations with respect to the proprietary nature and confidentiality of the Software, City shall permit Consultant to visit during normal business hours any premises at which the Software is used and shall provide Consultant with access to such Software.

5.7 Escrow.

- (a) Consultant shall keep a copy of the source code for the Software (the "Source") with a third-party escrow service provider selected by Consultant from time to time (the "Escrow Agent"). As of the date of this Agreement, the Escrow Agent is Lincoln-Parry and Associates.
- (b) Consultant hereby grants City a contingent license, subject to the conditions of Sections 5.7(c) and 5.7(d) herein, to use the copy of the Source maintained by the Escrow Agent for support purposes only.

- (c) The contingent license referred to in Section 5.7(b) shall only be available to City to the extent that City has a Support Agreement in effect with Consultant immediately prior to the occurrence of any event specified in Section 5.7(d). If no such Support Agreement is in effect, City may retain the licenses granted to it pursuant to Section 5.1, but will relinquish its rights to receive any updates or modification of the Software or continuing support from Consultant. Furthermore, City will relinquish its rights to access the Source upon the occurrence of any of the events specified in Section 5.7(d). To the extent that City terminates its Support Agreement, the provisions in this Agreement respecting the use of the Software and the terms of the licenses granted hereby, will continue to apply following any such termination.

- (d) The contingent license granted pursuant to Section 5.7(b) shall, to the extent it remains available to City, become exercisable if and when any of the following events occur:
 - (i) Consultant ceases to do business for any reason whatsoever;
 - (ii) Consultant fails or refuses to perform its obligations under this Agreement or provide City with support for the Software pursuant to the Support Agreement (except as a result of a failure by City to comply with its obligations under this Agreement or the Support Agreement), City has issued written notice to Consultant in respect of such failure or refusal pursuant to Section 12.4(a), and Consultant has not cured the failure or refusal indicated in such written notice or issued a written notice of its own to City disputing the default alleged by City;
 - (iii) Consultant commits any act of bankruptcy, and fails to cure such act within 30 days of the commission of such act; and
 - (iv) Consultant institutes or has instituted against it bankruptcy, receivership, insolvency, reorganization, dissolution, liquidation or other similar proceedings under any federal or provincial laws and, in the case of any proceedings instituted against Consultant, it fails to stay such proceedings or vacate or dismiss any order resulting therefrom within 60 days of the initiation of such proceedings or the issuance of such order, as the case may be.

- (e) On the occurrence and during the continuance of any of the conditions listed in Section 5.7(d), and at City's request, validation of Source shall be performed as follows:
 - (i) Consultant or a duly qualified computer programmer selected by City (the "Programmer") shall retrieve the Source from the Escrow Agent and shall perform the necessary Source verification and testing procedures at the premises of City on City's computer systems;
 - (ii) the Programmer shall proceed to carry out the steps necessary to correct any deficiencies in the existing Software utilizing the Source; and

- (iii) following the completion of said verification and correction procedures, Consultant or Programmer shall return the Source to the Escrow Agent.
- (f) The provisions of this Section 5.7, and the requirement of the Escrow Agent to perform its duties in accordance with this Section 5.7, shall be subject to:
 - (i) City executing any standard form documentation containing reasonable terms required by the Escrow Agent in connection with the performance of its duties and obligations hereunder; and
 - (ii) the payment by City of the fees specified by the Escrow Agent from time to time, as more particularly set out in Section 8.1(d) of this Agreement.

5.8 Ownership and Disposition of Documents.

City shall be the exclusive owner of all materials and documents that were developed or prepared by Consultant specifically for City pursuant to this Agreement. All materials and documents which were developed or prepared by Consultant 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 Consultant.

6. Consulting Services.

6.1 Consultant's Services.

Prior to the Completion of Services, Consultant agrees, subject to the terms and conditions of this Agreement, to perform the following services (the "Services") for City:

- (a) Oversee and implement the conversion from City's existing utility billing and customer service system to CIS Infinity substantially in accordance with the implementation process checklist and timetable attached hereto as Schedule "C".
- (b) Install the Software, perform necessary set up and configuration operations, and perform initial testing and parallel testing as described in Schedule "C" attached hereto.
- (c) Provide the training outlined on Schedule "C" attached hereto to Designated Staff Members of City.
- (d) Provide all other services and tasks outlined on Schedule "C" hereto,

in all cases substantially in accordance with Consultant's proposal to City presented on October 16, 2000, in response to City's Request for Proposals mailed on September 15, 2000, and Consultant's checklist dated December 1, 2000 (collectively the "RFP Response"), copies of which are attached hereto as Schedule "F".

6.2 Performance by Consultant.

- (a) Manner of Performance -- Consultant shall perform the Services in an efficient, competent and timely manner and exercise reasonable care, skill and diligence in the performance thereof. Consultant further represents and warrants to the City that it has all licenses, permits, qualifications and approvals of whatever nature that are legally required to enable it to perform its obligations pursuant to this Agreement, all of which will remain in effect during the term of this Agreement.
- (b) Consultant's Discretion -- Consultant shall determine in its sole discretion the manner and means by which the Services shall be performed, provided that City shall have the discretion to determine the most appropriate dates and times for Consultant's performance of Services on City's premises.
- (c) Conduct on City's Premises -- The Services shall be performed with City's full co-operation, on the premises of City or, if agreed to by both parties, at an alternative location. Consultant agrees, while working on City's premises, to observe City's rules and policies relating to the security thereof, access to or use of all or part of City's premises and any of City's property, including proprietary or confidential information.
- (d) Inquiries by City -- Consultant shall respond expeditiously to any inquiries pertaining to this Agreement from City.

6.3 Performance by City.

- (a) Co-operation by City -- City acknowledges that the success and timeliness of the implementation process shall require the active participation and collaboration of City and its Designated Staff Members and agrees to act reasonably and co-operate fully with Consultant to achieve the Completion of Services.
- (b) Required Programs. City acknowledges that the use of the Software requires that City obtain and install additional required software programs (the "Required Programs"), as detailed in the attached Schedules "B" and "F", and City agrees that the acquisition of the Required Programs shall be at its sole cost and that the cost thereof is not included in the fees herein. City further acknowledges that the operation of the Software requires City's hardware to be of sufficient quality, condition and repair, and City agrees to maintain its hardware in the appropriate quality, condition and repair at its sole cost and expense, in order to facilitate the achievement of Completion of Services.
- (c) Project Manager -- City shall appoint a project manager (the "Project Manager") who shall work closely with Consultant to facilitate the successful completion of the implementation process and who shall be responsible for supervising the Designated Staff Members of City and their co-operation with and participation in such process.

6.4 Support Agreement.

Concurrently with the execution and delivery of this Agreement, Consultant and City have entered into a support agreement (the "Support Agreement") in the form of and on the terms set out in the attached Schedule "D" which shall apply in

respect of the ongoing services and support to be provided by Consultant to City following the expiry of the Warranty Period. Notwithstanding the ongoing application of the Support Agreement, the terms and conditions of this Agreement shall continue to apply and the Support Agreement is not intended to, nor will it, apply to the exclusion of this Agreement.

6.5 Control and Payment of Subordinates.

City retains Consultant on an independent contractor basis. The personnel performing the Services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such personnel, including, but not limited to social security taxes, income tax withholding, unemployment insurance, and workers' compensation insurance.

7. Representations and Warranties.

7.1 Warranty of Performance.

Consultant warrants to City that the Software will perform for the Warranty Period, if the Software is properly used in accordance with Consultant's instructions. This warranty is void if City or any other third party changes or modifies the Software. Examples of such changes or modifications include, but are not limited to, data modifications from third party software, the de-compiling and modifying of the source code, and tampering with the base set-up of the system.

7.2 Intellectual Property Rights.

Consultant warrants:

- (a) that it has the full right, authority and power to enter into this Agreement and to grant to City the licenses and rights conveyed by this Agreement; and
- (b) that the Software is an original work of authorship and does not infringe the intellectual property rights of others.

7.3 Corrections.

Consultant covenants that it will make corrections of program malfunctions which are reported in writing to Consultant during the Warranty Period and which are necessary for the Software to conform to the description provided in Schedule "B" and Schedule "F". City agrees to allow Consultant the opportunity to make repeated efforts within a reasonable time to correct programming errors or malfunctions as warranted in this Agreement.

7.4 No Other Warranties.

The express warranties contained above are in lieu of all other representations, warranties and conditions, express or implied, whether arising by statute or otherwise in law or from a course of dealing, or usage of trade. Without limiting the generality of the foregoing, Consultant does not represent or warrant and City acknowledges that there are no further representations or warranties:

- (a) that the functions contained in the Software will operate in the combinations which may be selected for use by City or will meet City's requirements and satisfy its intended results; or
- (b) that the operation of the Software will be error free or that:
 - (i) any programming errors will be corrected after the Warranty Period, or
 - (ii) any updates of, or modifications to, the Software will be made available to City after the Warranty Period,

in each case unless there is an effective Support Agreement in place after the Warranty Period in respect of the period of time during which any such programming errors require correction, or any updates of, or modifications to, the Software, are developed by Consultant and made available to the other licensees of the Software.

8. Fees and Payments.

8.1 Fees and Payments.

- (a) City agrees to pay Consultant a one-time license fee in the total amount of \$127,500.00, consisting of fees for both the Server License and the User Licenses. In addition, City agrees to pay Consultant an hourly rate of \$120.00 per hour as compensation for providing the Services to City. The fee structure and payment schedule is outlined in the attached Schedule "E".
- (b) As part of its regular reports to City during the term of this Agreement, Consultant shall advise City whether additional time beyond the estimate provided in Schedule "C" may be required. City may then request a meeting with Consultant to negotiate the terms of any such additional time. Should an agreement not be reached within 10 business days of such meeting, the parties agree to consider settling the dispute pursuant to the arbitration provisions contained herein.
- (c) City shall reimburse Consultant for direct expenses, including, but not limited to:
 - (i) courier services;
 - (ii) photocopying, faxing and reproduction;

- (iii) all reasonable travel costs including a flight rate of \$1,000.00 per person per trip, based on a pre-approved schedule of site visits agreed to between City and Consultant that allows for a reasonable advance period for travel arrangements, and meal expenses of not more than \$50.00 per diem (receipts provided) and a mileage charge of \$.29 per km;
 - (iv) long distance telephone calls; and
 - (v) all other reasonable expenses incurred in the performance of Consultant's duties.
- (d) The Consultant currently has an agreement with its Escrow Agent (Lincoln Parry and Associates) under which Consultant pays an annual fee and does not pass on any costs to clients. However, were it to be necessary in future, in addition to all other amounts payable under this Agreement, the Consultant reserves the right to ask the City shall pay any initial and annual fees charged by the Escrow Agent for performing its obligations under Section 5.7. Consultant shall use its commercially reasonable efforts to negotiate the best possible fee structure with the Escrow Agent. The Escrow Agent may charge a one-time annual fee or a fee based on the number of beneficiaries entitled to access the Source. In either case, Consultant shall be entitled to pass on to City any fees relating to the Escrow Agent reasonably attributable to City, provided that City remains entitled to access the Source pursuant to Section 5.7(c). Upon receiving any invoice from the Escrow Agent that requires payment by City, Consultant shall submit the relevant invoice to City, together with background documentation confirming the amount attributable to City and evidence that Consultant has paid the fees that are subject to such invoice. Within 30 days following receipt of such invoice, City shall reimburse Consultant for the amounts attributable to City, as more particularly set out in the documentation submitted by Consultant. Consultant reserves the right to change the Escrow Agent from time to time in order to obtain the most appropriate package of fees and services, as determined by Consultant, in its sole discretion. In the event that the Escrow Agent is replaced, prompt written notice of such replacement shall be provided to City and City shall execute any documentation reasonably required by the Escrow Agent in order to give effect to the provisions of this Agreement.
- (e) Any amount not paid by City to Consultant when due shall bear interest at 2% above the prime rate of interest as set by Consultant's bank from time to time calculated monthly, not in advance.
- (f) The fees herein do not include sales, uses, excise, personal property or other taxes or custom charges or duties or other duties of any locality or jurisdiction and any such taxes or duties shall be the responsibility of and be paid by City, provided that Consultant shall be responsible for the payment of the business license tax imposed by the City in connection with the Consultant performing its obligations under this Agreement (at the rate stipulated in the relevant municipal by-law or ordinance, which applies to all persons transacting business within the City) and all income taxes for Consultant or Consultant's employees.

9. Remedies and Liability.

9.1 Remedies and Liability.

- (a) Termination of this Agreement shall not affect any right of action of either party arising from anything, which was done or not done, as the case may be, prior to the termination taking effect.
- (b) City and Consultant recognize that circumstances may arise entitling City to damages for breach or other fault on the part of Consultant arising from this Agreement. The parties agree that in all such circumstances City's remedies and Consultant's liabilities will be limited as set forth below and that these provisions will survive notwithstanding the termination or other discharge of the obligations of the parties under this Agreement.
 - (i) For breach or default by Consultant or otherwise in connection with this Agreement, including a breach or default entitling City to rescind or be discharged from the provisions of this Agreement and whether in the nature of a breach of condition or a fundamental breach, City's exclusive remedy, in addition to electing if so entitled to rescind or be discharged from the provisions of this Agreement, shall be payment by Consultant of City's direct damages to a maximum amount equal to, and Consultant shall in no event be liable in excess of, the lesser of (x) the fees payable to Consultant provided for herein, and (y) the amount actually paid by City under this Agreement up to and including the date of termination.
 - (ii) In no event shall any damages include, nor shall Consultant be liable for, any special, indirect or consequential damages even if Consultant has been advised of the possibility thereof. Without limiting the generality of the foregoing, Consultant shall not be liable for lost profits, lost business revenue, failure to realize expected savings, other commercial or economic loss of any kind, or for any claim whatsoever against City by any other party.
 - (iii) Clauses (i) and (ii) shall apply in respect of any claim, demand or action by City irrespective of the nature of the cause of action underlying such claim, demand or action, including, but not limited to, breach of contract or tort.

9.2 Intent.

The parties hereby confirm that the waivers and disclaimers of liability, releases from liability, limitations and apportionments of liability, and exclusive remedy provisions expressed throughout this Agreement shall apply even in the event of default, negligence (in whole or in part), strict liability or breach of contract of the person released or whose liability is waived, disclaimed, limited, apportioned or fixed by such remedy provision, and shall extend to such person's affiliates and to its shareholders, directors, officers, employees and affiliates.

9.3 Remedies.

Where remedies are expressly afforded by this Agreement, such remedies are intended by the parties to be the sole and exclusive remedies of City for liabilities of Consultant arising out of or in connection with this Agreement, notwithstanding any remedy otherwise available at law or in equity.

10. Indemnities.

10.1 Indemnity by City.

City shall indemnify and save harmless Consultant, its successors and assigns together with its officers, directors, employees, agents and those for whom it is in law responsible, only from and against any and all liabilities, damages, costs, expenses, causes of action, claims, suits, proceedings and judgments (collectively "Claims") which they may incur or suffer or be put to by reason of or in connection with or arising from any breach, violation or non-performance by City of any obligation contained in this Agreement to be observed or performed by City, or any wrongful act or negligence of City or its agents or employees which relates to this Agreement, howsoever arising. City acknowledges and agrees that this indemnity shall survive any termination of this Agreement.

10.2 Indemnity by Consultant.

Consultant shall indemnify and save harmless City, its successors and assigns together with its officers, directors, employees, agents and those for whom it is in law responsible, from and against all Claims which may arise as a result of any wrongful act or negligence of Consultant occurring on City's premises in connection with Consultant's performance of its obligations under this Agreement, subject to an aggregate maximum liability of the amount specified in Section 9.1 (b) (i) hereto, provided, however, that such maximum liability shall not apply to the extent Consultant is entitled to, and receives, any insurance proceeds in respect of the act or omission that gives rise to the Claim, in which case Consultant shall remit to City any such insurance proceeds to a maximum amount of the Claim. To the extent that Consultant is entitled to present a Claim under its insurance policies for any act or omission covered by this Section 10.2, Consultant shall be obligated to make such a Claim and diligently pursue it.

11. Insurance.

11.1 Insurance.

Consultant shall obtain, and shall require its sub-consultants to obtain, insurance of the types and in the amounts described below and in form and with carriers satisfactory to City.

(a) Commercial General Liability Insurance

Consultant shall maintain occurrence version commercial general liability insurance or equivalent form with a combined single limit of not less than

\$1,000,000 per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two times the occurrence limit. Such insurance shall:

- (i) Name City, its officials, officers, employees, agents, and consultants as insured with respect to performance of Services and shall contain no special limitations on the scope of coverage or the protection afforded to these insured;
 - (ii) Be primary with respect to any insurance or self insurance programs covering City, its officials, officers, employees, agents, and consultants; and
 - (iii) Contain standard separation of insured provisions.
- (b) Professional Liability Insurance
- Consultant shall maintain errors and omissions liability insurance with a limit of not less than \$1,000,000. Such insurance shall be maintained for a minimum of five years following completion of Services.
- (c) Workers' Compensation Insurance
- The Consultant warrants that it has met all statutory requirements under the Worker's Compensation Act of Ontario.

