LEGISLATIVE & PUBLIC AFFAIRS COMMITTEE MEETING
Monday, February 26, 2018 at 3:30 p.m.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

Items Not on the Agenda: Members of the public are invited to address the Board on items which are not on the agenda. Each speaker is limited to three minutes. The Board will set aside 30 minutes for public comments.

Items on the Agenda: Members of the public may comment on agenda items before action is taken, or after the Board has discussed the item. Each speaker is limited to three minutes. The Board will set aside 60 minutes for public comments.

CONSENT CALENDAR ITEMS:
Approve all matters under the Consent Calendar by one motion unless a Board member, staff, or a member of the public requests a separate action.

1. Advocacy Update
2. Outreach Update

ACTION ITEMS:
3. ACWA’s No Drinking Water Tax Outreach Campaign
4. Research Sponsorship
5. Purchase Requisition Software

PRESENTATION AND DISCUSSION ITEMS:
Items recommended for approval at this meeting may be agendized for approval at a future Board meeting.

None

REPORTS:
7. Directors’ Reports and Comments
INFORMATION ITEMS:

8. KOCI Radio Sponsorship
9. Orange County Fair 2018 Sponsorship

CLOSED SESSION:

10. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:
    Pursuant to California Government Code Sections 54956.9 (d) (1) and 54954.5 (c)
    Case: Costa Mesa Sanitary District v. Mesa Water District
    Case No. 30-2017-00923819-CU-PT-CJC

RETURN TO OPEN SESSION.

In compliance with California law and the Americans with Disabilities Act, if you need disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, or if you need the agenda provided in an alternative format, please contact the District Secretary at (949) 631-1206. Notification 48 hours prior to the meeting will enable Mesa Water District (Mesa Water) to make reasonable arrangements to accommodate your requests.

Members of the public desiring to make verbal comments utilizing a translator to present their comments into English shall be provided reasonable time accommodations that are consistent with California law.

Agenda materials that are public records, which have been distributed to a majority of the Mesa Water Board of Directors (Board), will be available for public inspection at the District Boardroom, 1965 Placentia Avenue, Costa Mesa, CA and on Mesa Water’s website at www.MesaWater.org. If materials are distributed to the Board less than 72 hours prior or during the meeting, the materials will be available at the time of the meeting.

ADJOURNMENT
MEMORANDUM

TO: Legislative & Public Affairs Committee
FROM: Stacy Taylor, External Affairs Manager
DATE: February 26, 2018
SUBJECT: Advocacy Update

RECOMMENDATION

This item is provided for information only.

STRATEGIC PLAN

Goal #4: Increase public awareness about Mesa Water® and about water.
Goal #7: Actively participate in regional water issues.

PRIOR BOARD ACTION/DISCUSSION

This item is updated for the monthly meeting of the Legislative & Public Affairs Committee.

DISCUSSION

Staff will provide a verbal report to the Board.

FINANCIAL IMPACT

In Fiscal Year 2018, $84,000 is budgeted; $42,000 has been spent to date.

ATTACHMENTS

None.
RECOMMENDATION

This item is provided for information only.

STRATEGIC PLAN

Goal #4: Increase public awareness about Mesa Water® and about water.
Goal #5: Attract and retain skilled employees.
Goal #6: Provide outstanding customer service.
Goal #7: Actively participate in regional water issues.

PRIOR BOARD ACTION/DISCUSSION

This item is updated for the monthly meeting of the Legislative & Public Affairs Committee.

DISCUSSION

Mesa Water District’s outreach program aims to connect Mesa Water with its constituents in order to achieve Goal #4 of the District’s Strategic Plan. Outreach activities are also designed to achieve the Strategic Plan goals related to human resources, customer service, and/or regional water issues involvement by educating and informing the District’s constituents about Mesa Water, water issues, and water in general. Mesa Water’s constituents include external audiences – such as customers; community members; elected officials; industry colleagues, water districts and special districts; and media – as well as internal audiences such as staff, retirees and Board members.

Upcoming FY 2018 Events

1. Turf Removal and Water Efficient Landscape Workshop, Saturday, March 10, 2018, 8:30 a.m. – 12:00 p.m., in the Mesa Water Boardroom, 1965 Placentia Avenue, Costa Mesa, CA 92627.

2. Children’s Water Education Festival, Wednesday, March 28, 2018, 8:30 a.m. - 2:00 p.m., and Thursday, March 29, 2018, 8:30 a.m. – 2:00 p.m., at the University of California, Irvine.

3. What About Water – Lunchtime Expo, Thursday, April 12, 2018, 11:20 a.m. - 1:30 p.m., Costa Mesa High School, 2650 Fairview Road, Costa Mesa, CA 92627.

The benefits of Mesa Water’s outreach program include:

- Informing constituents about Southern California’s perpetual drought, the historical drought facing California, and the importance of developing local and cost-effective sources of safe, reliable water for Mesa Water’s service area and the region at large;
• Educating constituents about the importance of water and water stewardship, in order to sustain Southern California’s population, quality of life, business, and economy;

• Educating constituents about Mesa Water’s stewardship of ratepayer funds and financial responsibility to fund, invest in, and save for the current and future provision of safe and reliable water for the District’s service area;

• Informing constituents of the District’s infrastructure improvements to ensure water quality and water reliability for its service area;

• Learning from constituents and evolving as a well-informed Board of Directors;

• Promoting water use efficiency to Mesa Water’s customers and community members to help them save water, money, and the environment;

• Ensuring, for public health and safety reasons, that Mesa Water customers and community members identify the District as their water provider and as the source of information about water in emergency situations;

• Supporting Mesa Water’s service area as an actively involved participant in programs that provide added value and benefits to the community;

• Informing the media of Mesa Water’s activities that benefit the District’s customers and community;

• Empowering Mesa Water’s Board and staff with information that will help them provide the best possible service to the District’s customers and community members; and

• Strengthening Mesa Water’s industry relations to provide opportunities for improving the District’s business and operations -- including the areas of financial and human resources strength, infrastructure and technological innovation, and setting/supporting policies that have a positive impact on Mesa Water’s service area -- so that the District can continue to provide safe, high-quality, reliable, and affordable water to its customers.

FINANCIAL IMPACT

In Fiscal Year 2018, $373,200 is budgeted for the District’s Public Affairs department expenses; $207,598 has been spent to date.

ATTACHMENTS

None.
MEMORANDUM

TO: Legislative & Public Affairs Committee  
FROM: Paul E. Shoenberger, P.E., General Manager  
DATE: February 26, 2018  
SUBJECT: ACWA’s No Drinking Water Tax Outreach Campaign

RECOMMENDATION

Recommend that the Board of Directors support the Association of California Water Agencies’ No Drinking Water Tax Education and Outreach Campaign in the amount of $10,000.

STRATEGIC PLAN

Goal #1: Provide a safe, abundant, and reliable water supply.
Goal #2: Practice perpetual infrastructure renewal and improvement.
Goal #3: Be financially responsible and transparent.
Goal #4: Increase public awareness about Mesa Water® and about water.
Goal #5: Attract and retain skilled employees.
Goal #6: Provide outstanding customer service.
Goal #7: Actively participate in regional water issues.

PRIOR BOARD ACTION/DISCUSSION

None.

DISCUSSION

Association of California Water Agencies’ (ACWA) is launching a major fund raising effort to help pay for outreach activities related to the proposed tax on drinking water. On February 14, 2018, ACWA distributed an Outreach Alert urging member agencies to join ACWA’s coalition against SB 623 (Monning) and the budget trailer bill related to a tax on drinking water.

Fighting the tax on drinking water is one of the most important efforts undertaken by ACWA and its member agencies in recent years. In addition to the policy problems (e.g., taxing something that is essential to life), the proposals threaten to make urban water agencies serve as tax collectors for the state and compete with the state for limited local funding. If enacted, the tax on drinking water would also be the precedent for future taxes on water, both agricultural and urban.

Funding will be directed towards conducting statewide polling to gain a better understanding of public views toward a drinking water tax, and the education, outreach and advocacy efforts related to the water tax proposal.

Staff recommends that the Board of Directors consider allocating $10,000 to support ACWA’s No Drinking Water Tax Education and Outreach Campaign.

FINANCIAL IMPACT

In Fiscal Year 2018, $373,200 is budgeted for the District’s Public Affairs department expenses; $207,598 has been spent to date.
ATTACHMENTS

None.
RECOMMENDATION

Recommend that the Board of Directors support the preparation of “A New Policy Agenda” by Chapman University’s Argyros School of Business and Economics, C. Larry Hoag Center in the amount of $12,500.

STRATEGIC PLAN

Goal #1: Provide a safe, abundant, and reliable water supply.
Goal #2: Practice perpetual infrastructure renewal and improvement.
Goal #3: Be financially responsible and transparent.
Goal #4: Increase public awareness about Mesa Water® and about water.
Goal #5: Attract and retain skilled employees.
Goal #6: Provide outstanding customer service.
Goal #7: Actively participate in regional water issues.

PRIOR BOARD ACTION/DISCUSSION

None.

DISCUSSION

Joel Kotkin is an internationally-recognized authority on global, economic, political and social trends and is the Chapman Presidential Fellow in Urban Futures. He has approached Mesa Water for a partnership on his new research topic which is a broad discussion on the policy directions that California should take to ease life for the middle class including water, regulations and housing issues.

Below is a compilation of passages from Mr. Kotkin's proposal:


Californians generally want to preserve the environment, educate their children and provide for parks, recreational opportunity, clean water and air. In sum, they want a better life for themselves, and their families. The beginnings of a new policy agenda start with middle class families and their aspirations. Governor Brown has been a proud father, if you will, to policies that are also driving young people, and particularly people of child-bearing age out of the state, according to an analysis of 2014 IRS numbers. We should seek to protect our environment, and make our communities more sustainable, but sustainability includes the standard of living and social mobility. A state that is increasingly bifurcated, where more people need assistance to meet their basic needs, but is heavily dependent on a relatively small number of affluent people, seems fundamentally unstable. A new California policy agenda would confront these basic issues. The state also should consider decentralizing, as opposed to centralizing decision making. Similarly,
densification policies that might make some logical sense in crowded, already highly congested urban areas may not be so appealing in the hundreds of more suburban, and even rural communities, which is home for the clear majority of state residents.

Finally, the state needs to redefine our priorities around the needs of our economy and middle class citizens. The climate program embraced by Governor Brown cannot address such fundamentally global issues within the border of a state, even one as large as California.

Staff recommends that the Board of Directors support the preparation of “A New Policy Agenda” in the amount of $12,500.

FINANCIAL IMPACT

In Fiscal Year 2018, $373,200 is budgeted for the District’s Public Affairs department expenses; $207,598 has been spent to date.

ATTACHMENTS

Attachment A: “A New Policy Agenda”
CALIFORNIA’S VANISHING MIDDLE CLASS AND HOW TO PRESERVE IT – LEADING RESEARCH FROM
CHAPMAN UNIVERSITY’S HOAG CENTER

For most of its history, California has been a beacon to millions of people, both from within the
country and without, seeking the best version of the American dream. Under Governors and legislators
of both parties, the state consistently led the nation in creating the infrastructure --- roads, schools,
water systems --- that underpinned prosperity and led to the growth of an advanced, widely based
economy.

Today that notion of a California dream is fraying, as the state becomes increasingly divided by
rampant inequality and class divides more associated with feudalism than democracy.

It is becoming, for most Californians, a place of limited social mobility where the middle class is
gradually diminishing amidst a rising tide of permanently impoverished people. From an economic
perspective, the lack of social mobility has potentially catastrophic implications for California’s real
estate industry, its ability to attract and retain its people and perpetuate the innovation that has built
the state’s reputation. The objective of this research is to explore the social, political and economic
implications of this megatrend and to propose potential strategies to address them. This effort is part of
the Hoag Center’s on-going agenda of thought leadership in the real estate and economic development
arena.

California, the killing field for the middle class?

Although the state’s post-2010 recovery has won plaudits in both the progressive press and
embraced by the likes of the New York Times Paul Krugman, as providing a model for the future, the
reality is far darker. Behind the media glitz, California is increasingly a bifurcated state, divided between
a glamorous software- and media-based economy concentrated in certain coastal areas, and a declining,
and increasingly impoverished, interior. According to a recent United
Way https://www.unitedwaysca.org/realcost study, close to one in three is barely able to pay their
bills. California, of course, is well represented among the world’s richest people and particularly
dominates the list of billionaires under forty are from tech or related industries like media and
entertainment. Social media has made the likes of Mark Zuckerberg fantastically wealthy, but not
improved living conditions for most Californians.

Overall, according to a recent Social Science Council report, California is now the most unequal state
when it comes to “wellbeing” in the union, and has, along with stupendous wealth, the highest rate of
poverty in the nation. In his new work on the nation’s urban crisis, researcher Richard Florida ranks three California metropolitan areas ---Los Angeles, San Francisco and San Diego --- among the five most unequal in the nation.

This dovetails with a host of other research findings. One survey last year ranked California as the state where the middle class is disappearing the fastest. In addition, a recent Pew study found California’s urban areas over-represented among the regions where the middle class is shrinking most rapidly. California now is home of over 30 percent of United States’ welfare recipients, and 21 percent of Californians are in poverty once the cost of housing is considered, the highest rate of any state, and, embarrassingly a fifth higher than Mississippi, with its long-time reputation for the nation’s worst poverty.

These conditions tend to be worst in the cities and regions in the state’s interior. Overall California is home to a remarkable 77 of the country’s 297 most “economically challenged,” cities based on levels of poverty and employment, according to a recent US study. Altogether these cities have a population of more than 12 million.

In Silicon Valley, notes a recent report by the California Budget Center, since 1989 the middle-class share has dropped from 56 percent of all households to 45.7 percent today. Both the lower and upper income portions grew significantly; today lower income residents represent 34.8 percent of the population compared to 19.5 percent for the affluent.

One clear sign of a diminishing middle class: the state’s rapid decline in homeownership. California homeownership rates are overall among the lowest in the nation and Los Angeles-Orange County, the state’s largest metropolitan area, suffers the lowest level of homeownership in the country.

The situation is particularly perilous for the next (Millennial) generation, who have suffered among the largest declines in homeownership in the nation. Californians aged 25 to 34 suffered in the third worst homeownership rate (25.3 percent) among the fifty states. In San Francisco, Los Angeles and San Diego, the 25-34 home ownership rates range from 19.6 percent to 22.6 percent — approximately 40 percent or more below the national average. No surprise here given that in Los Angeles and the Bay Area a monthly mortgage takes, on average, close to 40 percent of income, compared to 15 percent nationally.

The prospects for higher wage job growth are not bright. As Chapman University’s James Doti has observed, Silicon Valley’s employment shows signs of slowing, with many companies now expanding elsewhere. Elsewhere the situation is much grimmer. In Orange County, the strongest southern California economy, tech and information employment is less today than in 2000.

In Los Angeles higher wage sectors, including business services, tech, durable goods manufacturing and construction, have been supplanted largely by lower wage employment in hospitality, health and education. A recent analysis by the Los Angeles Economic Development Corp predicts this trend will continue for the foreseeable future. The Los Angeles region is now the poorest of the 25 largest metropolitan areas, according to American Community Survey-based Census Bureau data.
These disparities in greater Los Angeles reflect the confluence of high rents and house prices, coupled with meager income growth. Renters in the L.A. metro are paying 48% of their monthly income to keep a roof above their heads, up from 36% historically. This is despite a widely acclaimed commitment to densification, which is being falsely promoted as making things more affordable, equal and efficient.

Almost half (48.7%) of working-age adults in LA are doubled up with one another in housing units – up almost 10 percentage points since 2000. It’s even worse in the Inland Empire: Roughly 45% of working-age adults in the Riverside/San Bernardino areas live with another adult, up 15 percentage points since 2000. Overall Two-thirds of the places (municipalities and census designated places) with more than 5,000 residences in the United States with greater than 10 percent of housing units overcrowded are in California, according to the American Community Survey.

One more critical sign of failure.

As the “boom” has matured, homelessness has risen to 115,000, roughly twenty percent of the national total. They are not found not only in infamous encampments such as downtown Los Angeles “skid row” or San Jose’s “the Jungle” to more traditionally middle class areas as Pacific Palisades and through central parts of Orange County.

