

Master Services Agreement

This MASTER SERVICES AGREEMENT ("Agreement") is entered into as of April 14, 2022 ("Effective Date") by and between Grand Rapids Public Utilities a municipal corporation with its principal place of business at 500 SE 4th Street, Grand Rapids, MN 55744 ("Government"), and the Government Finance Officers Association of the United States and Canada, an Illinois not-for-profit corporation, having its offices at 203 North LaSalle Street, Suite 2700, Chicago, Illinois 60601 ("GFOA" or "Consultant"). Government and GFOA are collectively referred to herein as the "parties" and each individually as a "party".

Recitals

WHEREAS, Government desires to contract with GFOA to provide Services, as defined herein, based on the terms and conditions as set forth in this Agreement; and GFOA agrees to provide such Services, as defined herein, to Government, based on the terms and conditions as set forth in this Agreement.

Agreement

NOW, THEREFORE, in consideration of the premises, the mutual agreements herein set forth below, and other good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, the parties agree as follows:

1. **Incorporation of Recitals.** The Recitals set forth above are incorporated in this Agreement by reference and made a part hereof.
2. **Consulting Services.**
 - a. Statements of Work. GFOA shall, in accordance with the terms of this Agreement, perform the services and provide the Deliverables (as defined below) described in, and shall invoice Government for services rendered according to the schedule outlined in, any "Statement of Work" (also referred to herein as an "SOW") executed by the parties in writing from time to time that references and incorporates the terms of this Agreement (all services that GFOA performs, or is obligated to perform, under this Agreement and any SOW are collectively referred to as the "Services"). Each SOW shall include a detailed description of the deliverables and other materials to be developed or created by GFOA for the benefit of Government (collectively, the "Deliverables"). All SOWs shall be incorporated in this Agreement immediately upon execution by both parties and shall be deemed as accepted under the terms of this Agreement as of the Effective Date. If Government and GFOA commence work prior to signing a SOW, the parties agree that the completed SOW is incorporated in this Agreement, shall be deemed as accepted under the terms of this Agreement as of the Effective Date, and shall apply to the Services provided prior to signing the SOW. The initial SOW between the parties is attached hereto as Exhibit A and incorporated herein by reference.
 - b. Change Orders. Government may, from time to time, request in writing changes to a SOW. Upon Government's written request to modify the SOW, GFOA will submit a written proposal stating whether it believes it can make the changes and, if so, the estimated cost and schedule for delivery. If Government authorizes such written proposal, the parties shall reasonably describe the change and outline the modified terms to the applicable SOW in a written change order signed by an authorized representative of each of the parties (a "Change Order"). Any Change Order shall be incorporated by reference and attached as an appendix to the applicable SOW.

c. Contacts.

- i. GFOA shall assign an engagement manager ("GFOA Engagement Manager") to serve as Government's primary contact with respect to the Services. The GFOA Engagement Manager will be responsible for overseeing the Services and addressing any issues or concerns raised by Government with respect to this Agreement or the Services. GFOA's initial GFOA Engagement Manager is Mike Mucha, GFOA Director, Research and Consulting.
- ii. Government shall appoint an appropriate employee with authority to make decisions with respect to this Agreement and the Services to serve as GFOA's primary point of contact with respect to this Agreement and the Services ("Contract Administrator"). Government's initial Contract Administration is Jean Lane, Business Services Manager.

d. Standard of Work. GFOA shall verify that each GFOA employee or contractor assigned to perform the Services is competent and qualified to provide such Services. The performance of the Services pursuant to the terms of this Agreement shall conform to commercially acceptable professional standards in the field of public finance. GFOA shall use commercially reasonable efforts to formulate opinions and create information upon which the Government may reasonably rely. The substance of such opinions and information, however, is not guaranteed by GFOA to be free from omission or errors except insofar as such errors or omissions occur as a result of gross negligence or willful misconduct by GFOA.

e. Order of Precedence – Services. In the event there is a conflict between this Agreement and a SOW, the applicable SOW will control if it specifically refers to the conflicting provision in this Agreement. In the event there is a conflict between a Change Order and this Agreement or a SOW, the Change Order will control if it specifically refers to the conflicting provision in this Agreement or the SOW, as applicable.