11.2 Certificates of Insurance.

Consultant shall, prior to commencement of Services, furnish City with properly executed certificates of insurance and, if requested by City, certified copies of endorsements and policies, which clearly evidence all insurance required under this Agreement and provide that such insurance shall not be cancelled or allowed to expire except on 30 days' prior written notice to City. City shall have the sole discretion to determine whether the certificates and endorsements presented comply with provisions of this Agreement. Consultant understands the importance of this section to City and agrees to comply with it in full.

11.3 Coverage Maintenance.

Consultant shall replace certificates, policies, and endorsements for any insurance expiring prior to Completion of Services under this Agreement. Further, Consultant shall maintain such insurance from the time Services commence until Services are completed, except as otherwise provided by this Agreement.

11.4 Licensed Insurer.

Consultant shall place such insurance with insurers having A.M. Best Company ratings of no less than A: VIII and licensed to do business in California, unless otherwise approved in writing by City.

12. General Provisions.

12.1 Force Majeure.

Neither party shall be liable for delay or failure in performance resulting from acts beyond the control of such party (a "Force Majeure Event") 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 City's computer (unless by reason of the negligence of a party to this Agreement) or failure or inoperability of any software other than the Software.

12.2 Written Notice.

If Consultant believes a Force Majeure Event has occurred which is reasonably likely to delay the Completion of Services, Consultant shall provide written notice to City as soon as practicable following the Consultant becoming aware of such Force Majeure Event and determining that it may likely cause a delay, with a description of the Force Majeure Event and its assessment of the delay that may result from the occurrence thereof. City and Consultant shall use commercially reasonable efforts to minimize the delay resulting from any such Force Majeure Event and any additional costs associated with remedying or addressing such Force Majeure Event, it being acknowledged that any such costs shall not be for the account of the Consultant.

12.3 Confidentiality.

(a) Duty Owed to City -- Consultant acknowledges that it may receive information from City or otherwise in connection with this Agreement or the performance of the Services. Except for information in the public domain, unless such information falls into the public domain by disclosure or other acts of Consultant or through the fault of Consultant, Consultant agrees:

- (i) to maintain this information in confidence;
- (ii) not to use this information other than in the course of this Agreement;
- (iii) not to disclose or release such information unless required by state law or a court of competent jurisdiction;
- (iv) not to disclose or release such information to any third person without the prior written consent of City, except for authorized employees or agents of Consultant; and
- (v) to take all appropriate action, whether by instruction, agreement or otherwise, to ensure that third persons with access to the information under the direction or control or in any contractual privity with Consultant, do not disclose or use, directly or indirectly, for any purpose other than for performing the Services during or after the term of this Agreement, any material or information, including the information, without first obtaining the written consent of City.

- (vi) not to use City's name, seal or insignia in any magazine, trade paper, newspaper, website, television or radio production or other similar medium without City's prior written consent.

- (b) Duty Owed to Consultant -- The parties agree that if City shall breach any term of Section 5.6 of this Agreement entitled "Ownership of Software and Confidential Information", then Consultant shall have the right to terminate this Agreement and the grant of licenses herein forthwith without giving notice as set forth in Section 12.4(b).

12.4 Termination.

- (a) If Consultant should neglect to perform the Services properly or otherwise fail to comply with the requirements of this Agreement, City must notify Consultant in writing of such default (a "**Default Notice**"). Upon receipt of a Default Notice, Consultant must either correct the default at no additional cost to City, or issue a written notice of its own disputing the alleged default, in either case within 15 days immediately following receipt of a Default Notice. If Consultant fails to correct the default, or issue a notice disputing the alleged default, in either case within 15 days following receipt of the Default Notice, City may terminate the whole or any part of this Agreement and in such case will be responsible for payment to Consultant of only that part of the fee earned by Consultant for those Services performed up to the time of communication of such notice of termination to Consultant.
- (b) If City should fail to comply with its obligations under this Agreement, Consultant must notify City in writing of such default (a "**Default Notice**"). Upon receipt of a Default Notice, City must correct the default at no additional cost to Consultant, or issue a written notice of its own disputing the alleged default, in either case within 15 days immediately following receipt of a Default Notice. If City fails to correct the default, or issue a notice disputing the alleged default, in either case within 15 days following receipt of the Default Notice, Consultant may terminate the whole of this Agreement including the grant of license to the Software and in such case City will be responsible for payment to Consultant of only that part of the fee earned by Consultant for that part of the Services performed in accordance with this Agreement up to the time of communication of such notice of termination to City.

12.5 Procedure on Termination.

If this Agreement is terminated prior to the Completion of Services, then within 15 days following such termination, City shall return the Software to Consultant and shall certify, under the hand of a duly authorized officer of City, that all copies of the Software or any part thereof, in any form, within the possession or control of City have been returned to Consultant. City shall compensate Consultant for Services provided pursuant to, and in accordance with, this Agreement through the date of termination. If this Agreement is terminated following the Completion of Services, then City may retain the copy of the Software in its possession as of the Completion of Services but it shall not be

entitled to any additional User Licenses, nor will it receive updates of, or modifications to, the Software made by Consultant. Finally, it will not be entitled to access the Source through exercise of the license granted pursuant to Section 5.7 of this Agreement. Notwithstanding the foregoing, City will remain subject to the obligations imposed upon it pursuant to this Agreement with respect to the Software, including, but not limited to, such obligations relating to ownership of the Software and confidentiality. In the event this Agreement is terminated in whole or in part City may procure, upon such terms and in such manner as it deems appropriate, services similar to those terminated. The City will not use the intellectual and proprietary property of the Consultant in implementing or designing such replacement services.

12.6 Arbitration.

- (a) Consultant or City may request, with five (5) days written notice, that any dispute arising out of or in any way connected with this Agreement be determined by arbitration and the other party shall, within such five (5) day period, respond in writing as to whether it is agreeable to resolving such dispute through arbitration.
- (b) If the parties agree to proceed with arbitration, the arbitration tribunal shall be composed of an arbitrator to be appointed on the mutual consent of the parties hereto. If the parties fail to agree on the selection of the single arbitrator within 15 business days of written notice, then the arbitration tribunal shall be composed of three persons, one to be appointed by each of Consultant and City, and the third to be chosen by the two arbitrators so appointed.
- (c) If two arbitrators appointed by the parties fail to agree upon a third arbitrator within 10 days after the appointment of the last of the first two arbitrators, either Consultant or City may apply to a court of competent jurisdiction to appoint the third arbitrator.
- (d) All costs and expenses of any such arbitration shall be borne by the parties hereto equally, unless a majority of the arbitrators in their discretion otherwise direct.
- (e) The decision of the arbitrator or arbitrators shall be final and binding upon the parties.
- (f) The parties further agree that any such arbitration shall take place in San Bernardino County in the State of California.

12.7 Accounts and Records.

Consultant shall:

- (a) keep proper and detailed accounts in accordance with accepted accounting practices of all factors entering into the computation of the amounts payable pursuant to this Agreement; and
- (b) for a period of two years from the date of Completion of Services by Consultant, preserve all accounts and other documentation relating to City and keep them

available for inspection by City or its representative, at any time. Consultant agrees that this obligation shall survive any termination of this Agreement.

12.8 Addresses for Notice.

Any notice required or permitted to be given to any party to this Agreement shall be given in writing and shall be delivered personally, mailed by prepaid registered post or sent by facsimile to the appropriate address or facsimile number set out below. Any such notice shall be conclusively deemed to have been given and received on the day on which it is delivered or transmitted (or on the next succeeding business day if delivered or received by facsimile after 5:00 p.m. local time on the date of delivery or receipt, or if delivered or received by facsimile on a day other than a business day), if personally delivered or sent by facsimile or, if mailed, on the third business day following the date of mailing, and addressed, in the case of Consultant, to:

Advanced Utility Systems Corporation
2235 Sheppard Avenue East, Suite 1702
Toronto, Ontario M2J 5B5

Attention: Patricia Sorbara
Telephone: 416-496-0149 extension 225

and in the case of City, to:

CITY OF CORONA
815 West Sixth Street
Corona, California 92882-3238

Attention: Debra A. Foster
Telephone: 909-736-2315
Fax: 909-736-2455

Each party may change its particulars respecting notice, by issuing notice to the other party in the manner described in this Section 12.8.

12.9 Assignment.

- (a) This Agreement is not assignable by City without the prior, express, written permission of Consultant, which may not be unreasonably withheld. The licenses granted hereunder and the Software may not be sublicensed, assigned or transferred.
- (b) Without derogating from Consultant's right to withhold its consent to an assignment of this Agreement, no permission shall be granted unless the assignee executes an assumption agreement in favor of Consultant, in form and substance satisfactory to Consultant. Furthermore, as a condition to granting its consent to any assignment of the Agreement by City, Consultant may require that the assignee agree to pay an additional server license fee based on any additional User Licenses it purchases within a one year period following the assignment. The Server License fee set out in Schedule "E" hereto has been established on the

basis of the Server License supporting approximately 25 User Licenses. To the extent that the Agreement is assigned by City, and the assignee requires additional User Licenses to support its customer base, then in addition to the then applicable User License fee, Consultant shall be entitled to receive, and the assignee shall pay, an additional Server License Fee equal to the then prevailing server license fee. The provisions of this Section 12.9(b) shall apply *mutatis mutandis* to any subsequent assignments occurring after the first assignment.

12.10 Reorganizations.

City acknowledges that the Server License fee set out in Schedule “E” hereto has been established on the basis of the Server License supporting approximately 25 User Licenses. To the extent that City amalgamates, consolidates or undergoes any similar form of corporate reorganization or transition (a “Reorganization”), and the resulting entity (whether or not City is the resulting or continuing entity) requires additional User Licenses to support its Server License, then in addition to the then applicable User License fee, Consultant shall be entitled to receive, and City shall pay, an additional Server License fee equal to the then prevailing Server License Fee. The provisions of this Section 12.10 shall apply *mutatis mutandis* to any subsequent Reorganizations occurring following the first Reorganization. The provisions of this Section 12.10 shall not apply where City undergoes a Reorganization involving only other organizations that have already purchased a Server License from Consultant. For purposes of this Agreement, any corporate changes undergone by City will be characterized as either an assignment, in which case Section 12.9 will apply, or a Re-organization, in which case Section 12.10 will apply, but it is not intended that Sections 12.9 and 12.10 will apply to any single sequence of events, if such application would result in a duplication of the fees provided for in those provisions.

12.11 Binding Agreement and Enurement.

This Agreement shall be binding upon the parties hereto and their respective successors and assigns. This Agreement shall enure to the benefit of the parties hereto and their respective successors and permitted assigns.

12.12 Entire Agreement.

This Agreement shall constitute the entire agreement between the parties pertaining to the provision of Services, and will supersede all prior and contemporaneous agreements, understandings, negotiations and discussions between Consultant and City whether oral or written in respect of this matter. There are no representations, warranties, collateral agreements, conditions or other agreements between the parties hereto in connection with the subject matter hereof except as specifically set forth herein.

12.13 Governing Law.

This Agreement shall be construed and enforced in accordance with the laws of the State of California applicable therein.

12.14 Invalidity.

The invalidity or unenforceability of any provision or covenant contained in this Agreement shall not affect the validity or enforceability of any other provision or covenant herein contained and any such invalid provision or covenant shall be deemed to be severable.

12.15 Waiver.

A term or condition of this Agreement may be waived or modified only by written consent of both parties. Forbearance or indulgence by either party in any regard shall not constitute a waiver of the term or condition to be performed, and either party may evoke any remedy available under the Agreement or by law despite such forbearance or notice.

12.16 Counterparts.

This Agreement may be executed in counterparts (whether by facsimile signature or otherwise), each of which when so executed shall constitute an original and all of which together shall constitute one and the same instrument.

12.17 Further Assurances.

The parties shall do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated hereby, and each party shall provide such further documents or instruments required by any other party as may be reasonably necessary or desirable to effect the purposes of this Agreement and carry out its provisions.

12.18 Prohibited Interests.

12.18.1 Solicitation.

Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City may rescind this Agreement without liability.

12.18.2 Conflict of Interest.

For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

12.18.3 Conflict of Employment.

Employment by Consultant of personnel on the payroll of City shall not be permitted in the performance of this Agreement, even though such employment may occur outside of the employee's regular working hours or on weekends, holidays or vacation time. Further, the employment by Consultant of personnel who have been on City payroll within one year prior to the date of execution of this Agreement, where this employment is caused by and or dependent upon Consultant securing this or related Agreements with City, is prohibited.

12.19 Equal Opportunity Employment.

Consultant represents that it is an equal opportunity employer and shall not discriminate against an employee or applicant for employment with Consultant on the basis of race, color, religion, national origin, ancestry, sex, or age.

12.20 Right to Employ Other Consultants.

City reserves right to employ other consultants in connection with the project contemplated by this Agreement. In the event that City staffing resources are not adequate to complete the duties of the project contemplated by this Agreement as required under this Agreement, such consultants may be retained to aid in support of City staff.

CITY OF CORONA

By: Karen E. Stein
Mayor

Attest:

By: Victoria J. Wash
City Clerk

Approved as to Form:

By: [Signature]
Best Best & Krieger LLP
City Attorney

**ADVANCED UTILITY SYSTEMS
CORPORATION**

By: Patricia Sorbara
Patricia Sorbara

Title: President and
Chief Executive Officer

Attested to be a true signature
of the individual noted above.

[Signature]
A Commissioner for taking affidavits

By: Philip Playfair
Philip Playfair

Title: Vice President and
Chief Marketing Officer

Attested to be a true signature
of the individual noted above.

[Signature]
A Commissioner for taking affidavits

SCHEDULE “ A”

DEFINITIONS

- (a) **“Agreement”, “this Agreement”, “the Agreement”, “hereof”, “herein”, “hereto”, “hereby”, “hereunder”** and similar expressions mean this Agreement for Professional Consulting Services, including all of its Schedules and all instruments supplementing, amending or confirming this Agreement. All references to **“Articles”** or **“Sections”** mean and refer to the specified Article or Section of this Agreement.
- (b) **“Completion of Services”** means that all conversion, installation, configuration, training, testing and other implementation procedures as described in the implementation process checklist and timetable attached hereto as Schedule “C” have been successfully completed and the Software is fully operational and performing in conformity with the specifications set out herein. For purposes of this Agreement, Completion of Services will be deemed to have occurred on the date which City commences using the Software as its predominate billing system.
- (c) **“Designated Staff Members”** means those staff members of City designated by City in Schedule “C” as “Designated Staff Members” for the purposes of this Agreement.
- (d) **“Project Manager”** has the meaning set out in Section 6.3(c) hereof.
- (e) **“Required Programs”** has the meaning set out in Section 6.3(b) hereof.
- (f) **“Services”** has the meaning set out in Section 6.1 hereof.
- (g) **“Server License”** means the non-exclusive license granted to City pursuant to Section 5.1(a) hereof, to configure and install the Software on City’s server computers to enable Users to access and use the Software pursuant to User Licenses.
- (h) **“Software”** means the utility billing and customer service computer software programs owned and developed by Consultant, in machine readable, object code form, collectively called CIS Infinity, together with the media and other related materials, all as more particularly described in Schedule “B” and Schedule “F” attached hereto.
- (i) **“Support Agreement”** has the meaning set out in Section 6.4 hereof.
- (j) **“User”** means each individual granted access to the Software pursuant to a User License.
- (k) **“User License”** means each license granted pursuant to Section 5.1(b) of this Agreement, to allow an individual to access the Software within City’s computer network.
- (l) **“Warranty Period”** means a period of three months from the date of Completion of Services, during which time Consultant shall correct any errors or malfunctions reported to Consultant by City in accordance with Section 7.3 of this Agreement.