As states like Texas and Arizona create more middle class opportunities, California could begin to verge on becoming a high-tech version of long ago discarded feudalism, under which a small propertied class had a virtual monopoly on wealth and power, and all others were either forced to service them, or o live “hand to mouth,” or even in poverty. The current trajectory for California seems clear. As IRS data reveals, the state is losing many of its future middle class, as people in their 30s and above seek to relocate in more business-friendly, less heavily taxed and regulated states like Texas, Arizona, Nevada or Utah. California firms that employ middle-income workers --- such as Toyota, Occidental Petroleum, Jacobs Engineering, among many others --- have also moved, in many cases taking large numbers of long-time California residents with them.

The role of policy.

To be sure, many of the forces driving increased inequality nationally ---globalization, automation, massive immigration from developing countries --- also have contributed to the emergent California reality. Yet state, and in some cases local, policies have exacerbated class divides to an extent greater than in states where such policies have not been implemented. These include such things as huge bills for public employee pensions and onerous labor laws, which tend to raise costs and drive businesses to other states.

One critical area lies in education, which is by far the biggest non-pension item in the state budget. The current education system, particularly K-12, exacerbates the class divides in the state. But there are hopeful signs that people --- particularly in low income communities --- are stirring, as shown by the recent LAUSD election where charter advocates won a convincing victory over the union-dominated educational establishment.
Yet perhaps the most distinctive characteristic of California’s policy approach centers on environment and efforts to combat climate change. In ways that go well beyond the Paris Climate accords or national policy, even under President Obama, California has decided to forge its own draconian path in ways that effect virtually every aspect of everyday life, from energy, water and gas prices to housing patterns, transportation and zoning.

Brown has long been at the forefront on drafting and enforcing regulations that make building housing both difficult and very expensive. And now he has pushed new legislation, just recently passed, that makes it worse by imposing even more stringent regulations on greenhouse gas, mandating a 40% cut from 1990 levels by 2030. To achieve these new goals, under present or even potentially feasible technology, noted a 2012 study by California Council on Science and Technology, the state would require all building to either “to be must be demolished, retrofitted, or built new to very high efficiency standards.”

A massive rework of the entire built environment won’t do much for affordability to say the least. With California’s environmental regulation so much more stringent than other states, things are likely to get worse, at least over the next few years as the federal government backs off some of the environmental policies of the previous administration. There is scant indication that other states are in “lock-step to follow the California “model” but may see the state’s climate jihad to step up recruitment of local businesses.

State-mandated GHG policies create high energy prices that impact middle and working class families, particularly in the less temperate interior, far more than wealthier residents of the coastal zone. Other policies raise the cost of water, also a difficult proposition for middle and working class families and the lower density suburban community they prefer. They also impact traditional blue-collar industries --- such as manufacturing, warehousing and agriculture --- for more than the media and software industries that drive economic growth in places like the Silicon Valley, San Francisco and west Los Angeles.

The Housing Crisis.

Similarly the state’s policies on housing --- seeking to promote density and transit-oriented development --- have made it increasingly impossible to build the affordable, lower density housing preferred by the vast majority. Instead middle class Californians face an increasingly difficult choice of either owning their own home or leaving the state.

These housing prices, the highest in the nation, are also reflected in such things as the highest levels of overcrowding, and percentage of income spent on rent or mortgage, in the nation. Brown’s legacy on housing has created a California that works for specific groups--- older homeowners, urban land speculators, but leaves the state ever more crowded, plagued by miserable traffic and rising inequality.

Nor will greater density necessarily make the state more affordable or improve the quality of life. After all, California is already extremely dense, with the highest overall urban density in the US: Los
Angeles is twice as dense as Portland, with its international reputation for the policies that Brown and the present administration are seeking to apply. The Bay Area at least 50 percent denser, and even Fresno, Stockton, Modesto and even the small Los Banos urban area are each denser than the Portland urban area.

State regulators are requiring regional governments to adopt measures to limit all new development to a mere fraction of the area’s land mass. As can be expected whenever supply is restricted in the face of demand, whether it is OPEC oil or suburban housing, this all but guarantees that future generations will face impossibly higher housing prices. And a new set of regulations, including a requirement that new houses have “zero” net energy use all but guarantees that houses, over time, will continue to become ever more expensive, out of reach for the vast majority of buyers. The Bay Area’s regional plan also says goodbye to the American dream, suggesting that at least three-quarters of all new housing should be rental.

Tragically, much of this policy environment will do little to combat the perceived threat of climate change. California could literally fall into the ocean and have no appreciable impact on global temperature, particularly given that countries like China and India continue to boost their coal consumption. The “leakage” caused by businesses and individuals moving out of state, in large part caused by regulations, all but makes up for any reductions the state has achieved. More remarkable, in terms of actual GHG reductions since 2007, according to the Energy Information Agency, California ranks a mediocre 35th among the states. Remarkably, the massive social engineering proposed by regulators to impose density might have less than a 1% impact on our overall emissions.

Millions of Californians are seeing their quality of life, and in some cases their livelihoods, undermine by what can only be seen as self-serving, and self-centered, vanity on the part of the state’s policy elite.


Californians generally want to preserve the environment, educate their children and provide for parks, recreational opportunity, clean water and air. In sum, they want a better life for themselves, and their families. Right now family formation and birth rates are falling in the state, particularly in large metropolitan areas, as people escape poor schools, congestion, high taxes and housing prices. What may have been the next generation of Californians are now increasingly being raised in Texas, Arizona, Utah and other states.

The beginnings of a new policy agenda start with middle class families and their aspirations. Brown has been a proud father, if you will, to polices that are also driving young people, and particularly people of child-bearing age out of the state, according to an analysis of 2014 IRS numbers. As a recent Chapman University report has demonstrated, California millennials already have among the lowest rates of homeownership in the country, and trend that is intensifying, as well as among the highest rates of staying with parents after their mid-twenties.

We should seek to protect our environment, and make our communities more sustainable, but sustainability includes the standard of living and social mobility. A state that is increasingly bifurcated, where more people need assistance to meet their basic needs, but depends heavily dependent on a
relatively small number of affluent people, seems fundamentally unstable. Due largely due to soaring capital gains from the tech and high end real estate booms, 5,745 taxpayers earning $5 million or more generated more than $10 billion of income taxes in 2013, or about 19 percent of the state’s total, according to state officials.

This is fundamentally socially unstable and, also from a fiscal point of view. Moody’s recently ranked California second from the bottom in being able to withstand the next recession. Governor Brown’s own Department of Finance predicts that a recession of “average magnitude” would cut revenues by $55 billion. California, notes a recent Mercatus Center Study, ranked 44th in terms of fiscal condition, 46th in long run solvency and 47th in debt in cash needed to cover short run liabilities.

A new California policy agenda would confront these basic issues. It would start with a thorough reform of public employee pensions, which increasingly threaten to overwhelm all other state spending. This is particularly critical to education funding, which is essential if the state is to address its growing failures to produce a trained, educated workforce. In addition to investing in education, California needs to modernize its schools to meet the needs of a competitive marketplace, in part through the expansion of charter schools.

The state also should consider decentralizing, as opposed to centralizing decision making. California is a very diverse place; it is home to San Francisco but also Fresno and hundreds of small communities. A policy that may be embraced in the ultra-expensive Bay Area, such as a $15 minimum wage, makes far less compelling logic in the Central Valley or even the Inland Empire. Similarly, densification policies that might make some logical sense in crowded, already highly congested urban areas may not be so appealing in the hundreds of more suburban, and even rural communities, which home for the clear majority of state residents.

Finally, the state needs to redefine our priorities around the needs of our economy and middle class citizens. The climate program embraced by Governor Brown cannot address such fundamentally global issues within the borders of a state, even one as large as California. There is no other way to lower housing prices than to allow what Zillow economists identify as the one of “tried-and-true source” for reducing housing costs: single-family tract housing developments on open land on the periphery (where the city meets the countryside).

To be sure, California should do its part, but, particularly given the current political reality in Washington and most surrounding states, this should not be allowed to accelerate class divisions and suppress upward mobility.

To serve its rapidly changing population, California needs to create a broad spectrum of employment opportunities. The current over-reliance on a handful of fantastically lucrative tech companies --- which employ few blue-collar workers or minorities --- does not bode well for the future. California needs its programmers and rocket scientists, but should also provide opportunities for the generally more diverse manufacturing and construction workers, as well as mid-level white-collar professionals.
**Scope, Structure, Team and Deliverables.**

This paper will be deeply researched but written in an accessible manner, with lots of graphics. It would put together a team of highly qualified researchers in economics, demographics, urban planning, data and analytics. The final product would be a 7,000-word paper, accompanied by a strong 1:30 video for social media distribution. It would be circulated through a host of media outlets, which we have used successfully in past Center for Opportunity Urbanism projects.

The document could serve as a starting point for future discussions about California’s future. It should be marketed not just to more conservative people, but also to old-style liberals (as well as yesterday's progressives, who got much of their start in California) who have long supported expansion, not contraction of the middle class and embrace the legacy of the late Governor Pat Brown.

It will also be heavily marketed to young people, who, after all, will have to live in this kind of regressive environment. They, after all, will be the ones who will have to live in an ‘upstairs-downstairs’ California where middle income families will have to settle for a much lower standard of living as a growing mass of poor people render public assistance programs even less able to meet their needs than today.

**The research team**

The effort will be headed up by Joel Kotkin, a California-based writer with four decades experience analyzing the state, and Presidential Fellow at Chapman University.

Our demographic analysis would be done by Wendell Cox while geographic mapping would be done by Ali Modarres, former head of the geography department at Cal State Los Angeles and deputy director of the Pat Brown Institute.

Economic analysis would be performed by Marshall Toplansky, Chapman University faculty member and research fellow at Chapman University’s Hoag Center for Real Estate and Finance. On the policy side, we would work with Karla del Rio Lopez of Orange County Neighborworks, attorney Jennifer Hernandez (Holland and Knight) on such issues as regulation of industry and housing policy.

Our social media and video strategy would be performed by Charlie Stephens and Amanda Horvath, who have worked with us on several successful efforts on past reports.

The following is a breakdown of the costs by individual component over the course of the 4-month research effort. These costs do not include an event to present the research to the public.

**RESEARCH BUDGET: $100,000**

- Joel Kotkin, principal author, $32,000
- Marshall Toplansky, economic analysis, $17,500
- Ali Modarres, geo-mapping, $3,000
- Alicia Kurimska, research and editing, $4,000
- Wendell Cox, demographics, $5,000
- Chapman Administrative Fee, $13,000
• Zina Klapper, editor, $7,000
• Karla del Rio Lopez, consultant, $2,000
• Printing and layout, $6,000
• Social Media, Charlie Stephens, $2,500
• Video, Amanda Horvath, $7,000
• Students $1,000
RECOMMENDATION

Recommend that the Board of Directors award a contract to Paperless Business Systems in the amount of $112,649 to provide eRequester software and services, and authorize the General Manager to execute the contract.

STRATEGIC PLAN

Goal #3: Be financially responsible and transparent.
Goal #5: Attract and retain skilled employees.
Goal #6: Provide outstanding customer service.

PRIOR BOARD ACTION/DISCUSSION

At its February 15, 2018 meeting, the Finance Committee was presented with an information item informing them of this project.

DISCUSSION

Background
The purchasing process affects all of Mesa Water District (Mesa Water®) staff. The Business Improvement Process Implementation (BIPI) identified the major congestion points within the purchasing workflow. The purchasing request portion of the process was found to be the key area for improvement. Mesa Water currently utilizes a manual 3-part business form for requesting goods and services. The process for making requests is outside of the purchasing system. This results in a process that produces inconsistent outcomes and lacks adequate management control, accountability, efficiency, and reliable effectiveness.

Improving the Purchasing Processes
Mesa Water staff worked collaboratively to document and improve the purchasing process workflow. Using the improved workflow as a baseline, staff then updated Resolution No. 1508 making recommendations and brought it to the Board for adoption. The next step is to secure software that has the capability to capture, organize, and store purchasing requests and manage the entire flow of the process. The software will immediately improve control and accountability of the purchasing process by providing transparency to the procurement process.

Staff went through a competitive process to select a software solution that meets the requirements of our improved purchasing process workflow. The primary criterion to be considered was that the software had to seamlessly integrate with the Mesa Water’s current accounting software - Great Plains Purchasing, Accounts Payables and Project Accounting Modules.

Mesa Water solicited proposals from three qualified software vendors that met the required system specifications. The vendors included: ReqLogic, Paramount Workplace, and eRequester.
Two proposals were received on October 20, 2017. Proposals were reviewed and evaluated by a selection panel comprised of staff from Mesa Water with consultant support from Sophos Solutions.

The proposals were reviewed and both vendors met the requirements based on the system specifications. Paramount Workplace and eRequester were invited to participate in a system demonstration to ensure the software could meet the requirements of our improved purchasing process workflow and provide full integration with Great Plains Purchasing, Accounts Payables and Project Accounting Modules. The software demonstration also allowed the selection panel to understand the operation and ease of use of the software solution. The software demonstration was conducted through a detailed agenda to ensure all critical process areas were covered.

Each vendor provided a unique and solid software demonstration. Based on qualifications, work flow, and ease of use, the selection panel determined that eRequester would be the most qualified and best solution for Mesa Water’s purchasing process. Staff conducted reference checks with three firms to ensure the fit with Mesa Water’s culture, approach to implementation, and customer service expectations. Software implementations can vary depending on the internal project manager, but all references agreed that eRequester demonstrated excellent customer service and support throughout the entire process. The proposal agreement for purchase, implementation, and training was reviewed by Mesa Water’s Legal Counsel and Information Technology team. eRequester’s proposal agreement is attached (Attachment B) and Paramount Workplace’s proposal is available upon request.

The results of each team’s cost proposal are as follows:

<table>
<thead>
<tr>
<th>Rank</th>
<th>Proposer</th>
<th>Submitted Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>eRequester</td>
<td>$112,649</td>
</tr>
<tr>
<td>2</td>
<td>Paramount Workplace</td>
<td>$119,745</td>
</tr>
</tbody>
</table>

**FINANCIAL IMPACT**

In Fiscal Year 2018, $100,000 has been budgeted for Purchasing Requisition Software; no funds have been spent to date. Additional funding will come from Cash on Hand.

**ATTACHMENTS**

Attachment A: Request for Proposal
Attachment B: eRequester Proposal
Request for Proposal

Purchase and Disbursement Automation Project

Final

MesaWater
DISTRICT

October 3, 2017
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   A. Mesa Water® Overview 1
   B. Project Overview 1
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I. Background and Purpose

Mesa Water District (Mesa Water®) is requesting proposals from experienced firms to provide software and services for the Purchase and Disbursement Automation Project (Project). The budgeted amount for the project is $70,000. This Request for Proposal (RFP) provides information to enable firms to submit a proposal to provide software and professional services for the scope of work as detailed in Appendix A – Scope of Work and Appendix B – Detailed Functional Requirements.

A. Mesa Water® Overview

Mesa Water®, a special district, was formed on January 1, 1960 as a result of the merger of four water agencies. Mesa Water® employs approximately 50 employees and is governed by a five-member Board of Directors elected by the constituents of five divisions within the service area.

Mesa Water’s primary purpose is to manage and deliver water and water-related services to customers within its service area. Mesa Water® distributes a combination of imported water and local groundwater to approximately 23,500 retail accounts (population of over 108,000) in an 18 square mile area, which includes the city of Costa Mesa, parts of Newport Beach, and unincorporated areas of Orange County, including the John Wayne Airport.

Mesa Water® predominately uses local groundwater, recycled water, and conservation to meet 100% of its demands. Mesa Water® operates five (5) clear water wells in the northern part of its service area, and treats amber-tinted water from the deep aquifer from two additional wells at the Mesa Water® Reliability Facility (MWRF). The MWRF wells are fully automated in the SCADA system. Mesa Water® has two storage reservoirs. Reservoirs 1 and 2 provide approximately 11 and 17 million gallons of storage, respectively.

B. Project Overview

The Purchase & Disbursement Automation Project is intended to provide the District with automation to streamline its purchase and disbursement business cycles. The District currently utilizes Microsoft Dynamics Great Plains 2015 (MGP) to manage its purchase and disbursement cycles as well as accounts receivable, fixed assets, job costing (project accounting), inventory, general ledger and financial reporting. While the current purchase order functions of MGP can manage the actual purchase of approved items, the District lacks automation in several other areas of the entire purchase/disbursement cycle. The District desires to automate and streamline the process of requisitioning materials and supplies, approving and paying vendor
invoices and managing commitments. The District is looking for software providers who have solutions tightly integrated with MGP to assist the District in streamlining our purchase/disbursement processes. There are currently five (5) employees in accounting, one (1) purchasing agent and approximately twenty-five (25) District employees who will be using the requisition and invoice approval functions.