3. **Proprietary Materials.**

- a. Work Product. As used in this Agreement, "Work Product" means all Deliverables developed, produced, or created by GFOA (including its employees and contractors) for Government as part of the Services and pursuant to this Agreement and any SOW including, without limitation, all reports, presentations and related materials; provided, however, Work Product does not include any GFOA Materials included or incorporated in the Deliverables.

All Work Product (excluding any GFOA Materials included or incorporated therein), upon payment of all undisputed corresponding amounts due to GFOA hereunder, shall belong solely and exclusively to Government, and Government shall have exclusive title and ownership rights, including all intellectual property rights, in and to such Work Product. To the extent that exclusive title or ownership rights may not originally vest in Government as contemplated herein, GFOA hereby assigns to Government all right, title and interest, including all intellectual property and ownership rights, in such Work Product. To the extent permitted under the U.S. Copyright Act (17 USC §101 et seq., and any successor statute thereto), the Work Product will constitute "works made for hire," and the ownership of such Work Product will vest in Government at the time they are created. In any event, GFOA agrees to assign and transfer to Government, without separate compensation, all right, title and interest that GFOA may now or hereafter have in or to the Work Product, including, without limitation, all copyright, trademark, trade secret, patent and other intellectual property and proprietary rights therein. To the maximum extent allowed, GFOA irrevocably and unconditionally waives, in perpetuity, any rights GFOA may have with respect to the Work Product under any law relating to "the moral rights of authors" or any similar law throughout the world.

- b. Government Materials. As between the parties, Government shall own all right, title, and interest in and to all content, information, data, information, ideas, concepts, visions or other materials supplied by or on behalf of Government to GFOA in connection with this Agreement (collectively, the "Government Materials").

GFOA shall acquire no right, title, or interest hereunder to the Government Materials, except that Government grants GFOA a limited, revocable, non-exclusive, non-transferable license (strictly in accordance with this Agreement and the applicable SOW and the purposes reasonably inferable to have been intended thereby) to use the Government Materials during the term of the applicable SOW, solely as necessary and appropriate for the performance of GFOA's duties and provision of Services to Government under such SOW.

- c. Retained Rights. Government acknowledges that GFOA conducts ongoing research and consulting services for other governments and clients and has accumulated expertise in this field. Notwithstanding anything set forth in this Agreement to the contrary and the foregoing provisions of this Section 3, GFOA will retain all right, title and interest in and to all GFOA Materials and all GFOA Materials are, and shall remain, GFOA's sole and exclusive property. For purposes of this Agreement and any SOW, "GFOA Materials" means all methodologies, ideas, concepts, processes, techniques, tools, solutions, trade secrets, research data, databases of information and specialized database applications, software applications, computer programming and/or coding, and other materials, information and know-how developed by GFOA or any of its contractors or affiliates prior to the execution of this Agreement, during the Term of this Agreement or independent of the Services being provided under this Agreement or any SOW. Government shall not have or obtain any right or title to or interest in the GFOA Materials (or in any modifications or enhancements thereto) except as explicitly set forth in this Agreement. GFOA makes no express or implied warranties of any kind regarding the GFOA Intellectual Property.

- d. Licenses.

- i. Notwithstanding anything set forth herein to the contrary, GFOA hereby grants Government a perpetual, irrevocable, nontransferable and non-assignable license to publish or disseminate the GFOA Materials included in the Deliverables; provided, however, Government shall not publish or otherwise disclose or use, in any manner, any portion of the GFOA Materials constituting or including GFOA's Confidential Information (as defined below). Government does not have the right to make derivative works from or based on the GFOA Materials.
- ii. In recognition of the fact that GFOA is an educational, not-for-profit, professional membership association, Government hereby grants GFOA a perpetual, irrevocable, royalty free license to use, publish, disseminate, reproduce, prepare derivative works of, perform, modify, and display publicly the Work Product (and any Government Materials included therein) as it sees fit in its sole and absolute discretion; provided, however, GFOA shall not publish or otherwise disclose, in any manner, any portion of the Deliverables constituting or including Government's Confidential Information (as defined below).