SCHEDULE "B"
DETAILED DESCRIPTION OF SOFTWARE

1. The Software

CIS Infinity is 32 -bit object-oriented software that operates in a Windows 95/98/2000/NT environment. The basic CIS Infinity package is comprised of the following individual modules and sub-modules that perform the basic functions of a billing and customer service operation and includes all media and other materials related thereto:

Modules and Sub Modules	
Arrangement System <ul style="list-style-type: none"> • Billing (Electric, Water, Sewer) <ul style="list-style-type: none"> Cycle Billing Final Billing Regular Billing Manual Billing Flat Rate Billing Meter Add/Remove Rate Code Changes Service Add/Remove • Bill Journal/Cash Journal Archive <ul style="list-style-type: none"> • Collections • Contact Management System • Correspondence System • Customer Service Inquiries • Deposits • G/L Integration with Third Party Software • Inventory <ul style="list-style-type: none"> • Electric Meter • Gas Meter • Instrument Transformer • Remote • Transformer/Loading • Water Heater • Water Meter 	<ul style="list-style-type: none"> • Menu System • Move In/Move Out Process • Multiple Receivables • New Services • Payment Processing <ul style="list-style-type: none"> • Adjustments • Cash Register • Deposits • Payments • Penalties • Post Dated Checks • Period End Routines • Point of Sale System • Post Billing Functions <ul style="list-style-type: none"> • Bill Cancel and Re-bill • Bill Inquiries • Bill Reprint • Pre-Authorized Payment • Reports • Service Order System

2. Required Programs

- Windows 95/98/2000/NT
- Appropriate Network Software
- Remote Access Software to allow 24 x 7 access

SCHEDULE “ C”
IMPLEMENTATION PROCESS CHECKLIST AND TIMETABLE

I. DESIGNATED STAFF MEMBERS

- To be determined between City and Consultant

II. COMPLETION OF SERVICES - GLOBAL TIMETABLE

1. Project Commencement Date: May 1, 2001
2. Estimated Project Completion Date: 6-9 months from date of commencement
3. Consultant's Project Manager: Lissa Loews
3. Consultant's Project Sponsors: Kathryn McKay/ Patricia Sorbara
4. City's Project Manager: Cindy Falsken
5. City's Project Sponsor: Debra Foster
5. Project Schedule: to be determined

III. COMPLETION OF SERVICES - KEY PHASES

1. CONVERSION PROCESS

DESCRIPTION	HOURS
Diagnose existing system	40
a) Determine what data is available	
b) Determine what data is not available	
c) Determine what data can be trusted	
Map data fields from the existing system to new system	70
Programming/testing of conversion code on the existing system	50
Identify and correct exceptions and problems in conversion	50
Perform on-going conversions and ensure data mapping is correct	60
Formulate a “going-live” strategy	30
Total:	300

2. INSTALLATION/ SOFTWARE CONFIGURATION

DESCRIPTION	HOURS
Install Server Software	8
Install Client Software	16
Configuration of the control files	50
Set up the interface with third party packages	40
Test billings/cash processing/adjustments with installed settings	60
Full testing of processes of CIS Infinity with existing system. Advanced staff on-site during the initial phase of parallel testing and live.	80
Refined estimate – Adjustment	50
Total:	304

3. TRAINING

Total Training Hours required, based on 15 concurrent users in the Finance Department. As indicated internal staff will train the 10 secondary users: **225 hours**

The parties will agree upon an appropriate training schedule based on, among other things, the modules in respect of which training is required and the skills and availability of Designed Staff Members.

4. PROJECT MANAGEMENT

Total Project Management Hours required: **270 hours**

5. CONTINGENCY BUDGETING

Additional hours for Contingency Purposes: **80 hours**

6. WEB INTERFACE DEVELOPMENT

Development of file import capabilities through open data base connectivity **\$2,400.00**

7. SWIPE CAPABILITY DEVELOPMENT

Integration of swipe transactions into software (Hardware, Third Party Software and Programming Costs) **\$13,250.00**

SCHEDULE "D"
SUPPORT AGREEMENT

This support agreement (the "Agreement") is entered into pursuant to an Agreement for Professional Consulting Services (the "Consulting Agreement") dated between Advanced Utility Systems Corporation ("Consultant") its principal place of business at 2235 Sheppard Avenue East, Suite 1702, Toronto, Ontario, M2J 5B5, and City of Corona ("City"), with its principal place of business at 815 West Sixth Street, Corona, California, 92882 and becomes effective immediately upon the expiration of the Warranty Period, unless Consultant elects to not have Consultant provide support services as provided herein.

Unless otherwise defined herein, all capitalized terms used herein shall have the meaning ascribed to them in the Consulting Agreement.

1. Subject to the terms and conditions of this Agreement, Consultant shall provide subscription and support service, which includes revisions, updates and enhancements to CIS Infinity and related materials for the version of CIS Infinity, specified in Schedule "B" and Schedule "F" attached to the Consulting Agreement.
2. Subject to the terms and conditions of this Agreement, Consultant shall provide software support via telephone and electronic mail, and site visits when necessary, based on a 24 hour, seven days per week availability, excluding Consultant observed holidays. To enable Consultant to provide effective support, City will establish a process for remote access available on a 24 hours per day, 7 days per week basis, in order to allow Consultant to access the Software effectively. For emergency situations and after-hour assistance, Consultant may be available to City by pager number and electronic mail to provide support.
3. In consideration for the support services specified in Section 2, City shall pay the Annual Support Fee set forth in Schedule "E" attached to the Consulting Agreement. Consultant may change the Annual Support Fee from time to time, provided that any such change must be made for all clients of Consultant. In addition to the Annual Support Fee, City shall reimburse Consultant for its direct expenses in providing support services pursuant to this Agreement, including, but not limited to:
 - (a) courier services;
 - (b) photocopying, faxing and reproduction services;
 - (c) all reasonable travel costs, including a flight rate of \$1,000 per person per trip, based on a pre-approved schedule of site visits agreed to between City and Consultant that allows for a reasonable advance period for travel arrangements, and meal expenses of not more than \$50.00 per diem (receipts provided) and a mileage charge of \$.29/km;
 - (d) long distance telephone calls; and
 - (e) all other reasonable expenses incurred in the performance of Consultant's duties hereunder.

Consultant represents that it will make reasonable efforts to coordinate travel and other arrangements with any of Consultant's other customers that are located near the City in order to reduce City's share of any direct costs associated with the provision of Services under this Agreement. In any event, City shall not be obligated to reimburse Consultant for direct expenses in excess of Thirty-three thousand, nine hundred and thirty Dollars (\$33,930.00) unless Consultant obtains the prior written consent of the City. Consultant may update its reimbursement policies from time to time, in which case such updated policies shall apply for purposes of this Agreement, provided that such updated reimbursement policies must generally apply to all clients of Consultant.

4. All support services provided by Consultant to City other than those specified in Section 2 (such as, but not limited to, on-site support), shall be provided to City by Consultant at Consultant's then prevailing prices, hourly rates, policies and terms. For certainty, any updates of, or enhancements to, the Software will be made available to City free of charge (with respect to the actual updates or enhancements), but all services provided by Consultant with respect to such updates or enhancements will be subject to Consultant's then-prevailing prices, hourly rates, policies and terms, meaning that such then-prevailing prices will apply to matters such as set-up and training relating to such updates or enhancements.
5. All payments hereunder shall be in U.S. dollars and shall be net of any taxes, tariffs or other governmental charges.
6. The initial term of this Agreement shall be for one year beginning on the date of expiration of the Warranty Period. The Agreement shall continue thereafter on an annual basis provided that City shall pay the then prevailing Annual Support Fee set forth in Schedule "E" attached to the Consulting Agreement, unless terminated by either party upon giving to the other not less than 90 days notice in writing prior to the end of the first year or any subsequent anniversary of such date. If the Support Agreement is terminated by City, it shall be entitled to retain the Software licensed to it as at of the date of such termination, but it will relinquish its rights to receive upgrades of, or enhancements to, the Software, services for the Software, or access to the Source in escrow upon the occurrence of any event specified in Section 5.7(d) of the Consulting Agreement. For certainty, and without mitigating the application of the Consulting Agreement during the term of this Support Agreement, the terms and conditions of the Consulting Agreement will continue to apply to City following the termination of this Agreement.
7. Title to and ownership of all proprietary rights in the Software and all related proprietary information shall at all times remain with Consultant, and City shall acquire no proprietary rights by virtue hereof.
8. Unless terminated pursuant to Paragraph 6 hereof, this Agreement shall remain in full force and effect except as terminated as follows:
 - (a) if either party neglects or fails to perform, observe or cure within (30) days of written notice of such failure to perform any of its existing or future obligations.
 - (b) If City attempts to assign this Agreement or any of its rights hereunder, or undergoes a Reorganization, without complying with the Consulting Agreement.

9. Unless otherwise agreed to by the parties, all notices required hereunder shall be made in accordance with the provisions of the Consulting Agreement.
10. Either party's lack of enforcement of any provision in this Agreement in the event of a breach by the other shall not be construed to be a waiver of any such provision and the non-breaching party may elect to enforce any such provision in the event of any repeated or continuing breach by the other.
11. A valid contract binding the parties hereto shall come into being only upon execution of this Agreement by a duly authorized agent, officer or representative of both parties.
12. This Agreement is the exclusive statement of the entire support agreement between Consultant and City. No change, termination or attempted waiver of any of the provisions hereof shall be binding unless in writing and signed by the party against whom the same is sought to be enforced.
13. The parties hereto agree that the terms and conditions contained herein shall prevail notwithstanding any variations on any orders submitted by City.
14. The particular provisions of this Agreement shall be deemed confidential in nature and neither City nor Consultant shall divulge any of its provisions as set forth herein to any third party except as may be required by law.
15. Portions of the data supplied by Consultant may be proprietary in nature and will be marked as such. City will abide by the terms of such markings and will be liable for all loss or damage to Consultant from any failure to so abide by such markings or from all unauthorized disclosure of such proprietary data to any other party. Consultant retains for itself all proprietary rights in and to (1) all designs, engineering details, and other data pertaining to CIS Infinity (2) all original works, computer programs, discoveries, inventions, patents, know-how, and techniques arising out of work done wholly or in part by Consultant in connection with this Agreement, and (3) any and all product(s) developed as a result of such work, including the sole right to manufacture any and all such Products(s).
16. In no event will Consultant be liable to City for any special, indirect or consequential damages arising from this Agreement. Without limiting the generality of the foregoing, Consultant shall not be liable for lost profits, lost business revenue, failure to realize expected savings, other commercial or economic loss of any kind, or for any claim whatsoever against City by any other party arising out of or in connection with this Agreement or the use or performance of the Software whether in an action based on contract or tort, including negligence.
17. This Agreement shall be governed by, subject to and construed in accordance with the laws of the State of California
18. This Agreement may not be assigned by City unless, concurrently with any such assignment, City assigns its rights under, and complies with the provisions of, the Consulting Agreement.

19. This Agreement shall be binding upon the successors and assigns of the parties and enure to the benefit of the successors and permitted assigns of the parties.
20. This Agreement is to be read and construed as an ancillary agreement to the Consulting Agreement. If a conflict or inconsistency exists between a provision of this Agreement and a provision of the Consulting Agreement, then the provisions of the Consulting Agreement shall prevail.
21. Time shall be of the essence of this Agreement.
22. The invalidity or unenforceability of any provision or covenant contained in this Agreement shall not affect the validity or enforceability of any other provision or covenant herein contained and any such invalid provision or covenant shall be deemed to be severable.
23. The parties shall do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated hereby, and each party shall provide such further documents or instruments required by any other party as may be reasonably necessary or desirable to effect the purposes of this Agreement and carry out its provisions.

24. This Agreement may be executed in counterparts (whether by facsimile signature or otherwise), each of which when so executed shall constitute an original and all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the date first written above.

CITY OF CORONA

By: Karen E. Stern
Mayor

Attest:

By: Victoria D. Walsh
City Clerk

Approved as to Form:

By: [Signature]
Best Best & Krieger LLP
City Attorney

ADVANCED UTILITY SYSTEMS CORPORATION

By: Patricia Sorbara
Patricia Sorbara

Title: President and Chief Executive Officer

Attested to be a true signature of the individual noted above.

[Signature]
A Commissioner for taking affidavits

By: Philip Playfair
Philip Playfair

Title: Vice President and Chief Marketing Officer

Attested to be a true signature of the individual noted above.

[Signature]
A Commissioner for taking affidavits

SCHEDULE "E"
FEE STRUCTURE AND PAYMENT SCHEDULE

Note: Fees for Services listed below are based on best estimates of the number of hours of work required to complete the Services outlined on Schedule "B" and Schedule "F" to this Agreement. Accordingly, the total of such fees will increase or decrease, as the number of actual hours worked is greater than or less than such estimates.

FEE STRUCTURE			TOTAL
1) Licenses			
Server License	25 @ \$2,500.00		
User Licenses		\$65,000.00	
Subtotal:		\$62,500.00	\$127,500.00
2) Conversion	300 hours @ \$120.00 / hour		\$36,000.00
3) Set-up & Install	304 hours @ \$120.00 / hour		\$36,480.00
4) Training	225 hours @ \$120.00 / hour		\$27,000.00
5) Project Management	270 hours @ \$120.00 / hour		\$32,400.00
6) Contingency	80 hours @ \$120.00 / hour		\$9,600.00
7) Swipe Interface	Hardware, third party software and programming costs		\$13,250.00
8) Web Payment Interface	Programming costs		\$2,400.00
Total:			\$284,630.00

Payment Schedule:

A. License Fees:

1. On execution of this Agreement: (25% of license fee)..... \$31,875.00
2. On completion of Setup and Installation:(75% of license fee)... .. \$95,625.00

B. Consulting and Training Fees:

Invoiced bi-weekly on the basis of actual hours of work to the completion of the project.

C. Annual Support Fee \$31,875.00

D. Estimated Travel Expenses \$33,930.00

SCHEDULE “F”

RFP RESPONSE AND CHECKLIST

(ATTACHED)



THE CITY OF CORONA

**Request for Proposals
For A Utility Billing System**



Presented by
Advanced Utility Systems Corporation
October 16, 2000

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Executive Summary

Advanced Utility Systems Corporation is proud to offer the City of Corona a proposal that defines and distinguishes the key factors that represent the foundation for a successful conversion to a new Customer Information System. We appreciate the opportunity to highlight some of the strengths of CIS Infinity, our Customer Information and Billing software application. After review of our proposal, we hope that the City will see that Advanced represents a safe and practical choice for a complete CIS solution.

After reviewing this Executive Summary, we are confident that the City will have a broad understanding of why so many public sector entities have chosen Advanced Utility Systems to provide the most functional, innovative, and progressive solutions available for CIS today. In the summary we review 7 key areas you will be examining in your search.

(1) Company Strengths

Advanced Utility Systems was formed in 1997 to provide Customer Information and Billing services exclusively for customers like the City of Corona. We have a deep understanding of the water industry and its needs: the majority of the company's management, installation, sales and support personnel have worked in the utility industry, and it is this experience and expertise upon which we draw to deliver powerful solutions.

Advanced Utility Systems is successful for many reasons. However, we believe one of the key factors behind our success is our proven track record. In 1997 the company began with a single client. In three short years we now exceed 40 clients. In 1999 growth topped 100%. For the year 2000 Advanced Utility Systems has continued to experience very strong growth.

(2) Product Functionality

Advanced Utility Systems has an in-depth understanding of the water industry and its needs, enabling us to deliver powerful solutions. CIS Infinity has been developed so that the major software features identified in the RFP are available. Following are a few of the unique features of the CIS Infinity product offering:

CIS Infinity Features	Supported by CIS Infinity
<ul style="list-style-type: none"> Relatively easy to learn and use – CIS Infinity is an easy-to-use, fully flexible application that will allow the City of Corona to increase staff efficiencies and optimize staffing levels 	✓
<ul style="list-style-type: none"> Responsive to customers – The software is driven by control files that allow ease of response to new legislation or customer needs without extensive recoding 	✓
<ul style="list-style-type: none"> Allows the use of best business practices – Allows for the City to determine how the system will be used 	✓
<ul style="list-style-type: none"> Provides easy access to information – Provides flexibility to develop new rates, support new products and services, and allow new services to be introduced and their effectiveness measured 	✓
<ul style="list-style-type: none"> Supports the City's desired technical architecture -- Utilizes database-independent technology to allow the use of Microsoft SQL or Oracle database; the application runs on Microsoft NT Servers 	✓
<ul style="list-style-type: none"> Technically up-to-date – Provides an excellent audit trail 	✓
<ul style="list-style-type: none"> Allows for corrections to entries 	✓
<ul style="list-style-type: none"> Has a large selection of standard pre-formatted reports 	✓
<ul style="list-style-type: none"> Has an easy-to-use report writer for custom reports 	✓
<ul style="list-style-type: none"> Has a support and training methodology for end-users 	✓
<ul style="list-style-type: none"> Has embedded report tools and the links to standard Microsoft Office tools 	✓
<ul style="list-style-type: none"> Easily handles customer inquiries from a single, easy-to-use window 	✓
<ul style="list-style-type: none"> Allows the City to operate customer walk-in facilities and full cashiering 	✓
<ul style="list-style-type: none"> Handles multi-service, multi-company and multi-jurisdiction services 	✓
<ul style="list-style-type: none"> Relatively easy to interface to other systems – CIS Infinity is fully flexible and can interface with numerous systems. Interfaces with Bi-Tech, ESRI, and ITRON systems are already in place, and other interfaces can be readily developed. 	✓
<ul style="list-style-type: none"> Offers year 2000 compliance – The software application is fully year 2000 compliant 	✓

(3) Technology Structure

CIS Infinity is a Windows NT software solution utilizing database-independent technology™. CIS Infinity supports multi-platform database engines including Oracle and Microsoft SQL Server. Based on preliminary discussions we understand that the City will most likely choose Oracle as your enterprise-wide database solution.

(4) Implementation Methodology

A thorough understanding of our streamlined implementation process is key to assessing the value of choosing CIS Infinity as your billing and customer information solution. Our previous work with more than 35 implementations for utilities has been instrumental in the development of our conversion, installation, set-up and training solutions.

We know from experience that thorough preparation and effective scheduling increases the confidence of your staff while keeping overtime and other costs to a minimum - and that's as important to us as it is to you.