C. Project Schedule

Notice to Proceed (NTP) to the selected firm is expected in December 2017. Below is a list of key dates anticipated for this project.

- RFP Release Date: October 3, 2017
- RFP Responses Due: October 20, 2017
- Short List Selection: October 27, 2017
- System Demos: November 6-8, 2017
- Final Selection: December 7, 2017

D. Key Project Elements

The specific goals of this project are as follows:

1. Implement a solution that allows for electronic creation, submittal and approval of purchase requisitions and check requests.
2. Implement a solution that allows for the electronic creation, submittal and approval of vendor invoices.
3. Provide a solution that tightly integrates with MGP Purchasing, Accounts Payables and Project Accounting.
4. Maintain the ability to track and report commitments created by approved purchase orders. (The District does not utilize Encumbrance Accounting or Analytical Accounting modules but does utilize Purchase Commitments.)
5. A browser based solution that can be used outside of Dynamics Great Plains by non-GP users.

The detailed scope of work for the Project is found in Appendix A. The detailed list of requirements is found in Appendix B.

End of Section
II. General Information

This RFP information packet contains instructions governing the proposals to be submitted and the material to be included therein; a description of the project and specific services to be provided; general evaluation criteria; and other pertinent information. The submission of this proposal shall be considered evidence that the proposer has and is in acceptance with this RFP.

Any modifications or changes made in this RFP will be made in writing in the form of an addendum issued by Mesa Water®. All proposers will receive written notice of any changes or modifications, which may be made by Mesa Water®. Oral communications from Mesa Water® personnel or others concerning this RFP shall not be binding on Mesa Water® and shall not in any way be considered as a commitment by Mesa Water®.

A. Proposal Submittal

Submit one electronic copy of the proposal to the email address listed below no later than October 20, 2017 4:00 PM PST. After this date and time proposals will not be accepted. Faxed proposals will not be accepted. You should receive a confirmation email to confirm our receipt of your proposal submittal.

Please submit your fee proposal as a separate attachment to the email containing your proposal response.

Proposals are to be submitted to:

    Kurt Lind, Business Administrator
    Mesa Water District
    kurtl@mesawater.org

All materials submitted in accordance with this Request for Proposal (RFP) become the property of Mesa Water® and will not be returned. The material may become public record subject to the disclosure provisions of the Public Records Act (Government Code Section 6250 et seq.).

B. Proposal Schedule

The following proposal timeframe is listed below:

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Release of RFP</td>
<td>October 3, 2017</td>
</tr>
<tr>
<td>Pre-Proposal Meeting</td>
<td>October 5, 2017</td>
</tr>
<tr>
<td>Deadline for Project Inquiries</td>
<td>October 10, 2017</td>
</tr>
</tbody>
</table>
C. Pre-Proposal Meeting

A pre-proposal teleconference shall take place on Thursday, October 5, 2017 from 1:00pm – 1:30pm PST. The pre-proposal meeting is not mandatory. The purpose of the teleconference is to provide a project overview, review the request for proposal, and answer any questions from potential proposers.

D. Project Inquiries

Inquiries regarding this RFP must be requested in writing via email at kurtl@mesawater.org. The deadline for inquiries is October 13, 2017.

E. Contract and Terms

Prior to the commencement of services, Mesa Water® and the selected Vendor will review and approve all agreements for software and services. This review will be conducted by the District’s legal counsel.

The selected Vendor will not be permitted to levy any service or other charges against Mesa Water®, other than those listed in Appendix A - Scope of Work, without being previously negotiated with Mesa Water®.

F. Sample Agreement

Sample agreements for software, services and maintenance will be attached for review in Vendor’s RFP response. Submission of your proposal in response to this RFP does not constitute the District’s acceptance of the terms & conditions set forth in the sample agreements.

G. Use of Subcontractors

The proposer may utilize subcontractors in an effort to perform all tasks listed in the Appendix A - Scope of Work. The proposer must indicate which tasks are performed by the subcontractor and submit the resumes of the proposed subcontracting staff assigned to this project as described in Section III- Proposal Requirements.

End of Section
III. Proposal Requirements

A. General

1. All interested and qualified offerors are invited to submit a proposal for consideration. Submission of a proposal indicates that you have read and understand the entire RFP, to including all appendices, schedules, and addendums (as applicable), and that all concerns regarding the RFP have been satisfied.

2. Proposals must be submitted in the format described below. Proposals are to be prepared in such a way as to provide a straightforward, concise description of the capabilities to satisfy the requirements of this RFP.

3. Emphasis should be concentrated on conformance to the RFP instructions, responsiveness to the RFP requirements, and on completeness and clarity of content.

4. Proposals must be completed in all respects as required in this section. A proposal may not be considered if it is conditional or incomplete.

5. All proposals and materials submitted become property of Mesa Water®.

6. Responses are to be clear and complete. Be as specific as possible and include explanations where necessary.

B. Proposal Presentation

1. All proposals must be created using 8 1/2" x 11" sheet size, with standard (1 inch) margins and single-spaced with headings, sections, and sub-sections identified appropriately. Font must be at least 11 pt. Each page, including attachments, must be clearly and consecutively numbered at the bottom center of each page.

2. The technical proposal must be divided into six (6) sections with references to parts of this RFP done on a section number and sub-section basis. The sections shall be clearly identified matching the outline in Section III-C.

3. One (1) separately attached fee proposal as outlined in Section II-A Proposal Submittal, and one (1) original electronic version (PDF or MS Word format) of the complete proposal must be received by the deadline specified in Section II-B - Proposal Schedule.
C. Proposal Format

Offerors must provide this information in the following format:

Section 1. Proposal Cover Page

The outline below is to be used as the cover page for the proposal. These items must be fully completed and signed by an authorized officer of the business entity.

- Name of Business/Company:
- Business/Company Address:
- Telephone Number(s):
- E-mail Address:
- Website Address:
- Federal Tax ID Number:
- Type of Business (Sole Proprietorship; Partnership; Corporation; or Other (Explain)):
- Number of Years in Business:
- Name, title, telephone number and, if different, address of person(s) authorized to represent business entity:
- Name, title, telephone number and, if different, address of person(s) authorized to sign contracts for the business entity:
- Certificate of Insurance showing a minimum of $1 M in Professional Liability (not included in page count).

Section 2. Proposal Table of Contents

All pages of the proposal, including the enclosures, must be clearly and consecutively numbered and correspond to the Table of Contents as outlined below:

Section 3. Firm Qualifications and Experience (5 pages max)

This section should establish the firm's ability to perform the required work to the expectations of Mesa Water®. Narrative should include the proposing firm's background, including main business focus, length of time in business, number of employees, location that will primarily support the project. Any subcontractors utilized on this project must be identified in this section. Areas to focus on include:

- Introduction to the firm
- Strength and stability of firm
- Overview of the firm's capabilities to deliver the project scope
• Provide a description of three projects similar to this scope of work that have been completed for public agencies, water districts, federal government, non-profit organizations, or private companies. Include the name of the organization, and the address, name, email, and telephone number for the owner’s point of contact. Note the relevance of each project to the objectives of this project. Brief descriptions of additional projects that demonstrate the firm’s track record to perform the required services may be included in tabular format.

• Indicate how your firm meets the requirements as listed in Appendix B. Indicated additional capabilities that may not have been addressed in Appendix B and how those might benefit the District.

• Indicate how your support & maintenance program is managed. Describe how your customers obtain support and your support response time commitments. Indicate how customer requested enhancements are handled.

• Please describe how software enhancements are communicated to customers. How to customer become aware of additional capabilities in new releases and how to implement those improvements.

• Provide reasoning why the prospective firm would be the best choice for providing services as described in the RFP for Mesa Water®.

Section 4. Staff Experience and Availability (5 pages max)
This section should introduce the key staff that the firm shall commit to the project. The section shall include:

• An Organizational Chart that shows the Project Manager, Task Leaders, subconsultants, and other key team members. If the Project Manager is not an Officer of the firm, include a Project Director that is authorized to sign contracts for the firm.

• Biographical sketches of each staff member that consultant expects to lead each task, reason(s) why the staff member was selected to lead the task, and a statement that the proposed staff members are available during the proposed schedule for the task. Include the biographical sketches and resumes of any subcontractors that have key roles on the project. Resumes will be included in Attachment A as described below.
Section 5. Scope of Work Understanding and Schedule (5 pages max)

The firm should clearly state its understanding of the project objectives, scope of work, requirements and anticipated deliverables. There are specific tasks to complete for this project with anticipated deliverables clearly outlined. The selected vendor must complete all tasks; proposals to complete only a portion of the tasks will be deemed nonresponsive and will not be evaluated. Do not simply repeat the scope of work provided in Appendix A. Instead, address the following areas in the proposal:

- Describe the key challenges associated with the project and the firm's approach to overcoming these challenges.
- Describe your firm's approach to the delivery of work and how it will benefit Mesa Water®.
- Outline processes or steps that the vendor will take to ensure quality deliverables. The process shall include periodic work status summary reports where the project status and schedule adherence shall be reported and challenges identified.
- The contract for this project shall incorporate the scope of work defined in Appendix A. The firm may wish to include options and enhancements to the scope of work for Mesa Water's consideration. Portions of the firm's proposal may be considered for inclusion into the contract Scope of Work at Mesa Water's discretion. The firm shall not be permitted to levy any service or other charges against Mesa Water®, other than those listed in Scope of Work, without being previously negotiated with Mesa Water®.
- Work Breakdown Structure (WBS) with summary of hours by task. This should be provided in a table format. Tasks shall align with those set forth in Appendix A - Scope of Work. Do not include rates or total cost in the technical proposal.
- General Project Plan: Develop and provide a General Project Plan for the software implementation from Kick Off to Go Live. The General Project Plan is a brief general schedule of key milestones with expected completion dates that follows the scope of work. The General Project Plan will begin with a Implementation Kickoff Meeting scheduled for December 15, 2017.

Section 6. Functional Requirements Worksheet

Please complete and include in your RFP response the Detailed Functional Requirements worksheet found in Appendix B. Follow the directions for
completing the worksheet and be careful to answer all questions. Please return with your electronic submittal the completed excel worksheet as this will be used in the evaluation process. The completed worksheet should be included in your proposal submittal as well. The functional requirements do not count towards the page maximum.

**Attachment A. Resumes of Key Staff**

Include resumes of key staff, including key sub consultants staff. Limit each resume to two (2) pages. Resumes are not included in overall page count.

**Sample Agreements**

Please include as separate attachments to your submittal the sample agreements requested in Section II-F.

**D. Fee Proposal- Separate Sealed Envelope**

Please Note: The Fee Proposal is to be kept separate from the technical proposal and submitted as a separate attachment. The costs will be reviewed after the contents of the proposals are reviewed and rankings are determined.

We have included in Appendix C a costing worksheet that you are required to use to price your solution. Cost proposal for all items listed in this Request For Proposal (RFP) shall include all software, services, labor, transportation, administrative, overhead, incidentals, etc. and all other items as listed in the scope of work. Please submit labor costs by task. If your proposal includes options above the scope of work, please show the cost of these options in the appropriate section of the cost proposal.

**End of Section**
IV. Evaluation Criteria and Selection Process

A Selection Team established by the Project Manager will review, evaluate, and score the proposals. The scoring system will be based on a scale of 1 to 5 with 5 being the most favorable score. The Evaluation Team shall evaluate the proposals based upon the following weighted criteria:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm and Staff Qualifications, Experience &amp; Availability</td>
<td>20</td>
</tr>
<tr>
<td>Project Understanding</td>
<td>20</td>
</tr>
<tr>
<td>Software Capability (Functional Requirements)</td>
<td>50</td>
</tr>
<tr>
<td>References</td>
<td>10</td>
</tr>
</tbody>
</table>

The Selection Team may select the proposal that clearly exceeds the others in all mandatory specifications of the RFP or they may select finalist proposals that meet specifications and whose score on evaluation factors is sufficiently high to merit further consideration by the Selection Team.

The Selection Team may conduct interviews with the most qualified and responsive firms. The firms asked to participate in the interview process may be required to submit other information or clarification on submitted proposals.

Each firm may be expected to respond to a series of questions posed by the Selection Team.

The Selection Team may ask for further clarification of the submitted cost prior to completing the selection rankings.

Mesa Water® reserves the right to reject any and all proposals for any reason. Mesa Water® may not proceed, for any reason, with the selection process of a proposer if Mesa Water® deems it is in the best interest of the organization. Mesa Water® shall not be responsible to any of the submitters for the cost to prepare their proposal in response to this RFP.

If Mesa Water® is unable to negotiate a satisfactory agreement with the selected firm, it will undertake negotiations with the second ranked firm and so on until it has reached a satisfactory agreement.

Proposals must include the entire scope of work as outlined in this RFP.

End of Section
V. Appendices
Appendix A – Scope of Work

Task 1 – Project Planning/Design:

This task will focus on the project plan and solution design. Planning activities will include project kick-off, finalizing schedule, outlining roles and responsibilities of each team member, establishing project communication practices, testing plan development, training plan development and roll-out plan development. Design will include reviewing District’s processes and practices, recommending improvements/best practices, configuration option review and configuration decisions documentation. Any potential customizations or enhancements will be addressed during this task.

Deliverables: project kick-off meeting, schedule, roles and responsibilities, communications plan, testing plan, training plan, roll-out plan and configuration decisions documentation.

Task 2 – Set-up and Configuration:

This task will focus on installing and configuring the software in both TEST and PROD environments. Utilizing the results of the process review and recommendations on best practices, the vendor will configure the system. Testing of the set-up will be performed in the TEST environment. The project team will receive required training to perform testing. The vendor will maintain change control procedures to ensure PROD is configured as the final TEST environment. Testing may result in configuration changes as users evaluate the processes configured. Change control procedures will be utilized as configuration changes are made. The final configuration will be approved by the District.

Deliverables: change control log, system configuration document, testing sign-off, configuration sign-off

Task 3 – Training and Roll-Out:

This task will focus on end-user training and solution roll-out (go-live). The District will entertain all reasonable options to provide training for end users. The training approach will be decided and approved in Task 1. End user training should be performed on the TEST system so users will see the actual system they will be using. The vendor will be responsible for roll-out activities as defined in the roll-out plan. Roll-out will include pre go-live activities to ready the PROD system for use and a period of support after roll-out to support user issues and problems. After a sufficient post roll-out period has
completed and all issues have been resolved, the District will formally accept the system. This will conclude the project and indicate the beginning of on-going product support.