4. **Acceptance.** Government is entitled to Review and Evaluate the Services (including each phase of the Services, as applicable) including any Deliverables that are provided to Government pursuant to an SOW. The term "Review and Evaluate" means review and evaluation performed by or on behalf of Government to determine whether Services (or any phase of the Services, as applicable), including related Deliverables, comply with any specifications, requirements, or criteria set forth in the SOW. If Government reasonably determines that such Services (or phase of Services, as applicable) comply with the foregoing or otherwise decides in its sole discretion to accept the Services, Government will notify GFOA in writing of its acceptance of the Services ("Acceptance"). Absent written notice of Acceptance, Government automatically shall be deemed to have accepted

all Services (including those in a given phase, as applicable) and the Deliverables resulting therefrom upon the earlier to occur of the following: (i) Government's payment of any invoices received from GFOA with respect to such Services (or phase); (ii) Government's use of the Services and/or any Deliverables; or (iii) the Payment Date (as defined below). Upon Acceptance, Government shall be deemed to have released Consultant from any liability resulting from such phase of the Services.

If Government determines in good faith that the relevant Services or any portion or phase thereof are not acceptable, it shall notify GFOA in writing and provide sufficient detail to GFOA describing the reasons the Services are deficient. GFOA will make such commercially reasonable revisions, corrections or changes as may be necessary at its sole cost and expense within a reasonable period of time, and within ten (10) days after such corrections have been made Government will review the relevant Services and Deliverables. If the relevant Services still fail Government's Review and Evaluation, Government will grant GFOA a reasonable amount of additional time to provide a workable solution at GFOA's sole cost and expense.

5. **Government Responsibilities.**

- a. Excuse for Government's Failure to Perform. Government's failure to perform its responsibilities as defined in any SOW, or in any mutually agreed upon Change Order, may result in a delay in GFOA's performance of the Services. If and to the extent such a failure by Government directly, materially, and adversely affects GFOA's ability to perform under such SOW or Change Order and GFOA promptly notifies Government thereof in writing, then: (i) such failure by Government shall excuse GFOA's failure to fulfill its related responsibilities under such SOW or Change Order, and the timeline for GFOA's performance shall be extended, on a day-for-day basis, to account for the delay caused by Government's failure; and (ii) if Government's failure to perform its responsibilities in a timely manner prevents GFOA from, or delays GFOA in, performing the Services in a manner that materially increases the cost, risk, duration, or level of effort of GFOA's performance of its obligations under the applicable SOW or Change Order, GFOA may be entitled to an equitable adjustment in the compensation otherwise payable to it under such SOW or Change Order, with any such adjustment to be addressed through a mutually agreed upon Change Order.
- b. Access. Government agrees to give GFOA and its employees and contractors access to staff and the Government owned properties as required to perform the Services. In the event GFOA (including its employees and contractors) requires access to Government's office(s) or certain Government information, source code or Government's network and servers in order to be able to effectively provide the Services the GFOA Engagement Manager shall request such access by way of a written request delivered to the Contract Administrator. Upon receipt of such request, Government shall (i) provide GFOA's employees and contractors adequate work space at one or more Government locations as may be mutually agreed upon by the GFOA Engagement Manager and Contract Administrator; and (ii) provide only such access rights as are necessary for GFOA to effectively perform the Services, including remote access, utilizing VPN or another mutually agreed upon remote access technology to access Government programs and data from remote locations or GFOA's offices. GFOA agrees that its employees and contractors shall access only that Government information which is necessary in order to fulfill GFOA's obligations hereunder and shall strictly adhere to all security protocols, including without limitation accessing Government's source code solely through the Government's source code management system, established by Government.
- c. Third Party Vendors. Government acknowledges and agrees that it is responsible for all decisions it makes based on the information and recommendations provided by GFOA and

acknowledges that (i) GFOA is not a software provider, systems integrator or other supplier or vendor; (ii) GFOA's role is solely to provide information, analysis and advisory services; and (iii) any decision made by Government with respect to engaging or contracting with any software, services or other vendor or supplier is solely that of the Government and Government bears all responsibility for such decisions. Accordingly, Government agrees that Consultant shall bear no responsibility and shall incur no liability with respect to the performance or provision of any software, hardware, or implementation services (as applicable).

