

January 25, 2021

Cástulo R. Estrada  
Utilities Manager  
City of Coachella  
53462 Enterprise  
Coachella, CA 92236

Subject: Sedaru Asset Management Software Renewal

Dear Mr. Estrada:

Sedaru is pleased to submit this proposal to the City of Coachella (City) to renew its Sedaru work and asset management software. By enabling real-time, digital work management and field data collection, the City's utilities department will enhance responsive, informed operations and maintenance, while continuing to improve upon the management of its assets and workforce productivity.

**About Sedaru:** Sedaru is based near the City and has deployed its software and services similarly for utilities across Southern California. We are experienced with, and proficient in delivering for the specific needs of the City. As an Esri business partner, Sedaru is compliant with Esri GIS-centric asset management systems, including data schema, system architecture, and best practices to support the City's GIS readiness today, while bridging the utility's GIS direction of the future.

**Software and Project Overview:** The City of Coachella has initiated its asset management program for water & sewer system assets and continues to make progress in transitioning towards digital work. With new staffing in place for 2020, the City has made strides in reaching its asset management goals, including further identifying and addressing its needs to advance this program.

The City has identified water and wastewater workflows to continue its progress, with the intention of working with Sedaru to implement and utilize in early 2021. This software renewal will support those initiatives and allow the City to progress with current staffing to reach its goals.

**Managed Services Program:** Sedaru proposes to augment the software with a Gold Level Managed Services Program (MSP), allowing the City to realize cost savings while promoting continued support for GIS, development of the work management system including and not limited to work order and field data collection form configuration, key performance indicators, integrations, and growth within the Sedaru platform. The MSP will also provide strategic consulting and free training for newly hired staff or those that might require refresher training.

**Budget and Terms:** Sedaru proposes software and the managed services program (MSP) to support and expand upon the current software as included in **Exhibit A** and **Exhibit B**, respectively. Use of the Sedaru software is subject to the Software License Agreement signed by the City on December 15, 2016.

### Cost Summary & Software Term:

Item or Term	Year 1	Year 2 (10% Software Discount)	Year 3 (10% Software Discount)
Sedaru Software (annual)	\$31,080	\$27,972	\$27,972
Sedaru MSP (3-year)	\$10,560	\$10,560	\$10,560
<b>Total</b>	<b>\$41,640</b>	<b>\$38,532</b>	<b>\$38,532</b>

Total cost over 3-years is proposed as \$118,704, including a 10% discount for the software in Years 2 and 3, and ongoing services discounts of 25% within the proposed MSP, as per Exhibit B below. The Year 1 software term is Dec 15, 2020 - Dec 14, 2021 and will renew and be billed annually per the above. Software, services, and MSP terms are included in **Exhibit C** below.

We appreciate the opportunity to propose on this exciting project and look forward to working together.

<b>SEDARU, INC.</b>  By: _____ Paul Hauffen, Signature  _____ Paul Hauffen, Printed Name  _____ President, Date	<b>CITY OF COACHELLA</b>  By: _____ Cástulo Estrada, Signature  _____ Cástulo Estrada, Printed Name  _____ Utilities Manager, Date
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## Exhibit A: Software Scope

### Sedaru Software Scope & Budget

Software	Description	Quantity, Annual Cost
Total Licenses	Enterprise license, unlimited users.	Unlimited
Sedaru OMNI & Fieldforce for Water, & Sewer. Sedaru Outage. Sedaru Connect for Wachs, SCADA and Eden.	Dispatch, track, trend, monitor, and report-on proactive and corrective work orders, with manual and automated reminders. Complete work orders and field data collection for the enterprise for water & sewer assets. Respond to leaks & breaks. Access Wachs valve machine, Eden CIS, and Wonderware SCADA from Sedaru.	\$31,080
<b>Software Total:</b>		<b>\$31,080</b>

## Exhibit B: Services Scope

### Managed Services Program (MSP) Authorization

Managed Services Program		Annual Fee
<input type="checkbox"/> Silver Level MSP	<input type="checkbox"/> Platinum Level MSP	\$10,560/yr
<input checked="" type="checkbox"/> Gold Level MSP	<input type="checkbox"/> Extended Level MSP	

Proposed Services hours are applied for project management, and can be used for GIS maintenance, integration, system configuration (forms, KPIs, etc.), or other services. In-person training can be billed against budgeted hours, and travel incidentals expensed at-cost.