(5) On-Going Support Structure

During and after the implementation, the on-going support structure of Advanced Utility Systems Corporation will provide that added value to make the successful conversion to CIS Infinity. There are several elements to our service package that are provided with on-going support and maintenance. Some of these services include:

Help Desk Support – Advanced offers a variety of support services including the “Gold” 7-days a week, 24-hours a day technical and user support, and the “Silver” “Business Hours” service. PC Anywhere 9.0 is used for remote support and site visits are made when necessary.

Enhancements – No matter which support package is selected for the CIS Infinity software the City of Corona will be entitled to all on-going enhancements to the software. These enhancements are included as part of the base support agreement.

Version Upgrades – New versions of CIS Infinity are included as part of the core support package. Historically new versions are issued annually.

Continued Compatibility – Separating the back-end database from new versions of CIS Infinity means the City of Corona can receive a new version and not be forced to upgrade your database. Or if you elect to upgrade your database to a new release of SQL or Oracle, Advanced is constantly testing in-house all new database releases to ensure CIS Infinity is fully compatible with the latest database technology. This gives you the power to decide when it is time to upgrade database software, and not be dictated by the CIS application.

(6) Price

Advanced Utility Systems prides itself on providing mission-critical software to Public Sector organizations for a reasonable price. CIS Infinity provides robust software, comprehensive support and cost effective solutions to the North American Utility marketplace.

(7) Future Versions

Advanced Utility Systems is committed to keeping both our clients and our customers up-to-date with the latest technology and processes. Our policy of annual releases has allowed us to keep on top of the latest changes in both the utility industry and the software industry. Version 2.0, which will be shipping in January of 2001, provides our clients with the advantages of Database Independent Technology™ and our Rate Infinity™ rate management system. We have also completed interfaces to automatic payment firms, 12 different meter-reading devices, and, most recently, Bill Presentment technology that allows our customers to offer bills and bill payments over the web.

In CIS Infinity, Version 2.0, we have a product that is robust yet flexible, and we are committed to going farther. Our next version will take full advantage of not only the web but of mobile and palm computing. We are fully focused on taking advantage of com/dcom technology and are striving to provide tools to our clients that will allow them to take advantage of technological change. As we commit to strengthening our product, we also commit to ensuring that our customers can take advantage of the latest technology and techniques to provide state-of -the-art responsive customer care and billing services.

Summary of Benefits

Summary of Benefits to the City of Corona		Supported by Advanced
• Strong Company Stability and Mission		✓
• Innovative Product Functionality		✓
• Realistic and Progressive Technology Structure		✓
• Proven "Best Practices" Implementation Methodology		✓
• Consistent and Reliable On-Going Support Structure		✓
• Competitive Price		✓
• Future Versions		✓

I Responsiveness and Understanding of the Project

Responsiveness

Advanced Utility Systems is offering the City of Corona Version 2.0 of its Utility Billing and Customer Information Software – CIS Infinity®. The software operates as a comprehensive total solution that enables a municipal water utility to effectively and efficiently manage its customer relations. CIS Infinity is state-of-the-art software developed using the latest in object-oriented programming and is designed to take full advantage of open data environments. This allows for easy integration with other software packages and smooth integration into the users' desktop. The software ships with a fully featured point of sale module, meter inventory/meter management module, and an extraordinary rate engine that puts you in full command of any rate that the future might bring.

In our response to your RFP we have attempted to focus on and respond to the critical needs identified by the City of Corona. While it is difficult from a single document to fully comprehend the intricate needs of a multi-layered, complex organization such as the City of Corona, we believe the base product, CIS Infinity, can meet the vast majority of the City's needs.

We have also been fortunate enough to meet with many of your billing team, and hear first hand the issues and concerns that the City faces, and also learn about the requirements of a new system.

The Interfaces required for all the major software packages in use at the City have already been put into use with CIS Infinity. Not only does this reduce any interface development costs, it also ensures proper functionality. A large number of our existing clients use MV-RS/ITRON for their meter reading, and as a result we can provide this interface as part of our core package. In addition we have partnered with Bi-Tech on several projects, and can also provide a full interface with IFAS as part of our core bid. We have just developed an interface with the ESRI product suite that will also be available for inclusion at the City of Corona. The other interfaces indicated can be developed with minimal programming, and we foresee no problems in establishing complete data exchange where required.

We also believe that software is only half the answer to the puzzle. We take great pride in the services we provide throughout the installation period. The experience of our staff in the utility industry and with software in general have helped our installations to be delivered on time and on budget. This commitment to service is carried through to our focus on support once our customers are live. We believe our strategy of keeping our customers up-to-date with the latest software and providing extremely responsive support is a winning one.

We have attempted to be as thorough as possible in our response to your Request for Proposals. However, if any questions arise from the reading of our document we would welcome the opportunity to clarify any issue you might have. We would be more than willing to demonstrate our product to illustrate how our software solution can respond to the billing and customer service needs of the City of Corona.

Understanding of the Project

The City of Corona distributes water, sewer, refuse and recycling services to approximately 37,000 residential and commercial customers in the State of California. The City will be upgrading their current legacy systems and implementing new Customer Information, Utility Billing, and Cashiering Systems based on current technology. The “desired” approach outlined in the heading “Scope of Services” fully captures our expected role. Advanced Utility Systems strongly believes that high quality CIS providers must take a role of not only a software provider, but also one who implements the software, converts existing data, provides training, documentation, and on-going maintenance support.

The City of Corona is looking for a new CIS solution because you have outgrown the existing system. Our on-going support – which includes product enhancements, and new software versions – has been developed so that you will never “outgrow” our solution. We see our role as modifying our solution over time as your market and your customers change.

The Challenge

Changes in the utility industry are just the latest in a wave of industry restructuring. City water utilities face the challenge of delivering quality customer service, effective cost controls, new revenue sources and increased efficiencies in an era of greater and greater public scrutiny. These factors present the City with a new era of change and opportunity.

Project Objectives

In order to properly position the City of Corona’s water operations in this changing environment, a project to replace their current legacy systems with modern integrated customer information, billing and cashiering systems is planned. The new system will add significant value to the organization and assist with the overall management of the utility. It will provide the framework for enhanced customer service and the flexibility to adapt to the changing utility environment.

The key enabler to ensuring the realization of the project objectives is the company’s focused commitment to product excellence and customer satisfaction. To guarantee the continued delivery of world class customer services, there are a few specific areas, from a technological perspective, that are seen as critical to enabling and supporting effective customer service:

Effective Reporting – real time, on-line, integrated information is key to enabling effective strategic and operational decision making and the ability to rapidly respond to customer requirements.

Robust Information Capture – the City requires the ability to capture, in an effective manner, complete customer-related and work order-related information to enable the provision of better overall customer service.

Integrated, Compatible Environment – common platforms and enabling technologies that can be seamlessly integrated are seen as a key ingredient to future success. By enabling improvement of internal operational efficiencies, the City will be positioned to improve their capacity to deliver world-class services to the current and future customer base.

From the City's perspective, it is important that the new technologies that are being introduced to the organization are properly aligned with the overall business direction, strategy and goals.

Another challenge the City faces is to coordinate the three main departments involved in water operations – Finance Department, Water Utilities Department, and Management Services. Each has a vision of what the new systems will do, and each has definite needs and wants.

Advanced Utility Systems has expert implementation teams that can lead this process and ensure the voices of all groups are heard, and the path taken is one that best deals with the future needs of the City.

Functions or activities excluded from the scope of this project include:

- Change Management – assisting City staff with the changes to revised processes and gaining “buy-in” for the new system; and,
- Extensive business process redesign.

City Resources to be provided:

- A Project Manager assigned by the City to head the project team
- Necessary staff available to provide file layouts and field level descriptions of the existing system to guide data conversion
- On-site training facilities for classroom and one-to-one training
- Necessary resources to work with the team from Advanced throughout the implementation in areas such as software set-up and testing

The hardware platform best suited to optimize CIS Infinity is highlighted below:

Minimum Hardware Specifications (for existing hardware)

Server:	Pentium II 300 9 gig of disk space (SCSI) 256 megabyte of ram 10/100 megabit network Windows NT 4.0 operating system
Workstations:	Pentium II 200 64 megabyte of ram (128 is recommended for billing staff) 15" monitor (17" is recommended for customer service staff) 2 megabyte video cards, minimum resolution of 1024 x 768 pixels
Printer:	Laser (high capacity, high volume)
Networking:	10/100 megabit Network cards and cabling

Preferred Hardware Specifications (if buying new)

Server:	Pentium III 600 18 gig of disk space (SCSI) –(RAID) 512 megabyte of ram Adequate tape backup 100 megabit network Windows NT 4.0 operating system
Workstations:	Pentium III 550 128 megabyte of ram (256 is recommended for billing staff) 15" monitor (17" is recommended for staff who deal directly with customers)
Printer:	Laser (high capacity, high volume)
Networking:	100 megabit Network cards and cabling

II Project Approach

Advanced Utility Systems Corporation has in-depth understanding of the utility industry and its needs, as the majority of our personnel have themselves worked in the industry. Therefore, we are able to draw upon this expertise to deliver Advanced Solutions.

CIS Infinity runs in a Windows environment; as such it is not dependent on any specific hardware type or hardware vendor. We are very pleased to note that your existing hardware standards meet and exceed our preferred workstation specifications. (Our specifications for workstations and server are outlined on page 8.)

CIS Infinity operates in an on-line mode, supporting multiple concurrent users, at multiple sites with strict security features. Security is handled at various levels from a menu level to a field level taking advantage of the power of Oracle or SQL RDMS. As well, audit functions ensure activities can be tracked and reviewed, while note and contact capabilities allow you to track all customer contacts.

The Implementation Process – the Key Element of the Project

As a “mission critical” application, the Customer Information System must be installed with minimal disruption to staff and the business operations of the utility. The key to a successful implementation is the ability of the Software Vendor to understand the complexities of the utility and work within the parameters of the organization’s physical and human resources.

From the extensive documentation provided by the City of Corona, we believe that the implementation of CIS Infinity would require a very extensive implementation plan with clearly documented milestones, performance targets and sign-offs. This approach is one that is fundamental to the approach Advanced Utility Systems takes to all of its implementations. Outlined below is a brief sketch of Advanced Utility Systems’ approach to implementing CIS Infinity at your utility. In a later section we outline the implementation team and a proposed schedule.

ORIENTATION

Our initial orientation session together typically lasts a day. This is a time for our teams to meet, get to know each other and to outline the process we are beginning together. Usually during orientation project managers are identified and a preliminary schedule is discussed.

The key to a successful and cost effective implementation of CIS Infinity is a full understanding of your specific needs and the development of a realistic schedule with clearly defined targets and built in checkpoints for both organizations.

With this in mind, we have developed an Orientation Questionnaire based on our experience with previous implementations. In your Orientation Questionnaire you are asked to share with us all your relevant processes - everything from rates, notices and bill prints to vacation schedules - the details we need to know about your utility to effectively set-up CIS Infinity with you.

The completion of the Orientation Questionnaire is the single most important phase of the implementation of CIS Infinity. This document forms the basis for all the critical decisions regarding your implementation process including the best methods for conversion, set-up, installation, training and parallel testing.

CONVERSION

The initial data conversion phase of CIS Infinity averages three to five weeks. However, the length of time necessary for conversion is dependent on several key factors including the state of your current system and your current operating platform. As well the availability of City staff to assist in file structure and field level descriptions of the existing system is crucial.

Prior to conversion the Advanced team will assess your specific needs and review the condition of your data to determine the ease with which we can export it from your existing platform. Based on our experience, the most efficient conversions take place when there is an individual in the company who is familiar with the file structures and field level descriptions of your existing system, and can provide us with ASCII or dbf files.

Based on information supplied to us in your Orientation Questionnaire, the Advanced conversion team then writes conversion programs and sets up control files to reflect your current processes and meet your future needs.

Your converted data is then transferred to your system so that you can begin a process of on-site parallel testing, because no one knows your customers and their data like you do. Your staff is asked to use their knowledge of their data to identify anomalies in the conversion, missing data and any incorrect mapping of files. Your staff, on a daily basis, completes a series of simple Conversion Test Reports over two weeks. Based on this comparison of the output of your current system and CIS Infinity we can ensure that CIS Infinity is performing accurately and calculating properly.

After your installation and data conversion testing, we continue to modify and re-run conversions on an on-going basis during your parallel phase to ensure that data is current for comparison purposes and that anomalies have been effectively dealt with prior to going live.

INSTALLATION

The installation of CIS Infinity generally takes place over two to three days. The CIS Infinity software and your converted data are loaded onto your server and on individual workstations. At this point we also set up rate files and begin the process of setting up

service orders, notices and customer types and pre-test all calculations. During this time we also provide Overview Training at your premises to ensure that everyone using the system can access and use your converted data for testing purposes.

SYSTEM SET-UP

Set-up of CIS Infinity for your utility typically starts during the conversion phase and continues through your installation and training stages. Our team at Advanced configures the CIS Infinity control files to reflect your procedures including rates, estimating, proration, exception checking, penalties, customer types and transaction codes as well as the creation of bill formats and notices. At this point we also interface all third party software.

Based on our experience to date, set-up can be expected to take place over a four to six month period, and varies depending on the complexity of your rates and customer types as well as your future system's requirements.

TRAINING

Training is vital to optimizing the benefits of CIS Infinity. The more confident your staff is using CIS Infinity the smoother the implementation process will be and the more effectively CIS Infinity will perform for you when you go live.

All staff who will have any contact with the system receive Overview Training to allow them to inquire on the system, test data and make minor edits when necessary. Staff who use the system on a full-time basis then receive intensive one-on-one training with a focus on their particular area of responsibility. We also allot a significant portion of time to focus on Administrator Training, as the understanding and effective use of the control files and data structures of the system will ensure that CIS Infinity is used to its maximum potential. Training is designed to be "hands-on", supported by documentation of the topics covered, so you can take away the information you need.

Classroom training can be arranged to augment the one-on-one training staff will receive during installation and parallel testing. In this case, we generally train your billing and cash staff, your customer service staff and your meter inventory staff in separate groups, to ensure that we are making the most effective use of their time.

The skill level of your staff (particularly their experience with Windows) and the way you allocate your staffing resources (whether staff are assigned individual aspects of the billing process or whether all staff use all aspects) are the primary factors which will be taken into consideration when we determine our training plan for your staff.

By the completion of Administrator Training, you will be able to set up new rates and services, implement multiple rate classes and structures and customize bills by customer type. We will also train you to utilize aspects of the system that will be crucial to your future in the deregulated market.

The Staff Training usually takes place in distinct sessions throughout the installation and post-live stages depending on your needs. Based on our experience with previous implementations, we have developed an integrated approach to training – one that not only reflects the set-up of CIS Infinity at your utility but also progresses logically for your staff. As each training component is completed, your staff will be ready to run parallel with those functions.

Throughout the implementation phase and the first several weeks live on CIS Infinity your staff will have full access to the same Advanced team members who trained them. This ensures that we are totally familiar with the needs of your staff and that your staff has a high level of comfort. Our commitment to training and client support means that we do not leave until your staff has everything they need to do their jobs.

PARALLEL TESTING

During parallel testing, all functions (billing, cash, collections, new services, and meters) are run simultaneously on your current system and on CIS Infinity. The resulting comparison between the output from the old system and CIS Infinity ensures that the new system is performing accurately and calculating properly. The parallel testing process reinforces the training modules allowing users to practice what they've learned in preparation for operating CIS Infinity live.

In order to extend the effectiveness of our training we have developed a series of Parallel Worksheets that support your staff to work through the more complex processes involved in paralleling and provide us with the information we need to adjust training and set-up if necessary. These worksheets are integrated with our training workbook to provide your staff with full documentation to refer to as they parallel.

CIS INFINITY LIVE

During the early live stages, we will be right there with you on site making sure that everything is running smoothly.

At the end of the first live stage, a meeting is arranged between your project manager and the Advanced Utility Systems project manager to discuss scheduling and any remaining issues. Your Advanced Utility Systems project manager will be in frequent contact with you to ensure that the system is functioning appropriately and that any issues not discovered during parallel are addressed quickly.

For the next three months your utility will be on high priority support. Your staff can call our support hotline at any time and quickly reach members of the implementation team should the need arise.

DOCUMENTATION

For all of these activities documents have been developed to guide your team. We rely on both electronic and hard copy documentation. In addition to the documents mentioned above, a key document is the User Manual. A copy of the User Manual is available to all licensed users both in hard copy (we provide a master copy for copying) and electronically. It provides a thorough explanation of the system and its many features.

Also available electronically is on-line help that is tailored to help you in the areas of the screens and forms you are searching.



III Software Performance and Major Features

1) Functions necessary to properly carry out all requirements as addressed in the City's Rules and Regulations and current rates and charges.

The requirements detailed in the Rules and Regulations can be met by CIS Infinity.