**Deliverables:** end user training, system acceptance document
Appendix B – Detailed Functional Requirements

The attached detailed functional requirements should be completely filled out and submitted with your proposal response. Please complete the electronic file and submit with your electronic RFP response as outlined in Section III-C section 6. Please keep the file in the Excel format when you submit it with your electronic RFP response.
## Procurement Information System

Please enter your Company name in cell below:

| Company Name |

### Detailed Functional Requirements

**Outline of Functions Required:**
- System Mechanics
- Purchasing Management

### Other Features Available: (not required for selection purposes)

<table>
<thead>
<tr>
<th>Please state the level that your product satisfies each of the functional requirements against the following table:</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provided for in base code with standard configuration</td>
<td>5</td>
</tr>
<tr>
<td>Provided for by system enhancement</td>
<td>3</td>
</tr>
<tr>
<td>Provided for in base code at next release</td>
<td>4</td>
</tr>
<tr>
<td>Third Party Add-On</td>
<td>1</td>
</tr>
<tr>
<td>Provided for by customer unique modification to base code</td>
<td>2</td>
</tr>
<tr>
<td>Cannot Provide</td>
<td>0</td>
</tr>
</tbody>
</table>
## Company Name
### Scoring Summary

<table>
<thead>
<tr>
<th>Item</th>
<th>Functional Area</th>
<th>Weight</th>
<th>Points</th>
<th>Fit %</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Mechanics</td>
<td>40%</td>
<td>400</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchasing Management</td>
<td>60%</td>
<td>600</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>100%</strong></td>
<td><strong>1,000</strong></td>
<td></td>
<td></td>
<td><strong>0%</strong></td>
</tr>
</tbody>
</table>

Overall Weighted Functional Fit %
<table>
<thead>
<tr>
<th>Item</th>
<th>Requirements Description</th>
<th>Score</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>System Design</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 1</td>
<td>Supports real time on-line update as the primary processing mode.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 2</td>
<td>Provide ability to selectively archive system data based on user-defined number of years or other user-defined criteria. The archived data can be accessed separately.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 3</td>
<td>Search by wild card</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 4</td>
<td>The system will use common master files across all functional modules, i.e. Purchasing and AP will share a single vendor master file.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 5</td>
<td>Provide automatic logging of system changes by user for on-line review.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 6</td>
<td>Each record contains a date/time stamp reflecting last change.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 7</td>
<td>The solution provides the ability to maintain separate testing &amp; production environments.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 8</td>
<td>The product currently utilizes a web based (N-Tier) environment offering BUI desktop environment.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 9</td>
<td>Database will run on the Microsoft SQL Server RDBMS platform</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>System Help</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 10</td>
<td>On-line help is available and can be printed if necessary.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 11</td>
<td>On-line help is available at the system, function, screen, and field level.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 12</td>
<td>On-line help will be updated with each new version release.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 13</td>
<td>On-line help provides an index and search capability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 14</td>
<td>On-line help is context sensitive.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 15</td>
<td>The system help information can be augmented by the District for specific additional help information. This information is retained during upgrades</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 16</td>
<td>The system user manual is provided on-line</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 17</td>
<td>The system help feature is linked to the vendors web-site for additional help.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 18</td>
<td>The system user manual is provided in hard copy format.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>General Integration</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 19</td>
<td>The client interface will link to Microsoft desktop productivity tools, Word, Excel, Access</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 20</td>
<td>The product provides tools for easily export data.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 21</td>
<td>System provides integration to Great Plains 2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>User Interface</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 22</td>
<td>Provide for the ability to configure screens/windows per user</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 23</td>
<td>Provide a method for the user to tailor screen/window access to meet their specific requirements, such as custom paths and menus.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 24</td>
<td>Provide navigation using the keyboard</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 25</td>
<td>Controlled values should be available in a drop down boxes or popup windows.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 26</td>
<td>Values can be input directly without the use of a drop down box by typing in first few letters until valid value appears in box.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 27</td>
<td>Transactions can be queried by any combination of date range, transaction type, User ID, account number, etc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>System Security</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 28</td>
<td>System restricts users to only the data they are authorized to access.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 29</td>
<td>Specify user access and security by screen and type of action such as update versus inquiry.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 30</td>
<td>Single log-on provides access to all modules/functions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 31</td>
<td>Ability to create a security profile and copy.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 32</td>
<td>Integrates Microsoft Active Directory</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 33</td>
<td>Automatically creates a complete detailed audit trail including information such as date, time, and User ID.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 34</td>
<td>User can review transaction history on-line.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 35</td>
<td>User can review transaction history in a report.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>System Workflow</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 36</td>
<td>Provide for the electronic management, routing, and reporting of work generated by individuals such as requisitions, check requests, contracts, etc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 37</td>
<td>A work queue can be managed or owned by an individual, work group, department, or location.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 38</td>
<td>The flow of work can be defined from initiation of a work item through various inprocess, review, and approval activities. The work queue will follow a logical progression.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 39</td>
<td>Work queue items can be modified on-line by owners and approvers.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 40</td>
<td>Work queue items can be deleted on-line by owners and approvers.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 41</td>
<td>Work queue items can be reassigned to another individual, work group, department or location on-line.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 42</td>
<td>Provide for work queue usage and performance reporting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 43</td>
<td>Provide for notes/comments on transactions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 44</td>
<td>Record user id and date on notes/comments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Item</td>
<td>Requirements Description</td>
<td>Score</td>
<td>Comments</td>
</tr>
<tr>
<td>------</td>
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</tr>
<tr>
<td>SY 45</td>
<td>Provides management review and approval throughout the system, this may include an automatic queuing or routing of transactions pending approval.</td>
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</tr>
<tr>
<td>SY 46</td>
<td>Provides the ability to establish approval based on dollar amounts</td>
<td></td>
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</tr>
<tr>
<td>SY 47</td>
<td>Provides the ability to establish approval based on organizational hierarchy (at least 4 levels)</td>
<td></td>
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</tr>
<tr>
<td>SY 48</td>
<td>Electronic approval can be delegated to another individual in the event of one's absence</td>
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</tr>
<tr>
<td>SY 49</td>
<td>Ability to notify user via email of actions required. (MS Outlook on MS Exchange server)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 50</td>
<td>Ability of user to view all items requiring action in work queue,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 51</td>
<td>Ability to approve items via email. (MS Outlook on MS Exchange server)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SY 52</td>
<td>Ability to view approval item in or via email. (MS Outlook on MS Exchange server)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Maximum Score and Rating:  
Functional Fit %:
## Requirements Checklist

### Purchasing Management

<table>
<thead>
<tr>
<th>Item</th>
<th>Requirements Description</th>
<th>Score</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>PU 1</td>
<td>Ability to track and manage requisitions.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 2</td>
<td>Ability to track requisitions by GL/Project code, vendor, unit, and department.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 3</td>
<td>Ability to query and sort requisitions by a variety of fields such as:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 4</td>
<td>Date</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 5</td>
<td>Vendor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 6</td>
<td>Department</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 7</td>
<td>GL/Project code</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 8</td>
<td>Present user with all addresses associated with a vendor name and allow the user to select desired address or make corrections.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 9</td>
<td>Search for and locate specific vendor master file information using the following full or partial inputs: Vendor name, Vendor number.</td>
<td></td>
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</tr>
<tr>
<td>PU 10</td>
<td>Allow users on-line access to GL/Project code, vendor code, contract number.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 11</td>
<td>Support &quot;wild card&quot; searches on all data fields.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 12</td>
<td>The ability to automatically generate a purchase order (p/o) from on-line requisitions.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 13</td>
<td>The ability to allow user departments to view open requisitions on-line.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 14</td>
<td>The ability to maintain an &quot;inventory&quot; for purchased supplies and other items on-line and allow departments to view the inventory prior to requisitioning.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 15</td>
<td>Ability to integrate with the Great Plains (GP) purchase orders.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 16</td>
<td>Ability to integrate with the Great Plains vendor master file.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 17</td>
<td>Ability to integrate with the Great Plains project accounting.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 18</td>
<td>Ability to check GL account balance and budget at time of requisition entry and generate an error message with reason code if over budget.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 19</td>
<td>Ability to allow for virtually unlimited text to be applied to requisitions and purchase orders at the header and line item level. (User comments.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 20</td>
<td>Ability to provide for automatic assignment of requisitions to buyers.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 21</td>
<td>Ability to attach any electronic file to purchase requisition header and lines.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 22</td>
<td>Ability to provide an on-line list of candidate vendors.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 23</td>
<td>Ability to provide tables to store descriptive information that is automatically included on the purchase order document, including vendor name and address, shipping instructions, special instructions, and a menu of Terms &amp; Conditions.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 24</td>
<td>Ability to provide requisition aging.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 25</td>
<td>Ability to automatically notify Purchasing to process open requisitions on-line.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 26</td>
<td>Ability to allow specific users to view a complete audit trail for requisitions and other related information.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 27</td>
<td>Ability to allow for electronic approval of requisitions with different workflow requirements for each user and department.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 28</td>
<td>Ability to enable departments to check status of quotes, requisitions and p/o's.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 29</td>
<td>Ability to notify requisitioner when change is made to requisition</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Check Request Management

- Check requests are invoices or other items that require payment where no requisition or purchase order exists.

<table>
<thead>
<tr>
<th>Item</th>
<th>Requirements Description</th>
<th>Score</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>PU 30</td>
<td>Ability to track and manage check requests.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 31</td>
<td>Ability to track, query and sort check requests by a variety of fields such as:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 32</td>
<td>Date</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 33</td>
<td>Vendor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 34</td>
<td>Department</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 35</td>
<td>GL/Project code</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 36</td>
<td>Ability to track check requests out for approval.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 37</td>
<td>Allow users on-line access to GL/Project code, and vendor code.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 38</td>
<td>Support &quot;wild card&quot; searches on all data fields.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 39</td>
<td>The ability to allow user departments to view open check requests on-line.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 40</td>
<td>Ability to integrate with Great Plains invoice entry. Create an invoice item in GP once approved.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 41</td>
<td>Ability to allow for virtually unlimited text to be applied to check request at the header and line item level. (User comments.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 42</td>
<td>Ability to attach any electronic file to check request header and lines.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Item</td>
<td>Requirements Description</td>
<td>Score</td>
<td>Comments</td>
</tr>
<tr>
<td>--------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>PU 53</td>
<td>Ability to specific users to view a complete audit trail for check requests and other related information.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 54</td>
<td>Ability to allow for electronic approval of check requests with different workflow requirements for each user and department.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 55</td>
<td>Ability to enable departments to check status of check requests.iange</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>AP Invoice Automation</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>PU 70</td>
<td>Ability to capture invoices sent to AP email address as attachment and auto-create check request with proper vendor based on from email domain.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 71</td>
<td>Ability to automatically select proper approval workflow based on vendor and other email information.</td>
<td></td>
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</tr>
<tr>
<td>PU 72</td>
<td>Ability for user in workflow to assign PO to invoice if appropriate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 73</td>
<td>Ability to integrate with Great Plains AP invoice entry. Create an invoice item in GP once approved.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 74</td>
<td>Ability for PO related invoices to integrate with GP Receving to create Shipment/Receipt type invoice assigned to proper PO.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 75</td>
<td>Ability for Project and PO related invoices to integrate with GP receiving to create shipment/receipt invoice assigned to proper PO, Project and Cost Category.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 76</td>
<td>Ability to assign AP Invoice to specific workflow for approval.</td>
<td></td>
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</tr>
<tr>
<td>PU 77</td>
<td>Ability to allow for virtually unlimited text to be applied to AP Invoice at the header and line item level. (User comments.)</td>
<td></td>
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</tr>
<tr>
<td>PU 78</td>
<td>Ability to attach any electronic file to AP invoice header and lines.</td>
<td></td>
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</tr>
<tr>
<td><strong>Purchase Order Management</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>PU 90</td>
<td>Ability to track and manage purchase orders.</td>
<td></td>
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</tr>
<tr>
<td>PU 91</td>
<td>Ability to track purchase orders by GL/Project code, vendor, unit and dept.</td>
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</tr>
<tr>
<td></td>
<td>Ability to track, query and sort purchase orders by a variety of fields such as:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 92</td>
<td>Date</td>
<td></td>
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</tr>
<tr>
<td>PU 93</td>
<td>Vendor</td>
<td></td>
<td></td>
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<tr>
<td>PU 94</td>
<td>Department</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 95</td>
<td>GL/Project code</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 96</td>
<td>Present user with all addresses associated with a vendor name and allow the user to select desired address or make corrections.</td>
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</tr>
<tr>
<td>PU 97</td>
<td>Search for and locate specific vendor master file information using the following full or partial inputs: Vendor name, Vendor number.</td>
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</tr>
<tr>
<td>PU 98</td>
<td>Allow users on-line access to GL/Project code, vendor code, contract number.</td>
<td></td>
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<tr>
<td>PU 99</td>
<td>Support &quot;wild card&quot; searches on all data fields.</td>
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</tr>
<tr>
<td>PU 100</td>
<td>The ability to automatically generate a purchase order (p/o) from on-line requisitions.</td>
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</tr>
<tr>
<td>PU 101</td>
<td>The ability to allow user departments to view open purchase orders on-line.</td>
<td></td>
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</tr>
<tr>
<td>PU 102</td>
<td>Ability to integrate with the Great Plains (GP) purchase orders.</td>
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</tr>
<tr>
<td>PU 103</td>
<td>Ability to integrate with the Great Plains vendor master file.</td>
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<tr>
<td>PU 104</td>
<td>Ability to integrate with the Great Plains project accounting.</td>
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<tr>
<td>PU 105</td>
<td>Ability to integrate with the Great Plains receiving.</td>
<td></td>
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</tr>
<tr>
<td>PU 106</td>
<td>Ability to check GL account balance and budget at time of purchase order entry and generate an error message with reason code if over budget.</td>
<td></td>
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</tr>
<tr>
<td>PU 107</td>
<td>Ability to allow for virtually unlimited text to be applied to purchase orders at the header and line item level. (User comments.)</td>
<td></td>
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</tr>
<tr>
<td>PU 108</td>
<td>Ability to provide for automatic assignment of purchase orders to buyers.</td>
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</tr>
<tr>
<td>PU 109</td>
<td>Ability to attach any electronic file to purchase requisition header and lines.</td>
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</tr>
<tr>
<td>PU 110</td>
<td>Ability to provide an on-line list of candidate vendors.</td>
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</tr>
<tr>
<td>PU 111</td>
<td>Ability to provide tables to store descriptive information that is automatically included on the purchase order document, including vendor name and address, shipping instructions, special instructions, and a menu of Terms &amp; Conditions.</td>
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</tr>
<tr>
<td>PU 112</td>
<td>Ability to provide purchase order aging.</td>
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<tr>
<td>PU 113</td>
<td>Ability to automatically notify Purchasing to process open purchase orders on-line.</td>
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</tr>
<tr>
<td>PU 114</td>
<td>Ability to allow departments to view a complete audit trail for purchase orders and other related information.</td>
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<td></td>
</tr>
<tr>
<td>Item</td>
<td>Requirements Description</td>
<td>Score</td>
<td>Comments</td>
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<tr>
<td>------</td>
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</tr>
<tr>
<td>PU 115</td>
<td>Ability to allow for electronic approval of purchase orders with different workflow requirements for each user and department.</td>
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</tr>
<tr>
<td>PU 116</td>
<td>Ability to enable departments to check status of quotes, purchase orders.</td>
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</tr>
<tr>
<td>PU 117</td>
<td>Ability to notify buyer when change is made to purchase order</td>
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</tr>
<tr>
<td>PU 118</td>
<td>Ability to verify existing contracts by GL/project code at purchase order entry.</td>
<td></td>
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</tr>
<tr>
<td>PU 119</td>
<td>The ability to automatically transfer p/o's to accounts payable on-line.</td>
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</tr>
<tr>
<td>PU 120</td>
<td>The ability to allow on-line receiving and updating of p/o's.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 121</td>
<td>Ability to provide multiple methods of data retrieval (e.g., by vendor name, invoice number, amount, month, year, purchase order number, GL/project code) with a user friendly search feature.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 122</td>
<td>Ability to allow for the tracking of items received and the recording of goods returned to the vendor.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 123</td>
<td>Ability to provide a tracking system for vendor performance, quality of product delivered and timeliness of delivery.</td>
<td></td>
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<tr>
<td>PU 124</td>
<td>Ability to allow for the creation of blanket orders with limits on specific items, amounts or dates.</td>
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</tr>
<tr>
<td>PU 125</td>
<td>Ability to allow for the receipt of goods and services process to be centralized or decentralized.</td>
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<tr>
<td>PU 126</td>
<td>Ability to process changes to purchase orders without having to re-enter purchasing information.</td>
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<tr>
<td>PU 127</td>
<td>Ability to provide for immediate printing of the purchase order.</td>
<td></td>
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</tr>
<tr>
<td>PU 128</td>
<td>Ability to automatically update accounts payable with the receipt of goods including the associated purchase order number.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 129</td>
<td>Ability to electronically transmit purchase orders to Vendors (EDI).</td>
<td></td>
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</tr>
<tr>
<td>PU 130</td>
<td>Ability to provide complete on-line and hard copy reporting of purchase orders issued and goods received.</td>
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</tr>
<tr>
<td>PU 131</td>
<td>Ability to print year-to-date purchase order information by vendor and account code.</td>
<td></td>
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</tr>
<tr>
<td>PU 132</td>
<td>Ability to allow for on-line inquiry of all open purchase orders by vendor, buyer, organization, department, account and project.</td>
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<td></td>
</tr>
</tbody>
</table>