6. **Term.** The term of this Agreement shall begin on the Effective Date and continue until such time as the Services are completed by GFOA in accordance with the terms of the SOW, unless terminated earlier by either party as provided in Section 7 of this Agreement ("Term").

7. **Termination.**

- a. Termination Upon Breach. Either party may terminate this Agreement by providing thirty (30) days written notice to the other party in the event: (i) the other party is in breach of any of its obligations under this Agreement and fails to remedy such breach within ten (10) days following written notice from the other party, (ii) the other party ceases to do business (in whole or in part), becomes or is declared insolvent or bankrupt or is the subject of any proceedings relating to its insolvency or liquidation, or (iii) in the event the other party is subject to a merger in which it is not the surviving or controlling party.
- b. Termination for Convenience. Either party may terminate this Agreement or any SOW hereunder at any time, with or without cause, upon thirty (30) calendar days advance written notice to the other party. Notwithstanding anything to the contrary in this Agreement or any SOW, in the event of any termination under this Section 7.b, Government will only be liable to make any payments which are due hereunder (or any applicable SOW) to GFOA for work actually performed in accordance with the terms and conditions herein (or in any applicable SOW) up to the effective date of such termination.
- c. Termination of SOW. Termination of any SOW shall not serve to terminate any other SOW or this Agreement unless expressly stated in the notice of termination. Unless specifically provided in the termination notice, termination of this Agreement shall also not terminate any SOW and, with respect to any particular SOW, the terms and conditions of this Agreement shall remain in full force and effect until the expiration or termination of such SOW.
- d. Effect of Termination. Upon termination of this Agreement for any reason GFOA shall promptly (i) promptly terminate its provision of the Services; (ii) deliver to Government all Deliverables completed at the time of termination or expiration provided Government has paid all sums due and owing GFOA in connection with this Agreement and all outstanding SOWs; and (iii) return all Government Materials and Confidential Information provided by Government to GFOA during the provision of the Services.

Upon termination of this Agreement for any reason, Government shall (i) pay GFOA all Services rendered and fees charged up to and including the effective date of such termination on a time and materials basis using the rates set forth in Exhibit A; and (ii) reimburse GFOA for all expenses incurred by GFOA in accordance with the terms of this Agreement (including, with respect to GFOA's expenses in accordance with the provisions of Section 11) up to and including the effective date of such termination. Final payment of all sums due to GFOA shall be due within fifteen (15) calendar days following the effective date of the termination of this Agreement or any SOW entered into hereunder.

Any provision of this Agreement which, by its nature, would survive termination or expiration of this Agreement will survive any such termination or expiration, including the provisions of Sections 3, 5.c, 7.d, 8, 9, 11, 13, and 14.a -c, e-g and j.

8. **Confidential Information.**

- a. Definition. For purposes of this Agreement, "Confidential Information" shall mean all information marked as confidential, and all trade secrets, processes, works of authorship, inventions, discoveries, developments, systems, computer programs, code, algorithms, formulae, methods, ideas, know-how, functional and technical specifications, designs, passwords, analysis, research, business plans, pricing strategies, data, source code, programming code and other documentation created under this Agreement in conjunction with the Services rendered, and all other information which, if disclosed to a third party, could adversely affect the relevant party or its business interests. Confidential Information shall not include: (i) information known to the receiving party prior to entering into this Agreement; (ii) information independently developed by the receiving party without use of or reference to the other party's Confidential Information; and (iii) information in the public domain through no wrongful act or breach of this Agreement.
- b. Obligations. Government and GFOA agree to:
 - i. protect and safeguard the confidentiality of the other party's Confidential Information with at least the same degree of care as it would protect its own Confidential Information, but in no event with less than a commercially reasonable degree of care;
 - ii. not use the other's Confidential Information, or permit it to be accessed or used, for any purpose other than in connection with the provision of the Services pursuant to the terms of this Agreement;
 - iii. not disclose any such Confidential Information to any person or entity, except to their respective employees, officers, directors, partners, consultants, agents or advisors (collectively, "Representatives") who:
 - 1. need to know the Confidential Information in order to assist the disclosing party, as applicable, or act on its behalf, in relation to provision of the Services or to exercise its rights under this Agreement;
 - 2. are informed by the disclosing party of the confidential nature of the Confidential Information; and
 - 3. are subject to confidentiality duties or obligations to the disclosing party that are no less restrictive than the terms and conditions of this Agreement.
 - iv. be responsible for any breach of this Agreement caused by any of its Representatives, including, without limitation, the Consultants.
- c. Standard of Care. The parties agree to use all commercially reasonable best efforts to protect unauthorized use or distribution of Confidential Information. Both parties agree that any unauthorized use or disclosure of the other party's Confidential Information in a manner inconsistent with the terms of this Agreement may cause the relevant party irreparable damage for which remedies other than injunctive relief may be inadequate. The obligations outlined in this paragraph shall apply to all authorized employees, contractors and agents of each party who have access to or are in a position to obtain Confidential Information. The parties agree to return or destroy all Confidential Information that it obtained from the other