#### **Silver Level MSP Subscription: \$5,600**

- **40-hours Services/yr @\$140/hr (20% discount)**, and for additional hours required.
- **4 Free Hours of Training**, and related follow-on training support, virtually per year.
- **2 Free, Bi-annual Strategic Planning** meetings to support long-term organizational goals.
- **A \$9,000+ value**, totaling 50-hours of overall support, including Strategic Planning, Services & Project Management, Training, and preparation.

#### **Gold Level MSP Subscription: \$10,560**

- **80-hours Services/yr @\$132/hr (25% discount)**, and for additional hours required.
- **8 Free Hours of Training**, and related follow-on training support, virtually per year.
- **4 Free, Quarterly Strategic Planning** meetings to support long-term organizational goals.
- **A \$18,000+ value**, totaling 100-hours of overall support, including Strategic Planning, Services & Project Management, Training, and preparation.

#### **Platinum Level MSP Subscription: \$14,760**

- **120-hours Services/yr @\$123/hr (30% discount)**, and for additional hours required.
- **12 Free Hours of Training**, and related follow-on training support, virtually per year.
- **4 Free, Quarterly Strategic Planning** meetings to support long-term organizational goals.
- **A \$27,000+ value**, totaling 150-hours of overall support, including Strategic Planning, Services & Project Management, Training, and preparation.

#### **Extended Level MSP Subscription: \$18,240**

- **160-hours Services/yr @\$114/hr (35% discount)**, and for additional hours required.
- **16 Free Hours of Training**, and related follow-on training support, virtually per year.
- **6 Free, Bi-monthly Strategic Planning** meetings to support long-term organizational goals.
- **A \$36,000+ value**, totaling 200-hours of overall support, including Strategic Planning, Services & Project Management, Training, and preparation.

## Exhibit C: Software, Services & MSP Terms

- Use of the Sedaru software requires acceptance of the Master Agreement. The terms of this Order Form shall modify, supersede, and replace any different or conflicting terms, conditions, or requirements contained or referenced in the Master Agreement. Except for any conflicts between this Order Form and the Master Agreement, all orders placed by the undersigned customer are subject to the Master Agreement.
- Pricing and scope within this proposal are valid for 60 days, unless agreed upon in writing.
- Fees for Sedaru software subscriptions are invoiced and the Sedaru software subscription term commences upon contract authorization (unless otherwise expired, in which case the term becomes retroactive), notice to proceed, or equivalent.
- One-time implementation fees are invoiced 75% upfront, and subsequently billed monthly as percent complete. Implementation will be billed 100% upon substantial completion of the project or before training, whichever occurs first.
- Once the implementation and rollout are complete, Sedaru Customer Success will appoint a dedicated Sedaru Success Agent (SSA) to ensure your continued growth and adoption of the software. Your SSA will provide technical support, and can be contacted via telephone, email, or a website technical support request to address questions, functionality issues, and listen to feedback, including suggestions to enhance or improve the software.
- Year 1 MSP cost, and the balance of Services costs greater than the MSP budget, are billed upon authorization at the rate secured within the same MSP Level. Subsequent years are billed in advance of the MSP term.
- Extension to the MSP term can be modified in a new Order Form.
- Additional hours may be purchased at the secured rate, up to 50% of the MSP's budgeted hours, in 8-hour blocks at minimum.
- If additional hours are needed beyond the current MSP level, customer may upgrade subscription level in a new Order Form. Changes will take effect the beginning of the month following, with licensing and services prorated thereafter and for the balance of the term.
- Unused services, strategic meetings, and training budget do not rollover into the next year.
- MSP requires a 3-year commitment. The balance of this commitment becomes due if Sedaru Master Software License Agreement (the "Master Agreement") is terminated prior.
- MSP pricing within this proposal is valid for 60 days, unless agreed upon in writing.