**Bid/Quote Management**

<table>
<thead>
<tr>
<th>Item</th>
<th>Requirements Description</th>
<th>Score</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>PU 150</td>
<td>Ability to track and tabulate bids and quotes.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 151</td>
<td>Ability to track items which are out for bid, during the bidding process.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 152</td>
<td>Generate bid tabulations and store bid price and quantity bid data for historic comparison purpose.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 153</td>
<td>Support &quot;wild card&quot; searches on all data fields.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 154</td>
<td>Ability to provide a tracking system that will identify vendors who have won bids and the activity for those bids.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 155</td>
<td>Ability to provide document history retrieval on-line, linking requisitions, bids, purchase orders, packing slips, stores issues, invoices, checks, returned goods, and received goods.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 156</td>
<td>Ability to attach any electronic file to bid/quote</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 157</td>
<td>Ability to maintain master vendor files, including vendor information and types of commodity/service they can bid on.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 158</td>
<td>Capacity to create an award letter, once a successful bidder is selected, as well as letters for bidders that were not selected.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 159</td>
<td>Ability to allow authorized personnel to select a successful bidder from the list of bid responses and to record a comment for cases where the low bidder was not selected.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 160</td>
<td>Provide a text field in order to list any possible exceptions or qualifications by bid or bid item.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Commitment Management Requirements**

<table>
<thead>
<tr>
<th>Item</th>
<th>Requirements Description</th>
<th>Score</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>PU 180</td>
<td>Ability to track and manage open commitments from requisitions by GL Account</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 181</td>
<td>Ability to track and manage open commitments from purchase orders by GL Account</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 182</td>
<td>Ability to track and manage open commitments from requisitions by project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 183</td>
<td>Ability to track and manage open commitments from purchase orders by project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 184</td>
<td>Ability to integrate with Great Plains Purchase Order Enhancements for Commitment Ledger</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Item</td>
<td>Requirements Description</td>
<td>Score</td>
<td>Comments</td>
</tr>
<tr>
<td>-------</td>
<td>------------------------------------------------------------------------------------------</td>
<td>-------</td>
<td>----------</td>
</tr>
<tr>
<td>PU 185</td>
<td>Ability to update Great Plains Project Accounting commitment amounts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 186</td>
<td>Ability to track commitments by year.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU 187</td>
<td>Ability to report commitments by year for GL Account, project &amp; cost category.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Maximum Score and Rating:

Functional Fit %:
Appendix C – Cost Proposal Worksheet

The attached solution pricing worksheet should be used to price the entire solution. Please include all costs you are including in your solution in the core solution cost section. Any optional modules or services you are recommending outside of the scope and requirements should be listed under the optional cost section.
## Summary Cost Analysis

### CLIENT

### Core Solution Costs

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost Category</th>
<th>Installation Cost</th>
<th>Annual Cost Yr 1</th>
<th>Annual Cost Yr 2</th>
<th>Annual Cost Yr 3</th>
<th>Annual Cost Yr 4</th>
<th>Annual Cost Yr 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.00</td>
<td>Server Hardware</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2.00</td>
<td>Server Software</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3.00</td>
<td>RDBMS Software</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4.00</td>
<td>Other Software</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5.00</td>
<td>Application Software</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6.00</td>
<td>Installation Services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>7.00</td>
<td>Expenses</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>8.00</td>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total Core System Installed Cost**: -

### Optional Solution Costs

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost Category</th>
<th>Installation Cost</th>
<th>Annual Cost Yr 1</th>
<th>Annual Cost Yr 2</th>
<th>Annual Cost Yr 3</th>
<th>Annual Cost Yr 4</th>
<th>Annual Cost Yr 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.00</td>
<td>Server Hardware</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>10.00</td>
<td>Server Software</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>11.00</td>
<td>RDBMS Software</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>12.00</td>
<td>Other Software</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>13.00</td>
<td>Application Software</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>14.00</td>
<td>Installation Services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>15.00</td>
<td>Expenses</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>16.00</td>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total Optional System Installed Cost**: -

The prices contained in this schedule (summary and detail) are valid for a period of 180 days from the date this document is signed:

By: ___________________________  Signed: ___________________________

Title: ___________________________  Date: ___________________________
eRequester License and Subscription Agreement

This eRequester License Agreement ("Agreement") is entered into by and between Mesa Water ("Client") and Roman PBS Acquisition Co., LLC, D/B/A Paperless Business Systems ("PBS"), with principal place of business at 3131 Elliott Avenue, Suite 450, Seattle, WA 98121. This Agreement shall be effective when signed by both Parties on the date last signed ("Effective Date").

1. Grant of License: Subject to the terms of this Agreement, the software, documentation and any fonts accompanying this Agreement whether on disk, in read only memory, on any other media or in any other form ("eRequester") are hereby licensed to Client by PBS on a limited, non-exclusive basis on a subscription basis. PBS retains title to eRequester. This Agreement is effective until terminated pursuant to the terms of this Agreement. Client’s right to use eRequester terminates immediately upon the material breach of any provision of this Agreement which is not timely cured within 10 business days of notice from PBS. Upon termination, at PBS’ option, Client shall destroy or return eRequester, including copies in its possession or control at its own expense.

2. Permitted Uses and Restrictions/Description: Each licensing edition of eRequester authorizes the use of eRequester by no more than the number Named Users, specified Modules, and for the Subscription Term purchased, as indicated in Section 4 below. To use eRequester for additional Named Users, Modules or Subscription Term, Client must purchase additional licenses from PBS.

3. Services/Implementation: In addition to the Subscription, PBS will provide the following implementation services for Client’s version of eRequester in substantial accordance with the following descriptions ("Services");

A. Customizations are not included and if any are needed, they will need to be written up and signed in a separate Work order to be signed by the parties. Roughly $40,000 was reserved in the response to the RFP for possible customizations, but the amount may vary depending on what turns out to be required. At this stage, no customizations (i.e., code changes) are included absent separately signed Orders.

B. Implementation
On mutually agreeable dates, PBS will perform an implementation of eRequester software in substantial accordance with the following:

PBS will provide primary initial data entry, import and setup and provide web training to Client’s primary administrator(s) on how to add data and maintain it on an ongoing basis. Client will be responsible for making certain that the eRequester server and network is accessible remotely (e.g., via VPN, Terminal Services or Web Conference) with sufficient rights to perform the install and training. Software will be delivered electronically. The following is a general non-binding outline of services to be provided.

i. Pre-Install Planning and related PM
Prior to the scheduled date for install, conduct preliminary phone conferences to prepare the Client for the implementation. This includes discussions, planning and follow up for:
  o Scheduling and Installation
  o Setup and Configuration Training
  o End User Training
  o Approval Routing and planning
  o Testing and Training on the Workflow from Requisition > Approval > PO >Searching and other options
  o Miscellaneous

ii. Remote Installation and related PM
A successful implementation will be facilitated greatly by an efficient level of access to the TEST IIS and Database Server as well as the Dynamics GP system. The remote access will allow Paperless to remotely install the eRequester software. It will also allow for efficient training of trainers on the setup and configuration of users, approval levels, departments and other preferences. Implementation assumes that Client will provide an IT person who has physical access to the eRequester and database server to assist with the implementation. The IT person assigned to the implementation should have a thorough understanding of the Client’s network, SQL Server password, accounting system password and other permissions, in order to respond to firewall and resource access/permissions issues as they arise. Access to the Microsoft SQL Server studio is also required.

iii. eRequester Train the Trainer (web conference training sessions with related PM and Q&A by email/phone)
  • Open web browser
  • Login to eRequester with user name and password
• Train Administrator(s) on:
  o GL Codes and Vendors
  o Departments and corresponding GL Account Restrictions
  o Authorization Levels and Approval Work Flow (including out of office options)
  o Request Types
  o User preferences
  o Other Company Preferences

• Transactions
  1. Entering Requisitions
     • Select Requesting Department and Request Type
     • Select a Vendor (If known)
     • Select Item from a List or enter Unlisted Item information
     • Attach documents to Requisition Line Items if desired
     • Ship-To Location and Ship Method defaults
     • Review Requisition
     • Save Template if desired
     • Validate vs. budget
     • Review Approval Routing based on Requisition’s parameters
     • Submit for Approval
  2. Approving Requisitions
     • Approve
     • Reject
     • Require Change
     • Request More Info
  3. Editing a Requisition prior to Posting
  4. Creating a Purchase Order
  5. Viewing a Purchase Order
     • Printing and/or Emailing Purchase Order to Vendor
     • Closing Requisitions
  6. Receiving
  7. Invoices (check requests)
  8. Searching and Reports
  9. Duplicating Requisitions for Re-Use in New Requisitions
 10. Question and Answer

iv. Hand off Testing by Pilot Group (responding to questions or making adjustments)
    • Data Entry by Client
    • Verification by Paperless of entered data and answer to questions
    • Client Testing by Pilot Group
    • Incorporate feedback into application (customizations [sold separately] or configuration optimization)

v. On-Site Training
    • PBS will provide a consultant to come on-site to Client’s main location for 3 consecutive days to provide on-site end user training and related tasks in anticipation for the go live.

vi. Going Live
PBS will provide support in connection with the Go Live activities, including purging any test transactions while maintaining the setup and configuration and repointing to production.
**4. Delivery and Payment:**

<table>
<thead>
<tr>
<th>eRequester One Year Subscription</th>
<th>One Year Subscription Cost Based on 5 Year Commitment and 2 year Prepayment</th>
</tr>
</thead>
<tbody>
<tr>
<td>eRequester includes Web Requisitions, Approvals and POs</td>
<td></td>
</tr>
<tr>
<td>Ten (10) Named Users</td>
<td>3,200.00</td>
</tr>
<tr>
<td>Forty (40) Additional Named Users (50 Total Users)</td>
<td>4,180.00</td>
</tr>
<tr>
<td>Project Module</td>
<td>1,900.00</td>
</tr>
<tr>
<td>Change Order Module</td>
<td>1,600.00</td>
</tr>
<tr>
<td>Invoice Approval Module</td>
<td>1,900.00</td>
</tr>
<tr>
<td>Receiving Module</td>
<td>1,900.00</td>
</tr>
<tr>
<td>Blanket PO Module</td>
<td>1,900.00</td>
</tr>
<tr>
<td>Vendor Punchout Module (includes 2 vendor connections)</td>
<td>1,900.00</td>
</tr>
<tr>
<td>Request for Quote Module</td>
<td>1,900.00</td>
</tr>
<tr>
<td>Budget Control Module (for GL Budgets)</td>
<td>1,900.00</td>
</tr>
<tr>
<td>Custom Fields Module (for User Defined Fields)</td>
<td>1,900.00</td>
</tr>
<tr>
<td>AP Invoice Workflow Module</td>
<td>2,200.00</td>
</tr>
<tr>
<td>Email Approval Module</td>
<td>1,600.00</td>
</tr>
<tr>
<td>eRequester Link for Dynamics GP</td>
<td>2,200.00</td>
</tr>
<tr>
<td><strong>Subscription Total (One Year)</strong></td>
<td><strong>$30,180.00</strong></td>
</tr>
<tr>
<td><strong>Subscription Total (Two Years)</strong></td>
<td><strong>$60,360.00</strong></td>
</tr>
<tr>
<td><strong>Two (2) Year Prepayment Discount (10%)</strong></td>
<td><strong>- $6,036.00</strong></td>
</tr>
<tr>
<td><strong>Subscription Total (Two Years After Prepayment Discount)</strong></td>
<td><strong>$54,324.00</strong></td>
</tr>
<tr>
<td>Remote Implementation Services under Section 3B (265 hours estimated at reduced rate of $165* (One-time cost)</td>
<td><strong>$43,725.00</strong></td>
</tr>
<tr>
<td>On Site End User Training (3 consecutive days)</td>
<td><strong>$6,000.00</strong></td>
</tr>
<tr>
<td>Travel and Expenses</td>
<td><strong>$2,000.00</strong></td>
</tr>
<tr>
<td>Custom End User Training Material (Estimated 40 Hours of Services in Year One)</td>
<td><strong>$6,600.00</strong></td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$112,649.00</strong></td>
</tr>
</tbody>
</table>

- The initial One Year Subscription period shall be 14 months rather than 12 months (at the price of 12 months) to provide a 2 month “tolling” period for installation and some setup.
- Additional On-Site training is available on a fixed bid basis and can be quoted separately on request.
- Customizations are not included and can be quoted and sold separately following further analysis.
- eRequester does not include any Dynamics GP licenses or SQL Server licenses.
- Client will need to procure the necessary hardware as that is not included in this Agreement.
- Sales and/or Use Tax is not included and where applicable, Client shall pay it separately.
- The above subscription costs will be held in place for 5 years based on Client’s 2 year prepayment and 5 year commitment.
- After the initial 2 Year Period, the 3rd, 4th and 5th years will be at the One Year Prepayment Rate, unless Client prepays another 2 years, in which case it will again be discounted by 10%.
- Although it varies, roughly 24-40 hours at rate of $185 should be reserved by Client for version upgrades on an annual basis.

Client shall pay for PBS for the above Subscription and Services pursuant to the following payment schedule.

1. Payment for the **Two Year Subscription** in the amount of **Fifty Four Thousand Three Hundred and Twenty Four ($54,324)** shall be made within 30 days of signing this Agreement.
2. Payment for the **Remote Implementation Services** shall be made by Client as follows (payment shall be held on account and credited to services rendered by PBS at the rate of $165 per hour).

**Phase 1: Requisitions, Approvals and POs (not including receiving and/or invoices)**

a. $9,900 (60 hours) within 14 days of initial installation of eRequester onto Client’s test server and connection Client’s Dynamics GP test database
b. $9,900 (60 hours) within 14 days after setup of at least 25 users, basic approval hierarchies, multiple departments, 1 Request Type and after 3 web conference training sessions (up to 2 hours each).
c. $4,950 (30 hours) within 14 days after setup of 2 vendor punchout connections and after 2 web conference training sessions  
d. $4,950 (30 hours) within 14 days after initial Phase 1 Go Live for Requisitions, Approvals and POs

3. Payment for the Custom End User Training Guide (payment shall be held on account and credited to services rendered by PBS at the rate of $165 per hour).  
e. $6,600 shall be paid within 14 days of PBS initially providing the End User Training Manual on Requisitions, Approvals and POs

4. Payment for the 3 days of On-Site Training shall be made by Client as follows:  
f. $6,000 shall be paid within 14 days after the On-Site Training is provided  
g. $2,000 for the T&E shall be paid within 14 days prior to the scheduled On-Site training

Phase 2: Receiving and Invoice Approval Services (payment shall be held on account and credited to services rendered by PBS at the rate of $165 per hour).  
i. $6,600 (40 hours) within 14 days of setup and training on Receiving Module and Invoice Approval Module  
j. $7,425 (45 hours) within 14 days after initial go Live on Receiving Module and Invoice Approval Module

Software shall be delivered electronically by way of download. Invoices will be sent and paid in USD. All sales are final. No refunds or cancellations are accepted. Payment shall be to Paperless Business Systems, by either check to Post Office Box 845915, Los Angeles, California 90084-5915; or by Wire/ACH to: Beneficiary: Paperless Business Systems; Avidbank, 400 Emerson Street, Palo Alto, CA 94301, ABA/Routing#: 121143626; SWIFT#: AVIDUS66; Acct#: 140026741. Implementation Services rendered by PBS shall be applied to prepaid amounts at the reduced rate of $165 per hour. Once utilized, the hourly billing rate will be $185 (unless another prepaid block of 40 hours or more is provided at the $165 rate). Non-prepaid amounts shall be paid by Client within 14 days of invoice date. Payments do not include any applicable Sales, Use or other taxes, including Customs, GST and PST which, if applicable, shall be additional and payable by Client. A 1½ percent monthly services charge shall apply to any payments that are more than 30 days past due.

5. Maintenance and Support (Standard Plan): The Standard Maintenance and Support Plan includes options for the following during the Subscription period:

- Bug Fix Patches  
- Service Packs  
- New Feature Versions available for download  
- Access to the eRequester support help desk from 7:00 a.m. to 6:00 p.m., PST (excluding PBS holidays and weekends) for (non-training/non-implementation) inquiry and issue resolution.

Delivery of updates will be made electronically by way of download. PBS shall have sole discretion to determine what constitutes a bug fix or periodic update for purposes of this Agreement.