Many of the Rules and Regulations deal with fees and rate schedules. CIS Infinity utilizes a rate engine that is powerful, yet flexible. We have designated this capability as Rate Infinity technology™. This enables the rate engine to handle detailed industrial or large commercial accounts and a large variety of rates for all classes of customers including general residential customers. Charges for water and sewage items pertaining to deposits, fire protection rates, step or quantity rates, fixed charges tied to meter size, connection size or other variables, regional rates and penalty fees are all handled by the system, and managed by your staff through the use of control files. As well fixed hook-up charges can be handled by the software, as can deposits.

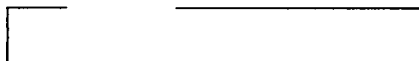
2) Calculation and creation of utility bills based on customer and various rate types for services including water, sewer, refuse and recycling. May include charges relating to franchise fees and/or utility user taxes. Simple end-user capability to update rate tables.

As noted above, the rates presented in the Rules and Regulations can be set up by your staff, with the help of the expert team from Advanced Utility Systems, so that all types of billing are not only handled but also easily updated by your trained staff. We would cover this as part of the set-up process.

With CIS Infinity all billing processes including Cycle Billing, Final Billing, Regular Billing, Manual Billing, Flat Rate Billing, Meter Add/Remove, Rate Code Changes, Service Add/Remove are simplified. Real time transactions eliminate the need for day-end processes. The integration of the customer information component with the billing component of CIS Infinity makes processing adjustments, estimates and final bills quick and easy. You can define your own exception parameters and processes, make special discount and credit arrangements for individual customers and implement alternative tax rates and apply multiple taxes.

CIS Infinity provides you with simplified billing processes, including cancel and rebill, bill re-print based on revised consumption history, single bill print from archives and re-print bill register. Bill registers are archived electronically. And, with the unlimited reading history provided you have greater precision for exception checking, usage quoting and estimating.

The system can be configured to offer different estimating procedures for each service. Bills, deposits and equalized billing can be estimated based on any formula you define



for example the amount of the last bill, the average of the last six months or year or two years, same as the bill six months ago, last year or two years ago. With CIS Infinity you can also track the history of the service address and previous customer's history for greater estimating precision.

CIS Infinity can currently save bills as an html format for e-mailing. As well Advanced Utility Systems is working with a number of large financial institutions and have written interfaces to accept all forms of electronic payments.

3) Introduction of new customer accounts, maintaining accounts throughout the life cycle, and subsequent closure of service. On-line transaction history and meter information for at least the past three years and the current year of service. Reconstruction of data and recovery at the transaction level.

CIS Infinity is built for utilities. This means that all functions related to setting up new customers and maintaining existing customers are built-in, with a system that can guide your staff through the relevant screens, or lets them proceed in a manner they choose. History can be maintained for as many years as you wish, and accessed on-line. To meet your need for at least three years of on-line transaction history and meter history our expert implementation team can convert three years, or more, of information from your previous system. By storing and maintaining all transaction history, a customer service representative can easily reprint any bill or provide a customer with detailed history by automatically exporting it into Excel or any other spreadsheet application.

The integration of the customer information and billing components of CIS Infinity makes processing adjustments, estimates and final bills quick and easy. You can define exception parameters and processes, make special discount and credit arrangements for individual customers and implement alternative tax rates and apply multiple taxes.

As well as storing unlimited transaction history and reading history, the contact management module tracks all points of contact with a client. These include notes, comments, arrangements, letters, service orders, notices and inquiries. Further, a customer's credit rating is constantly being updated real time allowing users to view the credit worthiness of customers on line. The following is a screen print of the Main Customer Service Form in the Contact Management module:

Main Customer Service Form – Contact Management

Customer Account Inquiry

Customer: 99822665
 Account: 40003431
 JEAN FRANKS
 32 DORIC ST
 DALLAS, TX 45678

Balance: \$0.00
 Deposit: \$0.00
 Last Bill: \$64.76 Due 00/02/00
 Plan: None
 Next:

Active Owner
 Credit is Good (0)
 Moved out 2000/01/31
 Moved in 1999/09/00
 (s) to be completed on file

Default/Time Legend

Comments | Move In/Out | Payment Plan | Disputes | Meter Reading | Contact | Equipment | Retailer | Loans/POS

Notes | Tasks | Arrangements | Letters | Service Orders | Notices | Contacts | Inquiries | Collections

Date Time	Type	Description	Amount	Serial	Departments
2000/05/29 09:09:55 AM	Task	Call Customer	\$0.00	ADVANCED	
2000/04/11 01:52:32 PM	Letter	NSF Cheque- call to make arrangements	\$0.00	ADVANCED	
2000/04/11 01:51:51 PM	Letter	Disconnect for Non-payment	\$0.00	ADVANCED	
2000/04/11 12:00:00 AM	Pending ServiceOrder	Meter Change	\$0.00	ADVANCED	
2000/03/15 12:00:00 AM	Pending Task	Call Customer	\$0.00		Meters
2000/03/07 10:34:35 AM	Note	Billing Inquiry	\$0.00	ADVANCED	Customer Servi
2000/03/07 10:34:35 AM	Contact	Inbound Call Duration 00:00:06 for Billi	\$0.00	ADVANCED	Customer Servi
2000/03/07 12:00:00 AM	Pending ServiceOrder	Meter Change	\$0.00	ADVANCED	
2000/02/29 01:59:19 PM	Letter	Arrears to Taxes	\$0.00	ADVANCED	
2000/02/29 12:00:00 AM	Pending Task	Check A/R Balance	\$0.00		
2000/02/23 12:00:00 AM	Pending Task	Call Customer	\$0.00		

Task Notes: Non Payment
Completed Notes: They made an arrangement.

☐ Completed Items Only

New Note | New Task | New Arrangement

4) Operations that meet accounting and reporting standards for governmental entities in accordance with Generally Accepted Accounting Principles (GAAP) and the Governmental Accounting Standards Board (GASB).

Generally the GAAP/GASB standards for utility billing systems are minimal and Advanced Utility Systems will ensure all these standards will be fully met. CIS Infinity includes full ad hoc reporting, allowing the City of Corona to generate all types of reports, including those required to meet GAAP/GASB standards.

We will also ensure state requirements are met. CIS Infinity is being implemented at two California water utilities this Fall, with 1st Quarter and 2nd Quarter 2001 completion dates scheduled. As such, we are committed to ensuring all state requirements are fully met.

5) Simple screens for ease-of-use, with online screen help menus and documentation.

Advanced Utility Systems recently completed an independent customer research study in April of 2000. Over 83% of those interviewed cited the systems ease-of-use as "superior" to that provided by competitors. This is due to many factors, some of which include the

onscreen help system, the extensive training and documentation the company provides, and also the overall design of the software, built with direct input from users.

- 6) Integrated, PC-operated cashiering module utilizing multiple cash drawers, receipt printers, and form validators, with the ability to collect payments from non-utility customers. Interfaces with credit card acceptance processor so that payment is entered only once.**

CIS Infinity has been designed to incorporate all aspects of cashiering.

Whether it is a one-time cash payment from a non-utility customer or a pre-authorized payment plan through a bank draw for a regular customer, CIS Infinity gives you the flexibility you need to handle all payment types. You can define the parameters for each payment type through control files as well as defining aging and setting up multiple accounts receivable.

Integrated with payment processing, the point of sale component of CIS Infinity offers you a wide range of options for product payments including payment plans with interest, as part of the customer's regular utility bill or billed separately. As with all other forms of payment processing, you can accept any payment type you choose.

Our point of sale package gives you the option of using a fully featured cash register including touch screen and cash drawer. (A screen print of the Transaction Screen is to follow.) CIS Infinity is compatible with OCR (Optical Character Recognition) scanners and interfaces with third party software and processing systems including credit card acceptance systems, payments from banks and third party payment processing companies.

Cash Register

Transaction Screen - Cash Register

Batch Description: text Batch Total: \$0.00
 Batch Number: 5011 Running Total: \$50.00

Transaction Details Payment Details Receipt Number: 619

Bill payments Store Sale GC Others/Sundry

Customer#	Account#	Transaction Descr	Amount	Details
990922098	440285481	Customer/Account	\$50.00	A/R A/R
990922098	440285481	Customer/Account	\$30.00	

Edit Del

☐ Enable Scanning

Total Transactions Amount: \$50.00
 Total Payment Amount: \$50.00
 Difference: \$0.00

Print Edit Delete History Exit

- 7) Provisions for the generation of an electronic transfer of bills for printing by an outside service and/or internal laser printing with OCR bar codes for remittance processing using current City equipment and software application. Ability to reprint lost bills.

Bill printing can be done through an in-house laser printer, or it can be configured for electronic transfer of bills for printing by an outside service. Advanced Utility Systems can include a bar code or OCR based payment bar code when working with the City of Corona on the bill print format. This will ensure that payments can be scanned into the cash register system when processing cash receipts. Numerous existing customers use this technology, and take advantage of the cost savings of this technology. The ability to reprint lost bills based on revised consumption history, single bill print from archives and re-print bill register, is available.

- 8) Computer generated reports, forms, documents and field service requests with appropriate audit trails, exception reports and security.

The service order system can be configured to automatically generate service orders in response to other activity within the system as a whole. For example, CIS Infinity will automatically issue a service order for a final meter reading on an account when the move out is entered.

Whether generated automatically or manually, the service order system will schedule the service order, assign it to a user or department and track it through the entire CIS system until completion with an extensive audit trail.

9) Reports that can be system generated and/or ad-hoc. Provides for importing and/or exporting to commercial off-the-shelf software packages, including but not limited to Microsoft Office 97 Software Suite.

Unlimited access to your data allows you to design and generate your own reports using any Windows 95 compliant (including Microsoft Office 97 Software Suite) or 32 bit third party database, report writer or spreadsheet program. CIS Infinity has a standard set of reports that include billing, summaries, validation, exception, aging and statistics.

The software includes embedded reports written in Crystal Reports. With the purchase of a copy of Crystal Reports, you can modify and create your own reports to suit your specific requirements.

A listing of a sub-set of *standard report categories* is listed below:

Active Water Heaters	PAP - List with AR Balance
Aged Arrears	Rental Equipment Bill Codes and Rates
Block Summary	Service Order Cancelled
Completed Task By Staff	Service Order Completed
Contact Credit Rating	Service Order Pending
Customer AR listing	
Customer AR Summary Listing	Service Order Printed
Customer By Bill Code Detail	Service Orders
Customer By Bill Code Detail	Sewer Bill Code and Rates
Customer Deposit Interest Listing	Tax Exempt Customers
Customer Deposit Interest Summary	Transaction Code Listing
Customer Deposit Listing	Transaction Daily Summary
Customer Deposit Summary Listing	Transaction Monthly Detail
Customer Moving List	Transaction Monthly Summary
Customer Detail Listing	Transaction Yearly Summary
Customer Transaction Information	Unbilled Accounts
Flat Rate Bill Codes and Rates	Unbilled Revenue
Flat Rate and Rental Detail	Water Bill Code and Rates
Flat Rate and Rental Summary	Water Meter by account
GL Element Daily Detail	Water Meter by Cycle
GL Element Monthly Detail	Water Meter by Meter
GL Element Monthly Summary	Water Meter by Meter Type
GL Element Yearly Detail	Water Meter by Remote Type
Letter Of Credit	Water Meter By Subgroup
Meter Change Listing	Water Meter By Test Year
Notice Exempt Customer	Water Meter Inactive
Other Bill Code And Rates	
Outstanding Task By Staff	

CIS Infinity supports and tracks all correspondence. It automatically imports customer information into your word processing program for the creation of individual letters or for generating form letters. All types of correspondence can be faxed or emailed directly from the system if the utility's internal network supports these functions.

10) The ability to do trend analysis on all data fields that could include, but not limited to, billing cycle, multiple billing cycles, fiscal year, user class, pressure zone, meter size, charges for services, and usage, etc. with sort capabilities as specified by the user.

Using the open data environment, users are able to access all data elements within the software and build their own trend analysis calculations. Data can be queried in a number of different formats. From the Main Customer Service Form, users can use the advanced query tool to put together formulas and pull data for export to spreadsheets. Advanced users can use the ad hoc reporting tool to not only query the data but also format and layout the data. Experienced users can also use any third party ODBC compliant applications to query the database. These features, combined with CIS Infinity's capacity to store unlimited amounts of historical data, allow users to formulate and maintain extensive trend analysis routines.

11) Download and upload of meter read, route information, and service orders with hand held units currently in use by the City. Tracking of service orders, meter inventory and maintenance.

The software has been installed at over 10 sites using the MV-RS/ITRON hand-held meter reading system. In these instances the systems have been integrated to enable upload and download of meter read and route information. Service orders are tracked within the system and are easily viewed by customer service representatives. The service orders themselves are managed by a service order module, which allows service personnel to control the distribution of all service orders – whether users generate them automatically by the system or on an individual basis.

CIS Infinity is shipped with a full feature meter inventory system. The meter inventory system tracks all information relating to meters, including the mass upload of meters into inventory, testing history, installation history, change-outs and scrapping. As well, a number of automated features allow for on-going testing and random sampling of your entire base of meters. The following is the Meter Inventory Master File screen:

Meter Inventory Master File

The meter inventory functionality of CIS Infinity supports multiple meter changes and tracks meters in the field, in stock, and scrapped. Through the automated link to the contact management system CIS Infinity generates services orders for reverification or repairs and produces reports for service orders and replacements.

The transformer inventory component of CIS Infinity stores an unlimited amount of transformer history including transformer location, transformer type and analysis. As part of the transformer inventory you can also make use of load tracking and reporting capabilities.

12) Interfaces with other City peripherals, other Finance and City systems, and outside external systems.

Interfaces with your financial, GIS and meter reading systems are already developed, and can be easily activated. Advanced has partnered with Bi-Tech on several previous bids, and have created a complete interface to the IFAS system. As well links to ITRON and ESRI are complete and thorough.

Interfaces with business licensing, sales tax auditing, and permit processing systems can be developed once we assess what information is to be shared. In the area of licensing, if the information to be shared consists of the customer service and billing software accepting payments for licenses, this is included in the base functionality but would require minimal set-up. If it were to interface real time to a licensing software package, we would require additional information on the package in order for an accurate assessment of workload to be given.

13) Conservation tracking capabilities for water and other services.

Conservation tracking activities can be set up in the system. These parameters can be established at the meter reading or exception level or as a part of the billing routine. (An example of an Exception Control File screen follows below.) For example, parameters can be established to measure the consecutive increases in usage. Further, existing reports and the trend analysis routines outlined above can help track trends and the effectiveness of conservation programs.

Exception Control File

Service Type Master File

Enabled ☒

First Exception Method: Same as 1 year ago

Second Exception Method: Last Bill

Low Threshold: 60,000

Consumption too low: Auto-No Bill

Consumption too high: Auto-No Bill

Zero Usage Exception: Auto-No Bill

Exception for no history to compare: Auto-No Bill

Consecutive Decreases Exception: 3, Auto-No Bill

Consecutive Increases Exception: 0, Auto-No Bill

Top Print Next Previous Update Save Other Exit

14) Provisions to accommodate for the change of century and leap years.

The system can accommodate these events.

IV On-going Maintenance Support

- 1) Are future application system releases included as part of the on-going maintenance agreement? If not, explain.**

Answer:

Enhancements – the City will be entitled to enhancements to the system and unlike other software providers, these enhancements are included as part of the maintenance and support agreement.

New Versions – the City of Corona will be entitled to regular updates of the software and may choose to upgrade to the latest versions of CIS Infinity, at no additional cost. However, any time and material charges for consulting, training, and integration of custom software as a part of the upgrade would be billable at our regular rates.

Advanced Utility Systems' approach to support allows our customers to take advantage of any new features added to the system by investing in on-going development, and to keep their systems current without having to incur the expense of installing a brand new software system.

- 2) What information is available about user groups for the application, i.e. meetings, conferences, policy for influencing modifications to the application?**

Answer:

- (A) Advanced Utility Systems holds an annual user group meeting, which forms the cornerstone of the group's activity. The Year 2000 meeting, themed "A Step Ahead", was just held on September 24-26th, and was attended by over 85% of our clients.

At the conclusion of the Users' Conference, each attendee completed a questionnaire providing us with their comments. While we are still tabulating the results the following top-line results are available (using a scale where 5 is excellent, 4 is very good, 3 is fair, 2 is unsatisfactory and 1 is poor):

- Overall satisfaction with Users' Conference 2000 was 4.3
- The knowledge of our speakers was rated a 4.5
- Conference facilities scored a 4.8
- "Have Your Say" - a session designed for user input - scored a 4.3

In addition, when asked whether attendees planned on returning to our Users' Conference in 2001, 100% of the respondents answered a resounding Yes.

- (B) The annual user meeting contains a mixture of company news and updates, and customer updates and experiences. We also try to make the meeting a fun event, locating it in a resort setting to allow users the opportunity to stay over and enjoy the countryside.

- (C) The user group plays a key role in influencing future product modifications. These ideas are discussed at the user meetings. Because of the flexible, “can-do” mentality at the company we are also open to direct client input about future product changes needed to respond to a changing environment. As well we have set up an e-mail address, wishlist@ausc.com that allows users to record ideas as they occur, and send them directly to us for consideration.
- (D) Specific sub-sets of the user group have been formed to address specific software needs. For example a group of users provide input on electric deregulation needs.