party upon expiration or termination of this Agreement without retaining copies thereof. Upon expiration or termination of this Agreement, GFOA and Government shall verify in writing that they have complied with the provisions of this section.

9. **Representations and Warranties; Indemnity.**

- a. Authority. GFOA represents and warrants that: (i) it is properly incorporated and in good standing in its state of incorporation; (ii) has the authority necessary to enter into and carry out the obligations set forth in this Agreement; and (iii) has the authority to grant the licenses and rights it purports to grant to Government in this Agreement.
- b. Services. GFOA represents and warrants that it will provide the Services in compliance with all applicable laws, rules, regulations, and ordinances, and in accordance with this Agreement and the applicable SOW, generally accepted industry standards, and all applicable policies of Government regarding confidentiality, security, and conduct on Government's premises.
- c. Non-Infringement. GFOA represents and warrants that the Deliverables and the Services, other than any third party property authorized by Government to be incorporated therein, will not infringe upon or violate any patent, copyright, trade secret, trademark or other proprietary right of any third party (or that GFOA has obtained from any such third parties the rights to use and to permit Government to own the Deliverables).
- d. Mutual Indemnification. Subject to the limitation on liability and Liability Cap set forth below in Section 13 below, each party (the "Indemnifying Party") shall indemnify, defend and hold harmless the other party (the "Indemnified Party") and its respective officers, directors, employees and agents against any and all actions, controversies, demands, suits, proceedings, claims, causes of action, liabilities, losses, costs, interest, penalties, demands, expenses and damages of any kind whatsoever (including reasonable attorneys' fees and costs incurred in connection with the arbitration or resolution of any dispute as set forth herein) (collectively, "Losses") related to or arising, directly or indirectly, from any claims of third parties against an Indemnified Party arising out of the gross negligence or willful misconduct of the Indemnifying Party or any of its employees and/or agents.

10. **Location and Facilities.** GFOA may perform aspects of the Services at Government's offices or Government's designated sites. GFOA reserves the right to perform work at locations other than Government's offices or Government's designated sites as reasonably deemed appropriate by GFOA.

11. **Payment Terms.**

- a. Invoices. GFOA shall provide Government with an invoice setting forth GFOA's fees for the Services and any reimbursable expenses incurred, which will, unless otherwise set forth in the SOW, be billed on a project basis (i.e., fixed fee). Unless otherwise specified in the SOW, Government shall pay invoices received from GFOA within thirty (30) calendar days of Government's receipt of the invoice ("Payment Date") and invoices shall be issued upon the completion of the Services and/or phases or milestones set forth in the applicable SOW.
- b. Past Due Amounts. Undisputed past due balances in excess of forty-five (45) days, shall accrue interest at the rate of three-quarters of a percent 1.5% per month, or the highest rate permitted by law. GFOA reserves the right to delay or suspend its Services to Government in the event Government has an undisputed past due balance with GFOA.
- c. Taxes. Prices quoted for license fees and other fees are exclusive of all federal, state, municipal or other political subdivision excise, sales, use, or like taxes now in force or

enacted in the future, if any, applicable to these transactions. Payment of any such taxes, except for any taxes based on GFOA's income, are the sole responsibility of Government unless Government provides GFOA with a valid tax exempt certificate therefor.