The Standard Maintenance and Support Plan does not include (any of the following which are available under separately signed orders):

- On-site Visits  
- Consulting  
- Installation of New Feature Versions  
- Implementation services for creation or maintenance of a Test environment  
- Training  
- Data or Server Migration  
- Customizations  
- New or unlicensed modules

PBS shall provide Maintenance and Support for Client’s version of eRequester during the Subscription period. PBS help desk staff will log and assign priorities for all support requests sent to support@erequester.com or called in during support hours at (877) 727-9528. Requests will be handled according to the priority assigned to them. The following describes the general priority levels assigned to requests for eRequester issue resolution with estimated response and completion times:

<table>
<thead>
<tr>
<th>Priority</th>
<th>Definition</th>
<th>Response</th>
<th>Completion</th>
</tr>
</thead>
</table>

Page 4  
eRequester License Agreement (Mesa Water)  
Revised 2/21/2018
### Revised eRequester License Agreement

**1. General:** PBS help desk staff will be able to provide more accurate resolution times based on assessment of the issue and communications with the Client. Client will be responsible for providing specific details on the issue with steps to reproduce the problem. Client may also be required to provide web conference or other remote access to its system for effective troubleshooting. In order to renew the Subscription, a renewal invoice will be provided by PBS and will need to be paid by Client prior to expiration of the Subscription period. Subscriptions and Support services by PBS are contingent on timely receipt and acceptance of fees paid by Client to PBS.

**2. Restrictions:** Unless terminated, this Agreement is Client’s proof of license to exercise the rights granted herein and must be retained by Client. Client may not lease eRequester or transfer its rights under this Agreement.

**3. Renewal/Termination:** Client’s user licenses and right to use the software under this Agreement shall be limited to the term of the Subscription, unless otherwise terminated by mutual agreement of the parties.

**4. Limited Warranty/Disclaimer/Remedy:** Although PBS will provide maintenance and support as indicated in Section 5 above, PBS offers no express or implied warranty guaranty for eRequester or any software, documentation or services it provides to Client. Due to the complex nature of computer software, PBS does not warrant that eRequester, including the Services will be error-free, will operate without interruption or will be compatible with all equipment or software configurations. Nor does PBS warrant that functions contained within eRequester, including the Services, will meet Client’s requirements or that eRequester will integrate with third party applications or hardware. PBS is not responsible for problems caused by changes in, or modifications to, the operating characteristics of any computer hardware or operating system for which eRequester, including the services, or any upgrade, update or customization is procured, nor is PBS responsible for problems, including viruses or bugs, which may occur as a result of the use of eRequester in conjunction with software of third parties or with hardware which is incompatible with the operating system for which eRequester is being procured. Client acknowledges and agrees that eRequester software is provided at its sole risk and is provided "AS IS". OTHER THAN AS EXPRESSLY SET FORTH HEREIN, PBS SPECIFICALLY DISCLAIMS ANY WARRANTIES FOR EREQUESTER (INCLUDING ANY CUSTOMIZATION AND IMPLEMENTATION SERVICES) EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE WARRANTIES OF MERCHANTABILITY, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT OF THIRD PARTY RIGHTS. SOME JURISDICTIONS DO NOT ALLOW DISCLAIMERS ON CERTAIN IMPLIED WARRANTIES, SO THIS LIMITATION MAY NOT APPLY TO CLIENT. CLIENT MAY HAVE OTHER RIGHTS THAT VARY BY JURISDICTION.

**5. Proprietary Rights:** Client agrees to take all reasonably necessary steps to ensure that the provisions of this Agreement are not breached by Client or by any person under Client’s control or in Client’s service. Except as expressly permitted in this Agreement, Client shall not cause or permit any person other than an authorized employee of PBS to disassemble, reverse compile, decompile, modify, rent or lease, loan, sublicense, distribute, or create derivative works based upon the eRequester software in whole or in part. All copyright, patent, trade secret, trademark and other intellectual and proprietary rights in eRequester, including updates and customizations, are and shall remain the property of PBS.

**6. Reproduction and Copyrights:** eRequester is entitled to protection under United States Copyright Laws and International treaties. Client shall not copy, allow anyone else to copy, or otherwise reproduce any part of eRequester without the prior written consent of PBS. Client shall not remove or omit any copyright or other proprietary notices from eRequester. PBS retains ownership of eRequester, including all updates, customizations, and copies. Client shall not copy any documentation accompanying eRequester software, without advance written permission of PBS.

**7. Limitation of Liability:** IN NO EVENT, INCLUDING GROSS NEGLIGENCE, SHALL PBS, OR ITS DISTRIBUTORS OR DEALERS, BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE LOSSES OR DAMAGES (WITHOUT LIMITATION, LOST PROFITS OR LOST DATA), ARISING OUT OF THIS AGREEMENT, EVEN IF PBS HAS BEEN ADVISED OF OR MADE AWARE OF THE POSSIBILITY OF ANY SUCH LOSS OR DAMAGES AND REGARDLESS OF WHETHER THE CLAIM IS BASED ON CONTRACT, TORT, STRICT LIABILITY, OR OTHER THEORY OF LIABILITY. NOR SHALL THE TOTAL LIABILITY OF PBS AND ITS DISTRIBUTORS AND DEALERS UNDER THIS AGREEMENT UNDER ANY CIRCUMSTANCES EXCEED THE AMOUNT PAID TO PBS UNDER THIS AGREEMENT.

**8. Independent Contractor:** In performing services under this Agreement, PBS is acting as an independent contractor and neither party may make any commitments in the name of the other party unless authorized in writing.

**9. Severability:** Should any provision of this Agreement be held unenforceable by a court of competent jurisdiction, the remainder shall remain in full force and effect. In any action arising out of this Agreement, the prevailing party shall be entitled to its reasonable attorney’s fees and costs.

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
<th>Resolution Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Critical</td>
<td>A problem that affects the entire eRequester system</td>
<td>½ Business Day</td>
</tr>
<tr>
<td>High</td>
<td>A problem with known work around affecting single user or transaction</td>
<td>1 Business Day</td>
</tr>
<tr>
<td>Medium</td>
<td>A general service request or workaround solution</td>
<td>2 Business Days</td>
</tr>
<tr>
<td>Low</td>
<td>A request that does not require immediate attention</td>
<td>3 Business Days</td>
</tr>
</tbody>
</table>

PBS Support Services:

- **Critical:** A request that requires immediate attention.
- **High:** A request that affects single user or transaction.
- **Medium:** A general service request or workaround solution.
- **Low:** A request that does not require immediate attention.

**Notices:**

- For web conference or remote access, ensure system is available for effective troubleshooting.
- For any concerns, reference the Support Services table for resolution times.

**Contact Information:**

- **Web:** www.erequester.com
- **Email:** support@erequester.com
- **Phone:** 1-800-555-1212
- **Fax:** 1-800-555-1212

**Support Availability:**

- **Low:** 2 Business Days
- **Medium:** 1 Business Day
- **High:** ½ Business Day
- **Critical:** As needed

**Customer Support:**

- **A request that requires immediate attention.
- **Critical:** A request that affects the entire eRequester system.
- **High:** A request that affects single user or transaction.
- **Medium:** A general service request or workaround solution.
- **Low:** A request that does not require immediate attention.

**Disclaimer:**

- PBS shall not be responsible for the failure of eRequester software or the inability to provide support services due to circumstances beyond its control.
- Client acknowledges the complex nature of computer software and the potential for errors or bugs.

**Copyright:**

- All eRequester software, including updates and customizations, are and shall remain the property of PBS.

**Warranty:**

- PBS offers no express or implied warranty guaranty for eRequester or any software, documentation or services.

**Liability:**

- In no event, including gross negligence, shall PBS be liable for any special, indirect, incidental, consequential, or punitive losses or damages.

**Services:**

- PBS help desk staff will be able to provide more accurate resolution times based on assessment of the issue and communications with the Client.

**Support Services:**

- **Critical:** ½ Business Day, 2 Business Days
- **High:** 1 Business Day, 5 Business Days
- **Medium:** 2 Business Days, 30 Business Days
- **Low:** 3 Business Days, As needed

**Subscription:**

- Subscription term shall remain in full force and effect. In any action arising out of this Agreement, the prevailing party shall be entitled to its reasonable attorney’s fees and costs.

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Page 5
erequester License Agreement (Mesa Water)
Revised 2/21/2018
14. **Representations**: This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior and contemporaneous understandings regarding such subject matter, including any prior eRequester License and Purchase Agreements signed by the Parties. Client expressly agrees and acknowledges that in determining to enter into this Agreement, Client did not rely on any representation or warranty by anyone other than those expressly set forth in this Agreement. This Agreement may not be modified or altered except by written instrument signed by both parties.

15. **Jurisdiction**: This Agreement shall be governed and construed by the laws of the State of Washington, in the United States, and any dispute arising out of this Agreement shall be brought exclusively within King County, Washington in the United States. In any proceeding or action arising out of this Agreement, the prevailing party shall be entitled to its reasonable attorney’s fees and costs incurred.

16. **Restricted Rights Legend**: To the extent that eRequester software is provided to, or on behalf of the United States of America, its agencies and/or instrumentalities ("US Government"), such software is provided with Restricted Rights. Use, duplication and/or disclosure is subject to restrictions as set forth in subparagraph (c)(1)(ii) of the Rights in Technical Data and Computer software clause at DFARS 252.227-7013 of subparagraphs (c)(1) and (2) of the Commercial Computer Software - Restricted Rights at 48 CFR 52.227-19, as applicable. Manufacturer is Paperless Business Systems, 3131 Elliott Avenue, Suite 450, Seattle, WA 98121 USA.

17. **Export Law Assurances**: Client may not use or otherwise export or re-export eRequester except as authorized by the applicable laws of the United States and the State of Washington.

**Acceptance**: The signature of the Parties shall evidence that the Parties have read this Agreement, understand it, agree to be bound by it and that this is the complete agreement between Client and PBS regarding the subject matter of this Agreement.

**MESA WATER**

By: __________________________ Date: __________________________
Title: __________________________

**Roman PBS Acquisition Co, LLC,**
**D/B/A/ Paperless Business Systems**

By: __________________________ Date: __________________________
Title: __________________________
REPORTS:

6. REPORT OF THE GENERAL MANAGER:
REPORTS:

7. DIRECTORS’ REPORTS AND COMMENTS:
MEMORANDUM

TO: Legislative & Public Affairs Committee
FROM: Stacy Taylor, External Affairs Manager
DATE: February 26, 2018
SUBJECT: KOCI Radio Sponsorship

RECOMMENDATION

This item is provided for information only.

STRATEGIC PLAN

Goal #4: Increase public awareness about Mesa Water® and about water.

PRIOR BOARD ACTION/DISCUSSION

None.

DISCUSSION

KOCI is a nonprofit community radio station that serves as a valuable information resource for Mesa Water District’s service area and beyond. KOCI’s signal reaches a population of over 500,000 on 101.5 FM, and the station’s programming is also streamed online at KOCIRadio.com which receives over 24,000 clicks to listen online per month.

KOCI’s shows offer information about local civic issues, community events, and educational and public services. Since Fiscal Year 2013, Mesa Water District (Mesa Water®) has had a strategic partnership with Costa Mesa-based KOCI Radio.

Mesa Water’s partnership with KOCI has included sponsoring shows such as “The Green Orange” and “Stu News Sunday” -- which included interviews with our representatives -- as well as Public Service Announcements (“PSAs”) about Mesa Water’s: infrastructure improvements and the Mesa Water Reliability Facility, water quality and reliability, financial responsibility and transparency, water awareness outreach and education activities, water use efficiency programs, and more.

As of January 25, 2018, Mesa Water is a sponsor of KOCI’s newest show, “Pots and Pans with Jack and Annie,” airing Sundays from 9:30 a.m. to 10:30 a.m. For a total cost of $2,400, the sponsorship runs through March 8, 2018, and includes PSAs promoting Mesa Water’s Springtime Landscape Workshop, our logo and name listed on KOCIRadio.com, and an interview with our representatives -- Director James R. Fisler and Water Use Efficiency Analyst Justin Finch -- which took place on February 18, 2018.

Mesa Water plans to consider additional sponsorships with KOCI Radio to promote our summer outreach activities at the Concerts in the Park, Orange County Fair, and more.

FINANCIAL IMPACT

In Fiscal Year 2018, $373,200 is budgeted for the District’s Public Affairs department expenses; $207,598 has been spent to date.
ATTACHMENTS

Attachment A: KOCI Radio Sponsorship Package
KOCI is a not-for-profit radio station located in Costa Mesa, California devoted to bringing an electrifying mix of Classic Rock and Blues to its listening audience including the greats you love as well as a whole catalog of songs you may not have heard in years.

As a non-profit station, KOCI is devoted to supporting our local sponsors and we have designed a great format that gives your business more exposure to our listening audience.

The KOCI signal reaches a population of over 500,000 and can also be heard on kociradio.com as well as several phone apps.

KOCI Listeners ...
- 62,000 Listeners
- Listeners’ age: 35 to 70
- 89% of our listeners patronize our underwriters
- Average combined household income: $102,500
- 16,000 unique visitors to KOCIradio.com
  - 13,023 visitors on our web site every month
  - 24,503 clicks to listen on line every month
  - 7,206 cumulative clicks on sponsor logos each month

**Pots and Pans with Jack and Annie**

A special opportunity is available to sponsor KOCI’s **Pots and Pans with Jack and Annie** show. The show airs on Sunday mornings from 9:30 to 10:30 and features food, gardening, farm to table entertaining and recipes, too! It’s all produced by The Potting Shed in Orange, California.

**Six Week Sponsor Package: $2,400**

- On-air sponsor mentions during show
- Opening and close of show …
  - ‘the Pots and Pans show is brought to you by … ‘
- 21 – 15-second prime time spots per week*
- Sponsor listing on KOCI Web Site “Sponsors” tab
- Sponsor logo on KOCI Web Site
- Sponsor logo on KOCI Web Site Pots and Pans show page
- Signage at KOCI Events
- Social Media Promotion

*Schedule is based on available airtime. Spots will run 6 a.m. to 10 p.m.
RECOMMENDATION

This item is provided for information only.

STRATEGIC PLAN

Goal #4: Increase public awareness about Mesa Water® and about water.
Goal #6: Provide outstanding customer service.

PRIOR BOARD ACTION/DISCUSSION

None.

DISCUSSION

The annual Orange County (OC) Fair is an opportunity for Mesa Water District (Mesa Water®) to:
- Engage, educate, and empower its OC Fair-going customers -- and the surrounding community -- with timely, impactful, and relevant information about wise water use;
- Increase Mesa Water’s visibility and name/logo recognition among OC Fair audiences who are also Mesa Water constituents (ratepayers, community members, elected officials, industry colleagues, media, and current/former Board and staff members);
- Garner greater awareness of Mesa Water, and of water, among local and regional public and press who are interested in the OC Fair; and,
- Partner with the OC Fair as one of Mesa Water’s key customers.

From Fiscal Years 2007 through 2017, Mesa Water has implemented various OC Fair sponsorships and outreach activities. Mesa Water has partnered with the OC Fair at a $10,500 sponsorship level each year since 2014; and the proposed sponsorship level is the same for the 2018 OC Fair.

Attendance at the 2017 OC Fair totaled 1,344 million and, per OC Fair’s marketing data, an average of 6.5% of those attendees are from Mesa Water’s service area. Based on this statistic, approximately 87,360 attendees at the 2017 OC Fair live and/or work in the District’s service area, totaling a targeted return on our $10,500 investment of slightly more than 12 cents per person.

As in the past several consecutive years, in 2018, Mesa Water plans to present four water use efficiency talks/tours at our water-wise garden at the OC Fair. These take place between 12:00 p.m. and 5:00 p.m. on the #WaterWiseWednesday dates of July 18 and 25, and August 1 and 8, 2018.
Staff will promote and publicize these activities via Mesa Water’s bill inserts and bill message, newsletter, press release(s), social media, and website. The purpose of this sponsorship is two-fold: 1) driving OC Fair audiences to our on-site water-wise garden and MesaWater.org; and, 2) engaging OC Fair audiences via our social media (Facebook, Instagram, and Twitter).

The 2018 OC Fair sponsorship agreement (Attachment A) lists the benefits and features of Mesa Water’s sponsorship, including:

- Distributing our water-wise garden event flyers at all five OC Fair Information Booths on each of the four Wednesday dates mentioned above;
- Featuring our name and logo in signage at all five OC Fair Information Booths for the 2018 OC Fair’s duration;
- Including our logo in 2018 OC Fair advertising and on the 2018 OCfair.com splash page for Guest Services; and,
- Listing our logo in the 2018 OC Fair Brochure and Daily Schedule, including a mention of Water Wise Wednesday on the dates mentioned above.