3) Are customizations to the application carried into future upgrades without having to make changes again? If not, explain.

Answer: It is our practice to incorporate all changes into the base application. In this way all changes are made available to future users, and migration is straightforward for everyone. Therefore there is no need for duplication.

4) How often are new versions released?

Answer: Historically new versions are issued every 8-14 months. This generally includes a pattern of a minor upgrade to add functions, streamline processes, or to enhance the operating performance followed by a major release to introduce major innovations.

5) Typically how long are old versions maintained?

Answer: In the past all our clients have migrated to new releases. Therefore we have not had to establish a schedule of support for older versions.

6) What major modifications/enhancements are planned for the next five years?

Answer: Several modifications are planned.

- i) The key modification to Version 2.0, scheduled for full rollout in January 2001 is the introduction of Database Independent Technology. This programming technique allows our clients to update their database technology. Currently CIS Infinity supports Oracle, and Microsoft SQL Server.

In the future it is our goal to support any industry standard database platform. This not only allows our clients to utilize and maintain a database the technical staff are comfortable with, but it ensures that the software stays current if the organization should decide to make a corporate decision to move to another database standard.

We want to extend our interfaces with other software applications in the areas of Financial and GIS software, so that our product is able to fully share data with other systems. This includes bill presentment applications that allow our customers to offer bills and bill payments over the web.

- ii) Phase two of this process is to fully web enable all aspects of the software. This transition will take place over the next year, with a full release by year-end 2001.
- iii) We are also in the process of building interfaces to IVR and Computer Telephony Systems. We are looking for a beta site to proceed with an integration of our customer contact system with an IVR application.
- iv) Our next version will take full advantage of not only the web but of mobile and palm computing.
- v) We will take advantage of com/dcom technology and are striving to provide tools to our clients that will allow them to take advantage of technological change.

We are committed to ensuring that our customers can take advantage of the latest technology and techniques to provide state-of -the-art responsive customer care and billing services.

7) What is your policy for user requested modifications to the application?

Answer: CIS Infinity has over 100 control files that give utilities the ability to configure every aspect of their business. From phone number types, to pro-ration of minimum bills, to the configuration of rates, CIS Infinity puts you in control. All business rules can be set, configured and changed by the utility without the need of a programmer. One of the key elements of our demonstration is exploring the potential of CIS Infinity's control files.

Clients edit these control files as they wish. However, changes or modifications that cannot be dealt with in this manner are accommodated in two ways:

- Submit them to our "Operations Committee", who considers all enhancements our clients would like to see in CIS Infinity. In the last release upgrade, Version 1.6, over 25 suggestions from our clients were included. We utilize an e-mail exclusively for this process called wishlist@ausc.com.
- Submit a "change request" and we will create a Statement of Work, which details the work requirement and the costs, and time to complete the task.

8) How are new features and improvements suggested for the application?

Answer: New changes are made through the process cited above in Question 7.

**9) What are the policies for responding to customer questions and problems?
Provide statistics for customer response time.**

Answer: Advanced has put in place a tiered maintenance and support structure. In January 2001 we are formally naming the levels "Gold", "Silver" and "Bronze". New clients will select the level of service that suits their needs. For new users the Gold level of support offers a great deal of value. In this case all system critical issues are dealt with on an immediate basis. Our goal is to act so that our clients have no system

down time. Second and third tier issues are handled according to client's pre-determined wishes, as we can establish criteria that fit your needs.

10) What are the telephone support hours? Is there a toll-free number? If there are different support options that restrict the support hours or amount of support, please explain the options.

Answer: As mentioned above, Advanced will be introducing support alternatives in January so that before your go-live you will select the service that best suits your needs. Support levels have not yet been finalized. However here is the framework we are examining.

Gold – Total 7x24 service. This will include guarantees of resolution of issues within predetermined time lines.

Silver– A sub-set of Gold service and support. Restrictions in hours of operation, and in guarantees in response time will occur, as well as a reduction in annual fees.

Bronze– A more basic service with some limits in terms of base calls per month, and response times.

For each alternative a toll-free support number is in place that allows your users easy access to our team of experts.

11) Is online/internet support provided for diagnostic and resolution of software problems?

Answer: Yes. Clients are able to reach our support desk in a variety of manners, including the Internet. Depending on the support level selected, the City of Corona will have its own web page to submit and track support items. CIS Infinity includes full online help capabilities to guide users in optimizing their effectiveness.

V Additional Software Information

1) What is the software system name, version, and release date?

Answer: The application software is called CIS Infinity. Version 2.0 will be issued as a beta version with four clients this month, with full rollout beginning in January 2001.

2) What programming language(s) was/were used to develop the application software?

Answer: The application was developed using Microsoft Development tools: Visual FoxPro, Visual Basic, Crystal Reports, Active X Controls, and MS Access. It is a client server application, which currently utilizes Microsoft SQL Server or Oracle as its database platform.

3) When was the last major rewrite of the application software?

Answer: The latest release, Version 1.6 was issued in the Fall of 1999. All current clients operate on this version. All new implementations including the City of Redlands and the Park Water Company will be installing Version 2.0, which is to be broadly released in January 2001.

4) Is the source code provided? Is the software leased, purchased, etc.?

Answer: Up-to-date software is placed in escrow on behalf of our clients. CIS Infinity is sold based on a concurrent user license basis. The software can be installed on as many workstations as the City of Corona wishes however the number of users is set so that only the licensed number of users can log on at any one time. Combined with the user license is a server license charge.

These items are combined with the costs of data conversion, installation, testing and training as set out in Section XI – Fee Schedule. Payments are made on a scheduled basis as set out contractually.

5) If applicable, what reporting or querying tool comes with the application?

Answer: Ad-hoc reporting is available in Version 2.0. Users have the ability to query any database field and create their own report formats.

As well, any ODBC compliant reporting software can be used to query the tables from outside of the program.

- 6) City of Corona requires the system be operational 24 hours, 7 days a week. Are there any limitations of the system processing batch and on-line functions simultaneously?**

Answer: The system operates within these parameters. We recommend that monthly system maintenance be performed for approximately 2 hours.

On-line functions and Batch processing can occur simultaneously. Depending on the batch processing activities, and the technology in place, there may be a slow-down in on-line speed (based on anecdotal reports from existing clients we estimate 10-20%). Batch processing can be scheduled to avoid user peaks, such as Monday morning, and new modern server/desktop technology can be put in place to negate any impact.

- 7) Concurrently with the implementation of new software, or shortly thereafter, the City anticipates adding direct electronic customer payment processing through web access, as well as receipt of electronic payments from financial institutions. How does the software handle these services?**

Answer: The software solution proposed currently supports electronic payments from financial institutions and third party payment processing firms. Many of these organizations accept web payments, which the system processes electronically. The next release of the software will allow for direct payment by the customer, which has been identified by our development team as a priority for our next release in 2001.

- 8) The City currently bills bimonthly but has considered the option of converting to monthly billing. How can the software handle the transition from one process to another and prorate flat charges accordingly?**

Answer: A key strength of CIS Infinity is its ability to handle a myriad of rates and contracts. CIS Infinity can handle every residential, commercial and industrial rate currently in place. Using Rate Infinity Technology, we have developed a new rate engine that allows for extremely complicated formulae and calculations that can be woven into individual rates, making secondary spreadsheets and manual work redundant. This total flexibility also allows the software to handle all unique contracts with your larger accounts. Hence, this advanced technology will handle any transition in processes and the proration of flat charges in a straightforward manner.

- 9) In the future, the City anticipates interfacing with other data information within the City. This could include, but is not limited to, General Ledger, Business License, G.I.S. and Permits. How can the vendor provide the City with this service?**

Answer: Our implementation team has completed interfaces to the General Ledger, Meter reading and GIS systems in place at the City today and is undertaking interfaces with Permit and Business License systems for other clients. Our experts have the skills and experience to work alongside your experts to ensure the interface produces complete data exchange between the systems.

10) In the future, City of Corona anticipates adding automated touch-tone and/or voice response for making payment arrangements. How does the software handle this service?

Answer: We are currently working in collaboration with an IVR vendor to offer this functionality to our customers. This venture will provide us with the expertise to provide integration to other third party services.

VI Delivery and Implementation Schedule

A thorough understanding of our streamlined implementation process is key to assessing the value of choosing CIS Infinity as your billing and customer information solution. Our previous work with more than 35 implementations for utilities has been instrumental in the development of our conversion, installation, set-up and training solutions.

We know from experience that thorough preparation and effective scheduling increases the confidence of your staff while keeping overtime and other costs to a minimum - and that is as important to us as it is to you.

There are four key tasks that must be completed during implementation: converting your data, setting up the system and control files, training your staff and parallel testing. Right from the start our on-site visits and on-going client support help ensure that the implementation of CIS Infinity is effective and that the processes of your organization are fully reflected in the functionality of our software.

The complete implementation process of CIS Infinity usually takes between six to nine months. The length of this process varies depending on a variety of factors including the complexity of your customer base and range of services and rates you currently offer, how you decide to set up your customer types, and the length of time you run parallel.

Based on the proposed dates indicated in the "Tentative Schedule" on page 16 of the RFP, we are confident that the Commencement of the Project in April 2001 and the Estimated Live date of October 1, 2001 allow sufficient time for a complete, comprehensive implementation process.

From conversion and installation to going live and beyond, our team of professionals is there with you, making sure CIS Infinity really works for your utility. The table shown on the next several pages presents a representative schedule for the installation of CIS Infinity. We do not indicate specific dates, but instead show monthly activities, and the rough timing needed to deliver specific actions. Based on what we learned from the RFP, and our knowledge of your market, this results in an estimated 6-month schedule.

MONTH ONE

Milestones	Advanced Utility Systems Team	City of Corona Team
<p>Needs Analysis – One week</p> <p>During this week, all departments will be interviewed by Advanced Utility Systems project manager, at the City of Corona in order to prepare a detailed needs analysis that will drive the conversion, technical set-up and training phases of the project. This is the critical first step that will drive the project.</p>	<p>Project Manager</p>	<p>Project Manager Cash Staff Billing Staff Collections Staff Technical Staff Metering Staff Accounting Staff</p>
<p>Data Extraction – One/Two days</p> <p>Technical staff at the City of Corona will extract the first set of data and detailed information on file structures / screen prints from current UBS and forward to Advanced Utility Systems so that the conversion process can begin.</p>		<p>Technical Department</p>
<p>Conversion - Two weeks</p> <p>A unique conversion utility will be prepared and conversion to the new interface undertaken. City of Corona team identified will be available for further interview dependant on need as coordinated through the project manager from both teams.</p>	<p>Project Manager Conversion Team Technical Team</p>	<p>Project Manager Cash Staff Billing Staff Collections Staff Technical Staff Metering Staff Accounting Staff</p>
<p>Set-Up – Two weeks</p> <p>Set-up of system for the City of Corona – Control file manipulation. Again, during this period, members of the City of Corona team will be available for further interview / clarification of processes performed as coordinated through the project managers from both teams.</p>	<p>Project Manager Conversion Team Technical Team</p>	<p>Project Manager Cash Staff Billing Staff Collections Staff Technical Staff Metering Staff Accounting Staff</p>

MONTH TWO

Milestones	Advanced Utility Systems Team	City of Corona Team
Installation – One/Two days Installation of Conversion routine / software / data on server. Client installs for all using CIS Infinity. Exclusive access to server necessary and technical staff to work closely with Advanced Utility Systems installers. ** All necessary hardware to be in place and tested on network prior to installation.	Technical Team	Project Manager Technical Staff
Overview Training – Two days Overview training (2 days) to be performed at City of Corona. One day is required for a complete overview, staff should be split into two groups and be available for the entire day – this allows for coverage in the office while staff participating. Sign off will be required on all training once complete.	Senior Trainer	Project Manager All Staff – City of Corona, Utility Billing.

MONTHS TWO, THREE AND FOUR

Milestones	Advanced Utility Systems Team	City of Corona Team
Conversion – One Week The modified conversion utility will be uploaded and run to correct anomalies identified by the City of Corona team. Exclusive access to server necessary and technical staff to work closely with Advanced Utility Systems installers. Re-Testing of identified issues will be necessary. Sign off will be required prior to moving forward.	Project Manager Technical Team Conversion Team	Project Manager Technical Staff Cash Staff Billing Staff Collections Staff Technical Staff Metering Staff Accounting Staff

Milestones	Advanced Utility Systems Team	City of Corona Team
Training – Three Days Training (3 days) to be performed at City of Corona. Daily Process training (1 day). Cash Training (1 day). Beginning Billing Training (1 day). Sign off will be required on all training once complete.	Senior Trainer	Project Manager CSR's Cash Staff Billing Staff
Soft Parallel – One Week The City of Corona will undertake a soft parallel (testing of processes learned through training). This will help to identify further conversion issues not picked up on during the conversion-testing phase and will familiarize staff with the new interface. Parallel worksheets completed and forwarded to Advanced Utility Systems project manager through City of Corona project manager. Sign off will be required prior to moving forward.	Project Manager Senior Trainer Technical Team Conversion Team	Project Manager CSR's Cash Staff Billing Staff
Training – Three Days Training (3 days) to be performed at City of Corona. Advanced Billing training (2 days). Collections Training (1 day). Sign off will be required on all training once complete.	Senior Trainer	Project Manager Billing Staff Collections Staff
Soft Parallel – One Week The City of Corona will undertake a soft parallel (testing of processes learned through training). This will help to identify further conversion issues not picked up on during the conversion-testing phase and will familiarize staff with the new interface. Parallel worksheets completed and forwarded to Advanced Utility Systems project manager through City of Corona project manager. Sign off will be required prior to moving forward.	Project Manager Senior Trainer Technical Team Conversion Team	Project Manager Billing Staff Collections Staff

Milestones	Advanced Utility Systems Team	City of Corona Team
Training – Three Days Training (3 days) to be performed at City of Corona. Asset Management Training (1 day). Reports Training (1/2 day). Month End / Year-End Processes (1/2 day). Service Order System training (1 day) Sign off will be required on all training once complete.	Senior Trainer	Project Manager Metering Staff Accounting Staff
Soft Parallel – Three Weeks The City of Corona will undertake a soft parallel (testing of processes learned through training). This will help to identify further conversion issues not picked up on during the conversion-testing phase and will familiarize staff with the new interface. Parallel worksheets completed and forwarded to Advanced Utility Systems project manager through City of Corona's project manager. This will be the last opportunity for soft parallel to expose any conversion and process related issues prior to the beginning of the hard parallel. Sign off will be required prior to moving forward.	Project Manager Senior Trainer Technical Team Conversion Team	Project Manager Metering Staff Accounting Staff

MONTHS FIVE AND SIX

Milestones	Advanced Utility Systems Team	City of Corona Team
<p>Conversion – One Day</p> <p>A new, refreshed data conversion will be run to bring both systems to the same timeframe.</p> <p>New data will be extracted and forwarded to Advanced Utility Systems staff at month end close off of the current billing system. Accounting staff will be required to run a trial balance (detailed) in order to proceed with the next step. The conversion of the new data will take place the next day by Advanced Utility Systems conversion staff in order to proceed.</p> <p>Exclusive access to server necessary and technical staff to work closely with Advanced Utility Systems installers.</p>	<p>Project Manager Conversion Team</p>	<p>Project Manager Technical Staff Accounting Staff</p>
<p>Trial Balance – Two Days</p> <p>A trial balance will be necessary to ensure that all dollars (A/R and Deposit) are being transferred through the conversion process. The trial balance will mark a key milestone in terms of moving forward to the hard parallel. This will be performed at the City of Corona by the staff indicated.</p> <p>Advanced Utility Systems staff will work with City of Corona team to ensure that there is a system balance (to the penny aside from identified, unavoidable, agreed upon issues that arise) as the live date approaches.</p>	<p>Project Manager Senior Analyst Senior Trainer</p>	<p>Project Manager Accounting Staff</p>

Milestones	Advanced Utility Systems Team	City of Corona Team
<p>Hard Parallel</p> <p>The City of Corona will undertake a hard parallel that will include all processes being compared in both systems – old and new. Parallel worksheets completed and forwarded to Advanced Utility Systems project manager through City of Corona project manager.</p> <p>This will include all interface testing / parallel that is necessary (meter reading systems, accounting interface, GIS interface). This will include finalization of bill print, notice, letters and service order output.</p> <p>Advanced Utility Systems staff will work with City of Corona team to perfect the operating system as the live date approaches.</p> <p>Sign off will be required prior to moving forward.</p>	<p>Project Manager Senior Trainer Technical Team Conversion Team Training Team</p>	<p>Project Manager Technical Staff Cash Staff Billing Staff Collections Staff Technical Staff Metering Staff Accounting Staff</p>

MONTH SEVEN – POST LIVE

Milestones	Advanced Utility Systems Team	City of Corona Team
<p>LIVE</p> <p>Final Balance will be achieved and sign off of balance obtained. Final check of all control files and clearing of temporary files from testing will be cleared. A down day will ensure that final checks are in place prior to moving to the LIVE on the system.</p> <p>Sign off will be required prior to moving forward.</p>	<p>Project Manager Senior Trainer Technical Team Conversion Team Training Team</p>	<p>Project Manager Technical Staff Cash Staff Billing Staff Collections Staff Technical Staff Metering Staff Accounting Staff</p>
<p>Post – LIVE</p> <p>A post-live strategy will be developed during the project. This will include any outstanding implementation issues. This will also include any post-live training necessary on any re-designed or new processes that are necessary.</p> <p>Advanced Utility Systems will re-visit and be on site for the first billing to ensure a smooth transition.</p> <p>The project managers from both teams will monitor post live activities through the warranty period to ensure that all outstanding issues are addresses and to ensure that the transition to the new billing system runs smoothly.</p>	<p>Project Manager</p>	<p>Project Manager</p>

VII Vendor Information and Project Team

Vendor Information

Advanced Utility Systems Corporation was formed in 1997 to provide Customer Information and Billing services exclusively for customers like the City of Corona. We have a deep understanding of the water industry and its needs, since the majority of the company's management, installation, sales and support personnel have worked for utilities themselves, and it is this experience and expertise upon which we draw to deliver powerful solutions.