FINANCIAL IMPACT

In Fiscal Year 2018, $373,200 is budgeted for the District’s Public Affairs department expenses; $207,598 has been spent to date.

ATTACHMENTS

Attachment A: OC Fair 2018 Sponsorship Agreement
STATE OF CALIFORNIA
SPONSORSHIP AGREEMENT
(Rev 10/16)

1. This Agreement is entered into between the State Agency and the Sponsor/Contractor named below:

STATE AGENCY'S NAME
32nd District Agricultural Association / Division of Fairs & Expositions/O.C Fair & Event

SPONSOR/CONTRACTOR'S NAME
Mesa Water District

2. The term of this Agreement is: January 1, 2018 through December 31, 2018

3. The amount of this Sponsorship Agreement is: $10,500.00 (CASH)

   Payment Terms:
   ☑ ONE TIME PAYMENT (Lump sum) ☐ MONTHLY ☐ QUARTERLY ☐ ITEMIZED INVOICE
   ☑ OTHER Payable to: “OC Fair & Event Center”

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement. *Additional Pages Attached

   Exhibit A – Sponsorship Agreement Provisions
   Exhibit B – Sponsorship Agreement Terms and Conditions
   Exhibit C – Insurance Requirements
   Exhibit D – Rules and Regulations Governing Rental Space - Note: Section B Referenced Handbook (Page 18 states “you are required to pay all requisite deposits, fees and taxes, including possessory interest tax, which may be levied by the County of Orange.”)
   *GTC(4/17) – If not attached, view at www.ols.dgs.ca.gov/Standard=Language

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

SPONSOR/CONTRACTOR

Mesa Water District

BY (Authorized Signature) DATE SIGNED

PRINTED NAME AND TITLE OF PERSON SIGNING
Stacy Taylor, External Affairs Manager

ADDRESS
1965 Placentia Avenue, Costa Mesa, CA 92627

STATE OF CALIFORNIA

AGENCY NAME
32nd District Agricultural Association/Division of Fairs &

BY (Authorized Signature) DATE SIGNED

PRINTED NAME AND TITLE OF PERSON SIGNING
Michele Richards, V.P, Business Development

ADDRESS
88 Fair Drive, Costa Mesa, CA 92626

☐ CONTRACTS MANAGER ☐ Michele Richards, VP, Business Development

California State Use Only

☑ Exempt: Sponsorship

I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above.

SIGNATURE OF STATE ACCOUNTING OFFICER DATE
EXHIBIT A – SPONSORSHIP AGREEMENT PROVISIONS

Contract Representatives:

32ND DISTRICT AGRICULTURAL ASSOCIATION/OC FAIR & EVENT CENTER
Michele Richards, Vice President, Business Development
(714) 708-1716

Mesa Water District
Stacy Taylor, External Affairs Manager
(949) 631-1201
Via: Scott Bruno/Tandem Partnerships

CONTRACTOR AGREES:

1. Mesa Water District to be Presenting Sponsor of the Information Booths and Guest Services at the 2018 OC Fair from July 13, 2018 – August 12, 2018.

2. To provide volunteers/staff, and maintain an educational Water-Wise Demonstration Garden display at Centennial Farm during 2018 with guidelines as follows:
   a. Maintenance outside of the 2018 OC Fair dates will be done by Mesa Water volunteers/staff on a monthly basis and include cleaning/updating signage, cleaning landscaping, removing debris and dead plants, replacing plants as needed, and regular pruning of plants/trees.
   b. All replacement plants must be pre-approved by Centennial Farm staff.
   c. To provide all signage, educational materials, necessary to activate the display.
   d. To provide a minimum of four (4) educational lectures during the 2018 OC Fair.

3. To observe the approved dates/times below for Mesa Water District access to the property. Mesa Water District agrees to contact Centennial Farm staff for approval to access the property outside of these dates/times and to park where instructed by District parking staff. Approved dates/times are as follows:
   a. September through June: Monday through Friday from 1:00 pm-4:00 pm.
   b. During the annual OC Fair: Monday from 7:00 am-4:00 pm and Tuesday after 1:00pm.

4. To have all volunteers/staff of Mesa Water District Park in designated exhibitor parking area during the annual OC Fair. Information for the area will be sent out in June 2018 by Centennial Farm staff.

5. There is no storage space available for Mesa Water District equipment and supplies.

6. To reimburse District for any out-of-pocket expenses incurred due to damage caused by Mesa Water District to Centennial Farm property by its volunteers/staff.

7. To provide payment in the sum of TEN THOUSAND FIVE HUNDRED DOLLARS ($10,500) as a sponsorship fee, due upon execution of this agreement. Payment in full must be received no later than July 3, 2017.)
   a. Payments shall be remitted to the following address:

      OC Fair & Event Center
      Attn: Accounts Receivable
      88 Fair Drive
      Costa Mesa, CA 92626

8. To gain pre-approval from the District for use of OC Fair marks and logos and that all display elements, materials and concepts provided by Sponsor require the approval of the District prior to implementation.

9. To provide high-resolution Sponsor logo for inclusion in advertising and signage as outlined herein.

10. To comply with the following requirements:
    a. No staff or volunteer will promote brand outside of designated space(s).
    b. Any staff or volunteer working ten (10) days or more at the 2018 OC Fair will be provided a photo badge credential for admission. Each individual is responsible for obtaining his or her credential from the badging office during operations hours. Prior to reporting to the badging office the required paperwork must be submitted to Tandem including the Megan’s Law Screening(s). Photo badge credentials must be obtained prior to the start of the 2018 OC Fair.
    c. Any staff or volunteer working less than ten (10) days will be provided single-day working credentials.

11. Sponsor will provide a list of staff and volunteers working the following week and any required paperwork (Megan’s Law Screening[s], etc.) to Centennial Farm staff by 5:00 p.m. each Friday. Centennial Farm staff will deliver the appropriate number of single-day working credentials to Sponsor’s display by 5:00 p.m. each Sunday for staff working the following week.
12. To verify all Sponsor’s intended paid and unpaid staff who will be working on District property in support of this contract have been processed through Megan’s Law screening and each individual, as certified by the Sponsor, is not a registered sex offender per the Megan’s Law registry.
13. To provide proof of insurance coverage for the term of the contract.
14. Sponsor’s involvement in the 2018 OC Fair will be serviced by the District’s sales agency of record, Tandem.
15. Sponsor’s contact for the year-round “Water Wise Demonstration Garden” will be the Centennial Farm staff.

**DISTRICT AGREES:**

1. To provide Mesa Water District with Presenting Sponsorship of the Information Booths and Guest Services at the 2018 OC Fair.
2. To provide space located on the east side of Building 15, an area of approximately 54’x24’ for an educational “Water Wise Demonstration Garden” exhibit (spot marked on the map on Exhibit “A”. Space will also be included during the annual OC Fair for workshops and demonstrations.
3. Centennial Farm staff will contact Mesa Water District if the garden is in need of maintenance. If Mesa Water District is unable to maintain the garden as requested, District reserves the right to maintain as needed.
4. That from September through June, all Mesa Water District staff/volunteers will have access to the property on Monday through Friday, from 1:00 pm - 4:00 pm. Generally access will be through Gate 1 unless another event is taking place, in which case access will be through Gate 4 off Arlington Drive. During the annual OC Fair, District will provide vehicle access to Mesa Water District on Monday from 7:00 am - 4:00 pm or on Tuesday after 1:00pm.
5. To produce Sponsor name/logo in the following signage at all five (5) OC Fair Information Booths during the 2018 OC Fair (creative to be mutually designed and agreed upon by Sponsor’s Ad agency and the District; signage to be produced/installed by the District):
   a. Four (4) 79”x18” Mesa Water District signs to be installed on all four (4) sides of each Information Booth
6. To include Sponsor logo:
   a. In all applicable 2018 OC Fair collateral including the OC Fair Brochure, Daily Schedule. (pending deadlines)
      i. Specific inclusion in Wednesday’s Daily Schedules where Water Wise Wednesday is mentioned
         1. Wednesday inclusion dates:
            a. July 18, 2018
            b. July 25, 2018
            c. August 1, 2018
            d. August 8, 2018
      b. In all applicable 2018 print advertising
      c. On the 2018 OC Fair Guest Services splash page
         i. “Guest Services brought to you by Mesa Water District (logo and link to url provided by Sponsor)”
7. Distribution of Mesa Water District flyers promoting “Water Wise” events and self-guided Garden Tours at all five (5) OC Fair information Booths during the 2018 OC Fair
8. To provide the appropriate number of working credentials and exhibitor parking passes to accommodate Mesa Water District’s staff and volunteers who are working at the “Water Wise Demonstration Garden” or conducting demonstrations during the annual OC Fair.
9. To provide the following hospitality benefits:
   a. Twenty 2018 OC Fair Admission Tickets
   b. Special Invitation to the Business Development Dinner for the Mesa Water Board of Directors to Attend
      (3 different dates from which to choose)
   c. Ability to pre-order Twenty (20) Pacific Amphitheatre Concert Tickets paid at full price with seat selection from House seat inventory.

- End Exhibit A -
EXHIBIT B - SPONSORSHIP AGREEMENT TERMS AND CONDITIONS

A. **Title of Event.** The Event shall be known as the “OC Fair” and Sponsor agrees that it shall refer to the Event in all advertising and promotional materials by the Event’s full name.

B. **Participants’ Names.** Sponsor acknowledges that State does not have the right to use the names, signatures, photographs or likenesses of any performer who may appear at the Event or on Sponsor’s Stage in connection with a commercial product or service, and the individual performer must approve all such uses by Sponsor. State does have the right to approve on behalf of individual performers the use of their names, photographs or likenesses in advertising which primarily promotes the Event and the Stage and mentions Sponsor’s involvement as a Sponsor, and Sponsor will submit any such advertising to State for prior approval as provided in Paragraph M.

C. **Right to Remove Name.** Sponsor shall have the right, at any time and for any reason, to request in writing the State remove its name from any and/or all signage and other materials associated with the Event. State shall use its best efforts to comply with said request, but if State will incur any additional expenses in connection with such compliance, it will notify Sponsor in writing and obtain Sponsor’s prior written approval. Sponsor will reimburse State for all such approved expenses. State shall notify Sponsor if time does not reasonably permit compliance with Sponsor’s request. Nothing herein shall relieve Sponsor of its obligations under the body of this Agreement.

D. **Delivery and Service.** At Sponsor’s expense, Sponsor shall deliver the Products to, and store such Products at, State’s location. Sponsor agrees to provide service personnel on an “on call” basis to assist in the delivery, installation, repair, maintenance and removal of the Products, in a number mutually agreed upon between the parties. All of Sponsor’s personnel shall be subject to State’s security and personnel policies and practices.

E. **Sponsor Insurance.** During the Term of this Agreement, Sponsor agrees to carry worker’s compensation and employer’s liability insurance, in such amounts as may be required by law, for any personnel Sponsor may utilize for the delivery, installation, maintenance, repair and removal of the Product.

F. **Risk of Loss.** State represents and warrants that to the extent storage of the Products is under the control and/or supervision of State, State will assume all risk of loss and will further store the Products safely and securely in a manner which will not cause the Products to become defective or not merchantable or fit for their intended purpose.

G. **Sponsor’s Trademarks.** Sponsor’s trademarks, label designs, product identifications, artwork and other symbols and devices associated with Sponsor’s Products (“Sponsor’s Trademarks”) are and shall remain Sponsor’s property, and Sponsor shall take all steps reasonably necessary to protect such Sponsor’s Trademarks through U.S. federal registrations and foreign registrations as it deems desirable and through reasonable prosecution of infringements.

H. **Sponsor’s Authorization of State.** State is hereby authorized to use Sponsor’s Trademarks in advertising and promoting the Event during the Term of this Agreement, provided Sponsor shall have the right to approve all such uses in writing in advance.

I. **State’s Submission for Approval.** State shall submit all materials to Sponsor in writing and if Sponsor does not approve or reject such materials in writing within 10 – 14 business days after receipt thereof, then Sponsor shall be deemed to have approved such materials.

J. **Uses for Benefit of Sponsor.** The right to use Sponsor’s Trademarks is non-exclusive, non-assignable and nontransferable. All uses by State of Sponsor’s Trademarks shall inure solely to the benefit of Sponsor.

K. **State’s Trademarks.** State’s trademarks, designs, artwork and other symbols and devices associated with the Event (“State’s Trademarks”) are and shall remain State’s property and State shall take all steps reasonably necessary to protect State’s Trademarks through U.S. federal registrations and foreign registrations as it deems desirable and through reasonable prosecutions of infringements.

L. **State’s Authorization of Sponsor.** Sponsor is hereby authorized to use State’s Trademarks in advertising and promoting Sponsor’s Products until 15 days after the Event takes place, provided State shall have the right to approve all such uses in writing in advance.
EXHIBIT B - SPONSORSHIP AGREEMENT TERMS AND CONDITIONS (CONT.)

M. Sponsor’s Submission for Approval. Sponsor shall submit materials to State in writing and if State does not approve or reject such materials in writing within 10 – 14 business days after receipt thereof, then State shall be deemed to have approved such materials.

N. Benefit of State. The right to use State’s Trademarks is non-exclusive, non-assignable and nontransferable. All uses by Sponsor of State’s Trademarks shall inure solely to the benefit of State.

O. Merchandise. State shall not manufacture or sell, or license the manufacture and/or sale, of any promotional or other merchandise which bears Sponsor’s Trademarks without Sponsor’s prior written consent. Sponsor shall have the right to manufacture and/or sell promotional or other merchandise which bears State’s Trademarks.

P. Ambush Prevention-State’s Action. State agrees to take all reasonable measures to prevent the unauthorized use of State’s Trademarks (and facsimiles thereof) and to prevent the dilution of the value of Sponsor’s rights hereunder by using its best efforts to exclude competing signage, competitive product sales and competitive product sampling from the Venue and the area surrounding the Venue, and to prosecute specific instances of trademark and copyright infringement, trademark and trade dress dilution, unfair competition and/or consumer deception whenever it is, in the opinion of State’s counsel, reasonable to do so. State shall bear all costs of such prosecution and shall retain the proceeds thereof, if any. Sponsor shall cooperate with State in any such litigation.

Q. Owner Warranties. State represents and warrants that:

1. it has the full right and legal authority to enter into and fully perform this Agreement in accordance with its terms without violating the rights of any other person;
2. State’s Trademarks do not infringe the trademarks or trade names or other rights of any other person;
3. it has all government licenses, permits or other authorizations necessary to conduct the Event as contemplated under this Agreement; and
4. it will comply with all applicable laws, regulations and ordinances pertaining to the promotion and conduct of the Event.

R. Sponsor Warranties. Sponsor represents and warrants that:

1. it has the full right and legal authority to enter into and fully perform this Agreement in accordance with its terms without violating the rights of any other person;
2. Sponsor’s Trademarks do not infringe the trademarks or trade names of any other person;
3. it has all government licenses, permits or other authorizations necessary to conduct its business; and
4. all Products furnished by Sponsor shall be of high quality and shall be free from product defects and shall be merchantable and suited for their intended purpose.

S. Effect of Cancellation on Sponsor. In the event that the Event does not take place, in whole or in part, due to any Act of God or force majeure, including, without limitation, weather, fire, flood, strike, labor dispute, civil commotion, riot or threat of violence of similar cause beyond the control of the parties, then Sponsor shall be entitled to an immediate refund of the Sponsorship Fee (or a pro rata portion thereof if the Event took place only in part) less any expenses incurred on behalf of the Sponsor and an immediate refund of the value (as measured by Sponsor’s cost) of all Products contributed by Sponsor (or a pro rata portion of the value of the Products used in the Event if the Event took place only in part). State will provide adequate revenue protection insurance to cover its obligations hereunder.

T. No Joint Venture of Partnership. This agreement shall not be deemed to create a joint venture, partnership, principal-agent, employer-employee or similar relationship between State and Sponsor.
EXHIBIT B - SPONSORSHIP AGREEMENT TERMS AND CONDITIONS (CONT.)