Our services include providing the application software, software installation, product implementation, and complete acceptance testing. This involves training, conversion, and complete documentation. It also involves working with and alongside your technical experts to ensure hardware requirements are optimized, and maximize effectiveness with specialized training, maintenance, process redesign, system tuning and consulting services.

CIS Infinity taps the potential of SQL development and object-oriented Windows technology in order to deliver a flexible and dynamic utility billing software system. Within three years of releasing CIS Infinity, billing and customer information software, Advanced Utility Systems Corporation has established itself as one of the leading suppliers of Windows NT solutions in the North American utility marketplace.

The Advanced Utility Systems management team delivers proven expertise in the innovative development of software, experience in doing what it takes to develop a solution for your company, and a comprehensive understanding of the rapidly changing landscape of water utility operations. That expertise has resulted in the creation of robust software, cost effective solutions and comprehensive support. This experience has resulted in numerous effective and efficient installations. The understanding of the water utility business sector has resulted in software customized to meet the unique situations your operations face.

Over forty utilities in North America, many with similar operating characteristics to the City of Corona, have already chosen CIS Infinity as their software solution. Their search for an experienced company, with comprehensive, affordable, and easy-to-use billing and customer information software has led them to Advanced Utility Systems Corporation. It is our hope your search will also lead you to selecting an Advanced Utility Systems solution, as we demonstrate the fit between your needs and our Solution.

In addition, two California water utilities have recently selected Advanced to be their CIS provider. The City of Redlands, with approximately 20,000 water, sewer and refuse customers has begun the implementation process. While still new to our company, the team at Redlands is pleased with the expertise and experience we have provided. Park

Water Company is an even more recent convert! They signed a contract to work with Advanced just weeks ago. With just over 60,000 accounts at several distinct sites, Park Water will utilize the full functionality of CIS Infinity.

Advanced Utilities Systems Corporation is owned and led by three principals, along with several minority shareholders. The three are profiled below:

President & Chief Executive Officer

Patricia Sorbara, the President and Chief Executive Officer of Advanced Utility Systems, is responsible for the overall strategic direction of the company. Patricia has fourteen years management experience, particularly in the energy and government sectors. For two years she was Chief of Staff to the Minister of Energy of the Province of Ontario where she participated in the Province's deregulation process. Her expertise is in strategic planning and she has a proven ability to co-ordinate complex projects and produce results.

Vice-President & Chief Information Officer

Steven Hammond is the Vice-President and Chief Information Officer. As the architect of the primary product, Steven oversees the on-going development of the product, and its use by the customer. As well, Steven provides the direction necessary to ensure that the company meets its technical goals. For the last twelve years, Steven has provided system development and support to utilities, developing a unique understanding of the environment in which utilities operate. He has earned a solid reputation in the industry as an innovative programmer and architect of leading edge utility billing and customer service software.

Vice-President and Chief Marketing Officer

Philip Playfair is the Vice-President and Chief Marketing Officer of Advanced Utility Systems. Philip directs the marketing and sales activity of the company and is responsible for the company's customer service strategies. His strengths include project coordination, innovative problem solving, and the successful implementation of complex information management projects.

Advanced Utility Systems Corporations is located in Toronto, Ontario. The support and maintenance group are based at this site. Implementation staff will also work from this location, or on-site when required. From this office we have successfully implemented clients in Alaska and Florida, and all points in between!

Our commitment to our customers and our staff ensures that we will still be providing utilities with the flexible and powerful systems for many years to come. We have attempted to seek out organizations that share our vision and who are looking for long-term relationships. We feel very strongly about building a client base that will work with us to face the challenges of the changing water marketplace.

Project Team

A successful implementation requires a commitment from Advanced Utility Systems and the City to provide expert staff to the process, and give them the tools they need to complete the task.

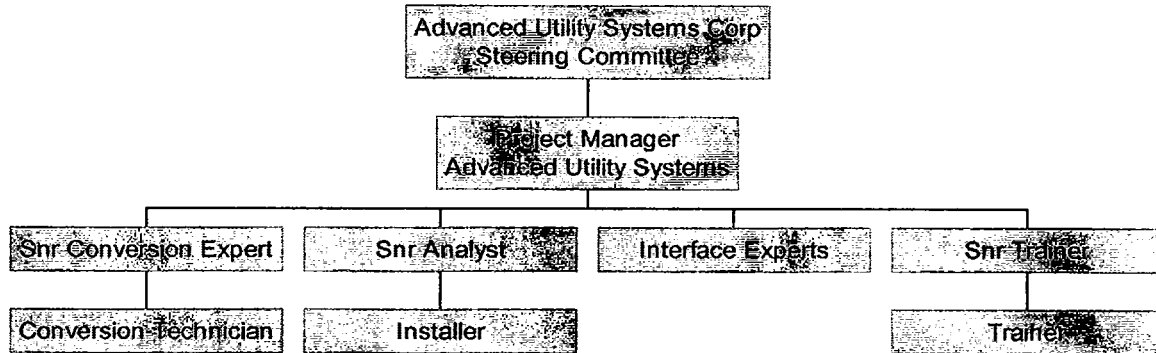
We propose the project team make-up as shown on the next page. The structure of the team will be used at both our California-based implementations over the Fall of this year. We propose to use the same team, as they will have gained an appreciation of the operating conditions your City will face.

The make-up of this team will be finalized as the implementation approaches, and we will work together to finalize the team. However we wish that the team working with Redlands and Park Water also be involved with the City of Corona. This includes the following individuals:

- a) Kathryn McKay, our Director of Professional Services, would act as Project Manager. She has overseen most of the company's implementations to-date, and has direct responsibility for the more complex implementations.
- b) Peter Fanous would fill the "hands-on" role of system set-up and configuration. His role as Senior Analyst has brought him a wealth of experience in water operations.
- c) Steven White, our Director of Technical Services, would provide assistance in ensuring all technical issues are resolved.
- d) Data Conversion and Interface Development involves several individuals, and at this stage we cannot cite individuals, however we are confident in saying that whomever is involved will have extensive experience in similar environments. Trainers are also difficult to allocate this far in advance. It is likely we would involve at least two individuals in order to provide the breadth of training needed.

Advanced Utility Systems Corporation has a track record for installing on time within budget. In an era where many CIS implementations fall behind schedule or encounter serious problems that can lead to lost opportunities, Advanced Utility Systems has consistently delivered what was promised. Advanced has never been involved in any litigation and has delivered what was required when required, without ever the risk of confrontation, or the threat of legal action.

Proposed Advanced Utility Systems Team



VIII User References

Attached is a listing of a sub-set of Advanced Utility System's current water, sewage and electric clients that share common operating characteristics to the City of Corona. This represents only a cross-section of our clients; if you wish to investigate other clients we would be happy to share these with you. We have added two water clients to the list that are not yet live – Park Water Company and the City of Redlands – both in the State of California, as they have completed a recent search and have selected Advanced Utility Systems. While they cannot provide a reference as to product performance in a live environment, they can comment on their search efforts, and how work-to-date is progressing.

We request that our clients be contacted only after we have been selected as one of the short-listed vendors, as we wish to respect their heavy workloads. Also, please advise us as to whom you wish to contact (or have contacted) so that we can effectively manage future client visits.

Client Name	Contact Name and Phone Number	Billing Services	Billed Accounts	Years of Service
Park Water Company Downey, California	Mary Young, Senior Vice-President (562) 923-0711	Water	60,000	Newly signed
City of Redlands, California	Janet Miller, Administrative Asst. (909) 798-7698	Water, Sewage, Refuse	20,000	Newly signed
City of Galveston, Texas	Brandon Wade, Director Public Works (409) 797-3637	Water, Sewage, Refuse	22,000	1 year
Pembroke Hydro, Ontario	Murray Moore, General Manager (613) 732-3687	Electric	15,000	2 years
Hydro Ottawa, Ontario	Guy Cluff, General Manager (613) 592-4102	Electric	110,000	2 years
City of Waukesha, Wisconsin	Peggy Steeno, Administrative Services Manager (262) 521-5272	Water, Sewage	18,000	1 year
Reedsburg Utilities Commission, Wisconsin	Paul Rabb, IT Supervisor (608) 524-4381	Electric, Water, Sewage	5,000	Under 1 year



IX

Subcontractors

Advanced Utility Systems Corporation will be the sole implementer for this project.

X Permits and Licenses

Advanced Utility Systems Corporation will procure all necessary permits and licenses.

XI Fee Schedule

Please find below a detailed breakdown of the price proposal for the City of Corona. This breakdown includes a brief explanation of five main sub-sections: Conversion, System Installation/ Setup, Training, Total Fees, and Support and Maintenance.

(A) Conversion

To provide an accurate and comprehensive assessment of the conversion process and the installation of the system, Advanced Utility Systems would usually propose to spend a day analyzing your current system. At this time, Advanced Utility Systems is prepared to provide a detailed proposal, including an hourly estimate and a schedule for both the conversion and installation processes. However, it should be recognized that changes would be required once the assessment takes place.

DESCRIPTION	HOURS
Diagnose existing system	40
a) Determine what data is available	
b) Determine what data is not available	
c) Determine what data can be trusted	
Map data fields from the existing system to new system	70
Programming/testing of conversion code on the existing system	50
Identify and correct exceptions and problems in conversion	50
Perform on-going conversions and ensure data mapping is correct	60
Formulate a "going-live" strategy	30
Total:	300

(B) System Installation/Setup

DESCRIPTION	HOURS
Install Server Software	8
Install Client Software	16
Configuration of the control files	50
Set up the interface with third party packages	40
Test billings/cash processing/adjustments with installed settings	60
Full testing of processes of CIS Infinity with existing system.	80
Advanced staff on-site during the initial phase of parallel testing and live.	
Total:	254

(C) Training

Training is vital to maximizing the benefits of CIS Infinity. Outlined below is the training time recommended for each module. Classroom training will augment the one-on-one training staff will receive during installation, parallel testing and going live.

The training hours quoted are based on 15 hours per user, which in our experience is the minimum required for each user who actively uses the billing and customer service aspects of the software. In some cases, the requirement per user is less than it is for others, for example, administrator training would require more hours. In general, we have found that 15 hours per user provides a representative estimate sufficient to meet the training needs of an organization.

Total Training Hours required, based on 15 concurrent users in the Finance Department.
 As indicated internal staff will train the 10 secondary users: **225 hours**

(D) Total Fees

Fee Structure			
Server License		\$65,000	
User Licenses	25 @ \$2,500.00	<u>\$62,500</u>	
Subtotal:			\$127,500
Conversion	300 hours @ \$120.00		\$36,000
Set-up and Install	254 hours @ \$120.00		\$30,480
Training	225 hours @ \$120.00		\$27,000
Project Management	120 hours @ \$120.00		<u>\$14,400</u>
Total:			<u>\$235,380</u>

Please note that the above fees are based on our limited knowledge of your operation and may require revision following a more in-depth analysis.

(E) Support and Maintenance

Support and Maintenance Services are priced as a percentage of server and user licenses. Our top level of support, identified as "Gold" in Section IV, is set at 25% of these costs, which amounts to \$31,875 per annum, which commences after the conclusion of a three-month warranty period.

CITY OF CORONA

UTILITY BILLING SOFTWARE SYSTEM CHECKLIST

Function/Application Description	Vendor Response	Vendor Comments
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Utility Billing

Name of

Vendor: Advanced Utility Systems Corporation

Regular Billing

Able to bill monthly and/or bi-monthly for all individual service charges.	5	
Supports multiple billing cycles and multiple routes per cycle.	5	
Provides for the conversion of accounts from bi-monthly to monthly billing and prorates charges as necessary.	5	
Able to bill for a pre-paid trash charges on first bill on new accounts. The pre-paid trash charge is equal to one full billing period (two months.)	5	
Able to bill in advance for trash service and in-arrears for water, sewer, and recycling.	5	
Able to bill accounts without water service and identify on reports and inquiries.	5	
Provides for prorating flat rate charges on the first and closing bill of an account.	5	
Generates a bill for at least seven (7) regular types of services such as water, sewer, trash, recycling, franchise fees, ambulance, utility user tax, etc.	5	
Able to charge/credit accounts for at least fifty (50) miscellaneous charges as they occur such as new account setup, returned checks, shut-off fees, damages, standby, etc.	5	
Provides for making water consumption and billing adjustments reflect in the period to which they occurred, rather than in the period processed.	5	
Newly created credits (e.g., refund of deposit or credit adjustments) can be used to pay off outstanding or newly created charges. Appropriate G/L fund and A/R accounts are adjusted accordingly.	5	
Able to bill for sewer charges based on actual and/or average water usage for residential, commercial, and industrial services.	5	
Able to bill for sewer charges based upon actual flow for high volume commercial and industrial discharges.	5	

Delinquent/Final Notice Billing

Able to bill accounts that are delinquent, final notice, and off for non-payment and calculate additional charges as appropriate.	5	
Calculates penalties for past due accounts both on a percentage and a flat fee.	5	

CITY OF CORONA

UTILITY BILLING SOFTWARE SYSTEM CHECKLIST

Function/Application Description	Vendor Response	Vendor Comments
Looks at new sign-ups, off requests, and/or payment plans prior to initiating off for non-payment orders.	5	
Provides option to flag first time delinquent and final notice customers with histories over one year.	5	
Provides third party notification for final notice mailings.	5	
Tracks returned checks and generates off order should payment not be made.	5	

Closing Bills/Delinquent Closed

Allows final billings to be generated on-demand.	5	
Prevents deletion of a customer account containing a balance due.	5	
Applies deposits to customers account and refunds amount to closing bill or after one year of no late payments.	5	
Able to send accounts to collection and/or lien property and track status.	5	
Able to credit closing bills for pre-paid trash charges (two months) based on current rates.	5	
Writes-off delinquent closed accounts at user discretion.	5	
Writes-off delinquent closed accounts using multiple General Ledger account numbers.	5	
Automatically writes-off closed accounts that have a balance less than a user-defined amount.	5	

Reports and Printing

Prints hard copy of register for each type of billing/delinquency with detailed customer and charge information that can be sorted and totaled by user preference.	5	
Stores and/or exports all types of billing/delinquent registers to a file to be transferred to disk, zip drive, CD ROM, etc. to eliminate excess paper files.	5	
Provides a report listing accounts with a current deposit. Ability to run by specified date range and sort at user selection.	5	
Prints a customer account history for one or more customer accounts as needed by the user. This report includes transaction dates and descriptions for the period specified by the user.	5	
Generates a water consumption report for any given time period by rate type, grid, pressure zone, and/or meter size, etc. as specified by the users.	5	
Provides a monthly transaction summary report for any given month by transaction type and summarize all totals for entry into the General Ledger.	5	

CITY OF CORONA

UTILITY BILLING SOFTWARE SYSTEM CHECKLIST

Function/Application Description	Vendor Response	Vendor Comments
Generates a report for any given day by historical transactions by processing type (i.e. regular billing, closing bills, cash receipts, delinquents, final notices, shutoffs, or adjustment transactions).	5	
Prints a report showing number of accounts by type of account (residential, commercial, industrial, public authority, etc.).	5	
Prints a report showing outstanding balances segregated by aging periods and/or account number, credit balance, debit balance or both debit and credit, active and/or closed accounts.	5	
Flags high/low reads and identifies notes from hand held meter reading devices on preliminary billing registers.	5	
Allows the user to select and print a variety of due dates on billings notices. One billing may include more than one due date.	5	
Provides for printing OCR bar code on all utility bills for simplified remittance processing.	5	
Provides for printing zip codes on all utility bills in USPS bar code format.	5	
Sorts all utility bills by nine (9) digit zip code to receive lowest postal rate.	5	CIS Infinity Interfaces with Address Pro a CASS certified software package. CIS Infinity provides zone reports to ensure the lowest possible rate for the water utility
Provisions for convenient alignment of pre-printed forms.	5	
Allows free formatted messages to be printed on a specific customer's bill.	5	
Allows free formatted messages to be printed on all regular bills in a cycle, at a minimum of 10 lines, 70 characters each.	5	
Allows free formatted messages to be printed on all delinquent bills in a cycle, at a minimum of 3 line, 30 characters each.	5	
Generates delinquency/shut-off notices upon demand (date driven).	5	
Able to process duplicate bills to different addresses.	5	
Prints a duplicate bill for lost forms.	5	

Customer Service Records

New Service Setups and Customer Signups

CITY OF CORONA

UTILITY BILLING SOFTWARE SYSTEM CHECKLIST

Function/Application Description	Vendor Response	Vendor Comments
Customer record contains all information required for billing, as well as spouses name, social security number, driver's license, employer name and phone, SIC Code, due dates, account status history, and deposit information.	5	
Provides for charging a deposit at time of set-up of account or at a later date, which can be refunded after one-year or upon closing of an account.	5	
While entering on and off orders into the system, user is notified of previous pending order on existing service.	5	
Validates Zip codes as account addresses are entered.	2	
Repetitive information can be automatically copied from last record when entering multiple new sign ups (i.e. builders, tract housing, etc.).	2	The latest product release, Version 2.0, has been released as a Beta version with 3 clients. It will begin roll out in January 2001, and if we are selected as the vendor of choice it will be the release we will use for installation at the City. We are planning a functionality upgrade to the release for Q2/Q3 of 2001. In this upgrade this request will be able to be handled.
Notifies user upon entering new sign-up of past accounts with same name.	5	
May reactivate an account closed in error.	5	
Able to input new accounts on a daily basis, without affecting a pending billing process.	5	
Allows for at least an 8 digit account number (includes 3 digit route number).	5	

Add/Edit/Delete

An authorized user is able to enter changes to customer account information.	5	
Able to capture free-form narrative information for internal purposes (e.g. hostile customer, cash only).	5	
Provides for aborting from add/edit/delete mode while in an account after beginning to make changes without changing the record.	5	
Inactivates a customer account for a user defined period of time and then automatically reactivates (e.g. customer's house has burned down and is awaiting rebuilding).	5	

Inquire

Notifies the user upon inquire of special notes or conditions on customer accounts. May be audible.	5	
Easily identified current account status by active, inactive, closed, delinquent, third notice, turned off non-pay, etc.	5	
Easily identified historical account status per billing at a quick glance.	5	

CITY OF CORONA

UTILITY BILLING SOFTWARE SYSTEM CHECKLIST

Function/Application Description	Vendor Response	Vendor Comments
Provides user friendly inquiry options for customer name, account number, service address, and meter number without having to fit in some exact format that is not obvious to the casual user.	5	
Provides inquiry options for social security number, phone number, driver license number, etc.	5	
Calculates charges to an account with estimated additional charges without actually posting to the accounts.	5	

Reports and Printing

Generates service orders for ons and offs by date for change of services as well as change of status.	5	
Print/views online a history of consumption and/or payments for a selected customer on demand and prints complete listing.	5	

Payment Processing

Cashiering/Admin Functions

Ability to function as a stand alone module (i.e. operate as a cash register).	5	
Accommodates posting of partial receipts "on account," where the amount paid is less than the amount due.	5	
Processes a receipt showing balance due on account.	5	
Able to override the system-displayed default amount during cash receipts entry.	5	
Collects and processes all payments including business licenses, utility bills, permits, and miscellaneous receipts from various departments.	5	
Captures the time and day on the system for each transaction.	5	
Able to enter, track separately, and process simultaneously the following tendering situations: cash, check, charge card, and money orders.	5	
Processes split or mixed tendering situations.	5	
Maintains the transaction and the dollar totals by the tender type and transaction.	5	
Provides for correcting cash receipts made in error before posting the batch.	5	
Ability to maintain a running total for transactions in progress.	5	
Prompt before final acceptance of a transaction to verify account number and amount received.	5	
Ability to modify register "programmable" characteristics from a central location.	5	

CITY OF CORONA

UTILITY BILLING SOFTWARE SYSTEM CHECKLIST

Function/Application Description	Vendor Response	Vendor Comments
Provides for a test module for training and testing purposes.	5	
Able to inquire into all of a utility customer's outstanding fees when receiving payments.	5	
Restricts posting of cash receipts to all subsystems until the proper edits and batch totals have been verified and balanced by the cashier.	5	
Maintains default General Ledger accounts with override capabilities for specific types of payments or receipts.	5	
Distributes payments or cash receipts to multiple General Ledger funds and accounts.	5	
Notifies user of a "cash only" status on an accounts when a check is received as payment.	5	

Reports and Printing

Prints a customer receipt, with pertinent account information, as well as an internal transaction tape for each transaction processed.	5	
Provides for securing registers at various levels (clerk, manager, etc.) depending on the function being performed.	5	
Provides a full audit trail of cash entry error corrections.	5	
Able to review cashiering transaction detail, by a given register, online.	5	
May group all item-related transactions (permits, business licenses, etc.) together for reporting on an edit listing.	5	
Maintains cash register activity data for each cashier, including the following: valid transactions, voids, corrections, etc.	5	
Prints a cash drawer audit report that totals and describes cash received daily by each cashier. This report includes time, date, payment type, receipt number, amount due, amount tendered, change due, etc.	5	

Extension of Payments & Collections

Ability to create, track, and monitor payment plans for customer accounts and defer disconnection of services for non-payment. Automatically generates off orders after extension has expired.	5	
Tracks multiple payment arrangements on one balance and automatically generates off orders when payments have not been paid.	5	
Able to extend payment due dates after initial arrangements are made.	5	

CITY OF CORONA

UTILITY BILLING SOFTWARE SYSTEM CHECKLIST

Function/Application Description	Vendor Response	Vendor Comments
Tracks how often payment due dates have been extended (track number of extensions).	5	
Provides for creating collection assignments (report) after user-defined outstanding balance period, including: list of past due customers accounts, flag record, print report for collection company listing account history/data.	5	

Meter Records

May enter free formatted notes on meter records.	5	
Authorized user may change meter information, including dates, reads, and usage.	5	
Processes meter exchanges and tracks usage on both meters.	5	
Meter information can be set-up once per address and carried from customer to customer at a specific address.	5	
Meter inquire screen includes service address, date installed, meter number, current read and date, previous read and date, meter type, actual size, number of dials, number of dwelling units, meter location, pressure zone.	5	
Provides user friendly inquiry options for meter information without having to translate to a coded table or fit in some exact format that is not obvious to the casual user.	5	
May link several accounts such as separate meters for a building, fireline, and landscape at same address.	5	
Able to view customer information along with meter information.	5	
May view field customer service comments entered on handheld device available for later review by staff.	5	
Able to transfer or change account numbers while keeping the same customer and meter information.	5	Customer Number architecture
Able to modify reads prior to billing selected accounts.	5	
Allows for at least a 3 digit route number.	5	
Provides a detailed report of meters by size and age.	5	
Inventories and notices customers for yearly maintenance and testing of backflow devices.	2	We are planning a functionality upgrade to the Version 2.0 release for Q2/Q3 of 2001. In this upgrade this request will be able to be handled.

Rates, Charges, and Table Structure

Provides for creating temporary rate tables and delay the implementation of new rates without affecting current table or billing processes.	5	
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CITY OF CORONA

UTILITY BILLING SOFTWARE SYSTEM CHECKLIST

Function/Application Description	Vendor Response	Vendor Comments
Provides a report for viewing current and previous billing rates for auditing purposes.	5	
Able to define exemptions based on a code or flag (i.e. no delinquent, no shut-off, etc.).	5	
User may define a set minimum and maximum outstanding balances for delinquent, final notices, and shut-off charges.	5	
Ability to define order of pay (i.e. date, sewer, trash, etc.).	5	You can define the order of payments so as to handle partial payments to multiple A/R accounts

Water-Use Efficiency Options

Ability to query by consumption use and data. Track high users, and give percentages based on sectors such as residential, commercial, industrial, institutional, agricultural.	5	
Performs usage trending and displays graphical and historical information on bill	5	
Performs water usage allocation based on ET, weather and parcel size to be displayed on bill for customer monthly allowance.	2	The latest product release, Version 2.0, has been released as a Beta version with 3 clients. It will begin roll-out in January 2001, and if we are selected as the vendor of choice it will be the release we will use for installation at the City. We are planning a functionality upgrade to the release for Q2/Q3 of 2001. In this upgrade this request will be able to be handled.
Provides for the tracking of water conservation devices that have been given out to customers.	5	
Develops budgetary information for future water forecasting (5, 10, 15, 20 years) based upon prior water use history.	5	
Identify structures that are provided with water service by the year built.	5	
Ability to query consumption by meter size and rate type.	5	

General System Features

User Security

Avoids duplicate data entry. Data is entered once and replicated or accessed when needed.	5	The software is designed with limited data redundancy and is table driven. Changes are made once and appear throughout the system.
Processing controls provide assurance that data input into the system is properly processed.	5	There are warnings if a processing routine has not been completed properly.
User personnel signs-on using a unique password and receives a customized menu allowing access to their authorized options only.	5	

CITY OF CORONA

UTILITY BILLING SOFTWARE SYSTEM CHECKLIST

Function/Application Description	Vendor Response	Vendor Comments
System may be backed-up on a daily, weekly, and/or monthly basis	5	
Provides flexible backup utilities enabling the backup of individual items, application databases, or the entire system.	5	As a windows application, the software can be backed up using standard network back-up routines.
Maintains audit trails including changed by, changed date, and record (print or file) of changes.	5	
Prevents any master file record from being deleted if that record is referenced in any other file.	5	

Date Checks and Input

Checks date when opening or closing accounts of pending customer service orders and/or other pending billing processes.	5	
Provides for date validation and timing of billing functions so that accounts cannot be processed out of sequence.	5	
Accepts date entered MMDDYY and converts to format required in software.	5	
Dates may be entered in a simplified format (i.e. alphanumeric such as T = today, -1 = yesterday, +1 = tomorrow, ME = Month End, FYB = Fiscal Year Beginning, etc.).	0	The system has a built in calendar. A user can double click on any date field and an electronic calendar will pop-up for easy date selection. This should handle the City's needs for date tracking.
Accepts past and future dates for new accounts, and closing accounts.	5	
Gives a warning if a date is not within specified date range.	5	
Denies access if a date is not within specified date range, but allows changes by supervisor capabilities.	5	
Allows users to enter date and time to schedule report running.	5	

Global Changes of Data

Staff, with proper capability, able to adjust fields such as codes, rates, and tables without the services of a professional programmer.	5	
Staff able to purge data based on user-defined criteria (with appropriate controls) including prior year date, unused data, etc.	5	Purging is tied to database functionality
Staff able to set system flags and parameters without the services of a professional programmer.	5	
Staff may select report options and set parameters without the services of a professional programmer.	5	All reports have criteria that can be set and configured by the user. The ad hoc query and ad hoc reporting features provide unlimited potential for report options without the intervention of a programmer.

Integration/Interfaces

CITY OF CORONA

UTILITY BILLING SOFTWARE SYSTEM CHECKLIST

Function/Application Description	Vendor Response	Vendor Comments
Interfaces with Standard Register DTS200 & DP35 Remittance Processing Systems.	1	CIS Infinity has interfaced with a number of different remittance processing units but not this particular model. Therefore the interface would have to be developed. Costs would be determined during needs assessment.
Billing system interfaces with the cashiering system to provide automated account number validation and update.	5	CIS Infinity ships with a cashiering system. Therefore there is no need to build an interface
Cashiering system interfaces with the receipt printer and slip validator.	5	CIS Infinity will interface with any printer that has windows drivers
Provides for the generation of an electronic transfer of the bills for printing by an outside service.	5	
Interfaces with City's current meter reading system for all billing functions.	5	We have over 10 clients using Itron MV/RS
Includes tracking of service orders, meter inventory, and maintenance.	5	
Integrates ZIP + 4 coding using CASS certified software meeting all requirements of the USPS.	5	We currently interface with address Pro and provide the bills in a format that allows the utility to get the lowest possible postage rate. The software meets all the requirements of the United States Postal service.
Will allow for payment processing through web access with credit cards and/or on-line banking by install date.	5	
Interfaces with credit card acceptance processor so that payment is entered only once.	1	This interface would have to be written. Costs would be determined during a needs assessment process, but are expected to be minor.
Interfaces with City's current GIS system.	5	ARC Info, ESRI
Integrates with the City current financial system to provide the capability to electronically update the General Ledger with summarized daily activity.	5	We are currently completing the interface to Bi-Tech financials at another client. It will be completed well in advance of the installation at the City of Corona.

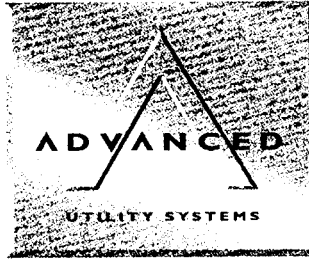
General Reports and Printing

Allows for the creation of customized reports by the City that can be maintained and used on a regular basis.	5	
Able to easily scroll or page through records or files on a screen in a forward or backward direction	5	
Calls up a single record directly by key or command.	5	
Allows inquire online into any master file record, provided user has the proper authorization.	5	
Maintains a minimum of three (3) years plus current year billing detail online.	5	
Handles alphanumeric characters in all data fields.	5	
Records in the software composed of data elements that have consistent names, lengths, and data types in all files and programs. Validation of entry required.	5	

CITY OF CORONA

UTILITY BILLING SOFTWARE SYSTEM CHECKLIST

Function/Application Description	Vendor Response	Vendor Comments
Operates in a multi-user environment so record locking will be required to maintain the integrity of the data.	5	
Provides a feature which allows user defined data to be imported/exported to a word processing file, spreadsheet file, data base file and or ASCII format.	5	
Generates user defined mailing labels from customer master file information in zip code order.	5	
Produces a detail or summary report of the information contained in the customer master file in user selected sort order.	5	
Provides that users may view a list of reports that are running on the systems and who it was ordered by.	5	
Provides that users may view a list of users who are on the system.	5	
Provides the ability to monitor status of jobs.	5	
Lists users who are on the system and what modules they are accessing.	5	
Screens and menu options include online help and documentation.	5	
Provides for printed output to be queued to any of the system or network printers.	5	
All reports have an option to be viewed or printed.	5	
All report contain City name, report title, column heading descriptions, processing date, date ordered, ordered by who, sequentially numbered pages, subtotals at each level break as appropriate.	5	
Tracks field customer service requests and generate reports.	5	



RECEIVED
CITY OF CORONA
CITY CLERK
01 MAY 18 AM 11:48

May 1, 2001

Ms Debra Foster
Finance Manager
City of Corona
815 West Sixth Street
Corona, California
U.S.A. 92882-3238

Dear Ms. Foster:

Please find attached herewith an original Certificate of Insurance, which lists City of Corona as an additional insured with respect to the Commercial General Liability and Errors and Omissions insurance for Advanced Utility Systems Corporation.

If you have any questions please contact me at (416) 496-0149 ext. 224.

Yours truly,

Kelly Legris
Director of Operations

Attachment

CERTIFICATE OF INSURANCE

Marsh Canada Limited
70 University Avenue, Suite 800
Toronto, Ontario M5J 2M4
Telephone (416)349-4700

This certificate of insurance neither affirmatively nor negatively amends, extends or alters the coverage afforded by the policies scheduled herein. It is furnished as a matter of information only, confers no rights upon the holder and is issued with the understanding that the rights and liability of the parties will be governed by the original policy or policies as they may be lawfully amended by endorsement from time to time.

Name and address to whom issued City of Corona 815 West Sixth Street Corona, California 92882-3238 U.S.A. Attention: Debra A. Foster			Name and address of insured Advanced Utility Systems Corporation 2235 Sheppard Avenue East Suite 1702 Toronto, Ontario M2J 5B5		
Type of Insurance	INSURER	POLICY NUMBER	EXPIRATION DATE	COVERAGES	Limits of Liability
COMMERCIAL GENERAL LIABILITY	Kemper Canada Insurance Company	3MF814330-00	December 21, 2001	Inclusive Limits Bodily Injury and Property Damage Liability	\$2,000,000 US Each Occurrence or Accident \$2,000,000 US Aggregate Products & Completed Operations
ERRORS AND OMISSIONS	Kemper Canada Insurance Company	3MF814330-00	December 21, 2001	Professional Liability	\$2,000,000 US Limit per Claim
Description of Operations covered and other comments - EVIDENCE OF INSURANCE					

City of Corona is added as an Additional Insured but only with respect to liability arising out of the operations of the Named Insured.


SUBJECT TO THE TERMS, CONDITIONS AND EXCLUSIONS OF THE ABOVE NOTED POLICIES.

CANCELLATION: Should any of the above described policies be cancelled before the expiration date thereof, the Insurer(s) will endeavour to mail -0-days written notice to the Certificate Holder, but failure to mail such notice shall impose no obligation or liability of any kind upon either the Insurer(s) or Marsh Canada Limited.

Issued at: Toronto, Ontario

Date: 1 May 2001
ADVANCED008.00

MARSH CANADA LIMITED

By: 
Mishma Gashyna