U. Invalidity. The determination that any provision of this Agreement is invalid or unenforceable shall not invalidate the Agreement, all of said provisions being inserted conditionally on their being considered legally valid, and this Agreement shall be construed and performed in all respects as if such invalid or unenforceable provision(s) were omitted.

V. Notices. All notices required or permitted to be made under this Agreement shall be in writing and shall be deemed to have been duly given when delivered or sent by prepaid certified or registered mail:

If to State, to: 88 Fair Drive, Costa Mesa, CA 92626

or such other address as either party may designate in writing to the other party for this purpose.

W. Commissions. Sponsor and State shall each be responsible for its own sales agency, sponsorship agency, advertising agency or other commissions or brokers fees which either is or may become obligated to pay as a result of or attendant to this Agreement.

X. Non-Assignment. Neither party shall assign this Agreement without the prior written approval of the other party, except that Sponsor may assign this Agreement to any entity which acquires substantially all of its assets.

Y. Complete Agreement. This Agreement represents the entire agreement between the parties and supersedes all other agreements, if any, express or implied, whether written or oral. State has made and makes no representations of any kind except those specifically set forth herein.

Z. Binding Agreement. This Agreement shall be binding upon the parties, their successors and assigns.

AA. Cancellation. The State reserves the sole and exclusive right to terminate this agreement, with or without cause, upon thirty (30) calendar days written notice to Sponsor. If, during the performance of this agreement, a dispute arises between the Sponsor and the State, which cannot be settled by discussion, the Sponsor shall, within eight hours of the incident giving rise to the dispute, submit a written statement to State. A decision by the State, in writing, shall be given to the Sponsor within four hours of receipt of such statement, and shall be final and conclusive. The Sponsor shall continue to perform the requirements herein without interruptions during the dispute period.

BB. Breach of Agreement. In the event the Sponsor breaches the terms of this agreement, the State shall be entitled to recover, in addition to any other damages and remedies that they may be entitled to, all costs incurred in enforcing this agreement, including attorney's fees.

CC. Indemnification To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the 32nd District Agricultural Association, the OC Fair & Event Center, the State District and their respective agents, directors, employees, and their sales agency of record (currently Moor + South/Pier Management Co., LP, dba Tandem) from and against all claims, damages, losses, and expenses, of every kind, nature and description (including, but not limited to, attorneys fees, expert fees, and costs of suit), directly, or indirectly, arising from, or in any way related to the performance or nonperformance of this Agreement, regardless of responsibility of negligence; by reason of death, injury, property damage, or any claim arising from the alleged violation of any state or federal accessibility law, statute or regulation, (including but not limited to, the Americans With Disabilities Act, and/or any state, local, successor, or comparable provision of law) however caused or alleged to have been caused, and even though claimed to be due to the negligence of the State. Provided, however, that in no event shall Contractor be obligated to defend or indemnify the 32nd District Agricultural Association, the OC Fair & Event Center, or the State with respect to the sole negligence or willful misconduct of the 32nd District Agricultural Association, the OC Fair & Event Center, the State, or their respective employees, or agents (excluding the Lessee herein, or any of its employees or agents.)

- End Exhibit B -
EXHIBIT C – INSURANCE REQUIREMENTS

California Fair Services Authority

I. Evidence of Coverage

The contractor/renter shall provide a signed original evidence of coverage form for the term of the contract or agreement (hereinafter “contract”) protecting the legal liability of the State of California, District Agricultural Associations, County Fairs, Counties in which County Fairs are located, Lessor/Sublessor if fair site is leased/subleased, Citrus Fruit Fairs, California Exposition and State Fair, or Entities (public or non-profit) operating California designated agricultural fairs, their directors, officers, agents, servants, and employees, from occurrences related to operations under the contract. This may be provided by:

A. Insurance Certificate:

The contractor/renter provides the fair with a signed original certificate of insurance (the ACORD form is acceptable), lawfully transacted, which sets forth the following:

1. List as the Additional Insured:

"That the State of California, the District Agricultural Association, County Fair, the County in which the County Fair is located, Lessor/Sublessor if fair site is leased/subleased, Citrus Fruit Fair, California Exposition and State Fair, or Entities (public or non-profit) operating California designated agricultural fairs, their directors, officers, agents, servants, and employees are made additional insured, but only insofar as the operations under this contract are concerned."

2. Dates:

The dates of inception and expiration of the insurance. For individual events, the specific event dates must be listed, along with all set-up and tear down dates.

3. Coverages:
   a. General Liability

Commercial General Liability coverage, on an occurrence basis, at least as broad as the current Insurance Service Office (ISO) policy form #CG 0001. Limits shall be not less than $5,000,000 per occurrence for Fairtime Carnival Rides; $3,000,000 per occurrence for Motorized Events All Types except arena or track motorcycle racing and go-cart racing; $3,000,000 per occurrence for Rodeo Events All Types with a paid gate and any Rough Stock Events; $2,000,000 per occurrence for Rodeo Events All Types without a paid gate and with any Rough Stock Events; $1,000,000 per occurrence for Rodeo Events All Types without any Rough Stock Events; $2,000,000 per occurrence for Interim Carnival Rides, Fairtime Kiddie Carnival Rides of up to six (6) rides, Concerts with over 5,000 attendees, Rave Type Events All Types, Mechanical Bulls, Extreme Attractions All Types, Orbitrons, Simulators, and Motorized Events of arena or track motorcycle racing and go-cart racing; $1,000,000 per occurrence for all other contracts for which liability insurance (and liquor liability, if applicable) is required.

b. Automobile Liability

Commercial Automobile Liability coverage, on a per accident basis, at least as broad as the current ISO policy form # CA 0001, Symbol #1 (Any Auto) with limits of not less than $1,000,000 combined single limits per accident for contracts involving use of contractor vehicles (autos, trucks or other licensed vehicles) on fairgrounds.

c. Workers' Compensation

Workers' Compensation coverage shall be maintained covering contractor/renter's employees, as required by law.

d. Medical Malpractice

Medical Malpractice coverage with limits of not less than $1,000,000 per occurrence shall be maintained for contracts involving medical services.

e. Liquor Liability

Liquor Liability coverage with limits of not less than $1,000,000 per occurrence shall be maintained for contracts involving the sale of alcoholic beverages.
EXHIBIT C – INSURANCE REQUIREMENTS (CONT.)

4. Cancellation Notice:
   Notice of cancellation of the listed policy or policies shall be sent to the Certificate Holder in accordance with policy provisions.

5. Certificate Holder:
   a. For Individual Events Only - Fair, along with fair’s address, is listed as the certificate holder:
      
      - 32nd District Agricultural Association, OC Fair & Event Center, 88 Fair Drive, Costa Mesa, CA 92626

   b. For Master Insurance Certificates Only - California Fair Services Authority, Attr: Risk Management, 1776 Tribute Road, Suite 100, Sacramento, CA 95815 is listed as the certificate holder.

6. Insurance Company:
   The company providing insurance coverage must be acceptable to the California Department of Insurance.

7. Insured:
   The contractor/renter must be specifically listed as the Insured.

   OR

B. CFSA Special Events Program:
   The contractor/renter obtains liability protection through the California Fair Services Authority (CFSA) Special Events Program, when applicable.

   OR

C. Master Certificates:
   A current master certificate of insurance for the contractor/renter has been approved by and is on file with California Fair Services Authority (CFSA).

   OR

D. Self-Insurance:
   The contractor/renter is self-insured and acceptable evidence of self-insurance has been approved by California Fair Services Authority (CFSA).

II. General Provisions

A. Maintenance of Coverage:
   The contractor/renter agrees that the commercial general liability (and automobile liability, workers' compensation, medical malpractice and/or liquor liability, if applicable) insurance coverage herein provided for shall be in effect at all times during the term of this contract. In the event said insurance coverage expires or is cancelled at any time or times prior to or during the term of this contract, contractor/renter agrees to provide the fair, prior to such expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than the remainder of the term of the contract, or for a period of not less than one (1) year. New certificates of insurance are subject to the approval of California Fair Services Authority, and contractor/renter agrees that no work or services shall be performed prior to the giving of such approval. In the event the contractor/renter fails to keep in effect at all times insurance coverage as herein provided, the fair may, in addition to any other remedies it may have, take any of the following actions: (1) declare a material breach by contractor/renter and terminate this contract and (2) withhold all payments due to contractor/renter until notice is received that such insurance coverage is in effect, and (3) obtain such insurance coverage and deduct premiums for same from any sums due or which become due to contractor/renter under the terms of this contract.
EXHIBIT C – INSURANCE REQUIREMENTS (CONT.)

B. **Primary Coverage:**
The contractor/renter’s insurance coverage shall be primary and any separate coverage or protection available to the fair or any other additional insured shall be secondary.

C. **Contractor’s Responsibility:**
Nothing herein shall be construed as limiting in any way the extent to which contractor/renter may be held responsible for damages resulting from contractor/renter’s operations, acts, omissions or negligence. Insurance coverage obtained in the minimum amounts specified above shall not relieve contractor/renter of liability in excess of such minimum coverage, nor shall it preclude the fair from taking other actions available to it under contract documents or by law, including, but not limited to, actions pursuant to contractor/renter’s indemnity obligations. The contractor/renter indemnity obligations shall survive the expiration, termination or assignment of this contract.

D. **Certified Copies of Policies:**
Upon request by fair, contractor/renter shall immediately furnish a complete copy of any policy required hereunder, with said copy certified by the underwriter to be a true and correct copy of the original policy. Fairtime Carnival Ride contractors must submit copies of actual liability insurance policies, certified by an underwriter, to California Fair Services Authority (CFSA).

III. **Participant Waivers**

For hazardous participant events, the contractor/renter agrees to obtain a properly executed release and waiver of liability agreement (Form required by contractor/renter’s insurance company or CFSA Release and Waiver Form) from each participant prior to his/her participation in the events sponsored by contractor/renter. Hazardous participant events include but are not limited to any event within the following broad categories: Athletic Team Events; Equestrian-related Events; Motorized Events; Rodeo Events; and Wheeled Events, including bicycle, skates, skateboard, or scooter. Contact California Fair Services Authority at (916) 921-2213 for further information.

-End Exhibit C-
EXHIBIT D – RULES AND REGULATIONS GOVERNING RENTAL SPACE

A. The District hereby grants to the Sponsor the right to occupy the aforesaid space(s) for the purpose set forth herein and subject to the terms and conditions of this Agreement.

B. The Commercial Space and Concessions Rules and Regulations Handbook hereby becomes a part of this Sponsorship with Rental Space agreement by reference and is on file with the District. By signing the Agreement, Sponsor acknowledges that they have read the Handbook and agrees to abide by said Rules and Regulations.

C. Sponsor represents and warrants that the commercial offering, and all materials used in connection therewith, including, without limitation, all graphic and written material, (i) are either owned by or produced by Sponsor or all required permissions and license agreements have been obtained and paid for by the Sponsor, and (ii) as far as Sponsor is aware, are not the subject of any claim for misappropriation or infringement of the trademark, copyright, or other intellectual property rights of any third party.

D. Sponsor further agrees that it will not sell, exchange or barter, or permit his employees to sell, exchange or barter any permits issued to Sponsor or his employees hereunder.

E. In the event Sponsor fails to comply in any respect with the terms of this agreement and the Rules and Regulations referred to herein, all payments for this rental space shall be deemed earned and non-refundable by the District and the District shall have the right to occupy the space in any manner deemed for the best interest of the District.

F. No Sponsor will be allowed to open booth space/exhibit until all the preliminary requirements herein set forth have been complied with.

G. Sponsor will conduct its business in a quiet and orderly manner; will deposit all rubbish, slop, garbage, tin cans, paper, etc. in receptacles provided by the District near said booth space/exhibit for such purpose, and will keep the area within and surrounding said booth space/exhibit free from all rubbish and debris.

H. The District will furnish necessary janitorial services for all aisles, streets, roads and areas used by the public, but Sponsor must, at his own expense, keep the booth/exhibit space and adjacent areas properly arranged and clean. All equipment must be clean, all coverings removed, and the booth/exhibit ready for business each day at least one hour before the Fair is open to the public. Receptacles will be provided at several locations to receive Sponsor's trash, and such trash must not be swept into the aisles or streets or any public space.

I. All buildings, tents, or enclosures erected under the term of this Agreement shall have the prior approval of District and the local fire suppression authorities.

J. Sponsor will conduct the privileges granted in this Agreement according to all the rules and requirements of the State Department of Health Services and local health authorities, and without infringement upon the rights and privileges of others; will not handle or sell any commodities or transact any business whatsoever for which an exclusive privilege is sold by the District, nor engage in any other business whatsoever upon or within said premises or fairgrounds, except that which is herein expressly stipulated and contracted for; will confine said transactions to the space and privilege provided in the Agreement, and that any and all exclusives granted Sponsor shall not include the Carnival and the Carnival Area.

K. All sound-producing devices used by Sponsor within or outside its space must be of such a nature and must be so operated as not to cause annoyance or inconvenience to its patrons or to other Concessionaires or Exhibitors and the decision of the District as to the desirability of any such sound producing device shall be final and conclusive. Sound-amplification equipment may be installed within or outside any space only by first obtaining written permission thereof from the District.

L. Sponsor agrees that there will be no games, gambling or any other activities within the confine of his space in which money is used as a prize or premium, and that he will not buy and/or permit “buy backs” for cash, any prizes or premiums given away to patrons in connection with the use of the space. Only straight merchandising methods
EXHIBIT D – RULES AND REGULATIONS GOVERNING RENTAL SPACE (CONT.)

shall be used and all methods of operation, demonstration and sale shall be subject to the approval of the the District and the local law enforcement officials.

M. Sponsor is entirely responsible for the space allotted to Sponsor and agrees to reimburse the District for any damage to the real property, equipment, or grounds use in connection with the space allotted to Sponsor, reasonable wear and tear and damage from cause beyond Sponsor’s control excepted.

N. The District may provide watchman service, which will provide for reasonable protection of the property of Sponsor’s, but the District shall not be responsible for loss or damage to the property of Sponsor.

O. Each and every article of the space and all boxes, crates, packing material, and debris of whatsoever nature used in connection with the space and owned by Sponsor must be removed from the buildings and grounds by Sponsor, at his own expense, no later than a date specified by the District. It is understood in the event of Sponsor’s failure to vacate said premises herein provided, unless permission in writing is first obtained, the District may and is hereby authorized and made the agent of Sponsor to remove and store the concession and all other material of any nature whatsoever, at the Sponsor’s risk and expense, and Sponsor shall reimburse the District for expenses thus incurred.

P. No Sponsor will be permitted to sell or dispose of anywhere on the Fairgrounds alcoholic beverages as defined in the Alcoholic Beverage Control Act, except in the concession space. Even such limited sales are not to be made unless Sponsor is authorized in writing by the District and unless it holds a lawful license authorizing such sales on said premises.

Q. All safety orders of the Division of Industrial Safety, Department of Industrial Relations, must be strictly observed.

R. Failure of the District to insist in any one or more instances upon the observance and/or performance of any of these rules and regulations shall not constitute a waiver of any subsequent breach of any such rules and regulations.

S. Sponsor recognizes and understands that this rental may create a possessory interest subject to property taxation and that the Sponsor may be subject to the payment or property taxes levied on such interest.

T. The District shall have the privilege of inspecting the premises covered by this Agreement at any time or all times.

U. The parties hereto agree that Sponsor, and any agents and employees of Sponsor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the District.

V. Time is of the essence of each and all the provisions of this Agreement, and the provisions of this Agreement shall extend to and be binding upon and inure to the benefit of the heirs, executors, administrators, successors, and assigns of the respective parties hereto.

W. By state law and in the interest of public health, smoking shall not be permitted in or within 20 feet of any State of California building, including the Santa Ana Pavilion area, OC Promenade area, Centennial Farm, Kidland carnival area, the Livestock area, Pacific Amphitheatre seating area, and Arena grandstand and bleacher seating areas. This policy includes the use of electronic cigarettes, vaporizers and oil/wax pens. During OCFEC-produced events (i.e. OC Fair, Imaginology) smoking and the use of electronic cigarettes, vaporizers and oil/wax pens will be limited to areas designated by the Association.

-End Exhibit D-
CLOSED SESSION:

10. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:
Pursuant to California Government Code Sections 54956.9 (d) (1) and 54954.5 (c)
Case: Costa Mesa Sanitary District v. Mesa Water District
Case No. 30-2017-00923819-CU-PT-CJC