- d. Staffing and Rates. Consultants shall perform Services in accordance with the terms of this Agreement and the SOW. Government will pay GFOA on a project basis, unless otherwise set forth in the SOW. In the event Government pays for Services on an hourly basis, GFOA's staff/contractor time will be billed at the mutually acceptable rates set forth in the applicable SOW.

- e. Expenses.

- i. *Travel expenses.* Unless stated otherwise in the SOW, GFOA pricing includes travel costs for expected level of travel as identified in the SOW.

- 12. **Provision of Services to Third Parties.** Government agrees that this Agreement shall not preclude GFOA from providing its services to third parties.

- 13. **Limitation on Liability and Damages.**

- a. Force Majeure. In no event shall either party or its officers, directors, employees, agents, consultants or suppliers be liable under this Agreement to the other party or any other third party for any indirect, special, incidental, punitive or consequential damages (such as damages for loss of good will, work stoppage, lost or corrupted data, computer failure or malfunction, lost profits, lost business or lost opportunity), or any other similar damages resulting from a delay in performance or any failure to perform hereunder caused in whole or in part by reason of force majeure, which with respect to GFOA shall be deemed to include the occurrence of any event beyond the control of GFOA that renders performance impossible, illegal or impracticable, which shall include Government's failure to furnish necessary information with respect to details of performance on the part of the Government, war (whether an actual declaration thereof is made or not), sabotage, terrorism, insurrection, riot and other acts of civil disobedience, action of a public enemy, failure or delays in transportation, pandemic, communicable disease, laws, regulations or acts of any national, state or local government (or any agency, subdivision or instrumentality thereof), judicial action, labor dispute, accident, fire, explosion, flood, storm or other act of God, shortage of labor, fuel, raw materials, machinery or technical failures. Government shall not withhold its Acceptance by reason of delays occasioned by force majeure. Any delay resulting from force majeure shall correspondingly on a day-by-day basis extend the time for performance by GFOA.

- b. Limitation of Liability. GFOA's liability for any matter arising under or in connection with this Agreement, an SOW or from any transaction contemplated herein, including without limitation the provision of the Services, in no event shall exceed the actual amount paid by GFOA's insurer as a result of any claim made with respect to such matter under the insurance policies maintained by GFOA in accordance with Section 14.d of this Agreement (the "Liability Cap"). Government acknowledges that the Liability Cap is a material term upon which GFOA has relied in entering into this Agreement and that GFOA would not have entered into this Agreement in the absence of such provision.

- 14. **Miscellaneous.**

- a. Governing Law. This Agreement shall be interpreted, construed and governed by the laws of the State of Illinois, without regard to its conflict of law rules.
- b. Dispute Resolution.

- i. The parties shall attempt to resolve any claim or disputes arising in connection with this Agreement or the Services provided hereunder by escalating the dispute to a senior representative of each party, and such senior representative shall use good faith efforts to resolve the dispute. The parties shall make good faith efforts to resolve any and all disputes as quickly as possible. If the senior representatives are unable to resolve the dispute, the dispute shall be decided by arbitration as set forth below.
 - ii. Any claim or dispute of any nature between the parties hereto arising directly or indirectly from the relationship created by this Agreement or the Services provided hereunder shall be resolved exclusively by arbitration in Chicago, Illinois in accordance with the commercial arbitration rules of the American Arbitration Association. The arbitration shall be conducted by either: (i) a single arbitrator mutually agreed upon by the parties; or (ii) if the parties fail to agree upon an arbitrator within thirty (30) days after submission of the claim to arbitration, then a single arbitrator appointed by the American Arbitration Association. Any such arbitrator shall have reasonable experience in the area of computer software, computer programming and services agreements and issues. The fees of the arbitrator shall be paid by the party that is unsuccessful in such arbitration. Each party shall be responsible for its own costs incurred in connection with such arbitration. The decision of the arbitrator shall be final and binding upon both parties. Judgment of the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. In the event of submission of any dispute to arbitration, each party shall, not later than thirty (30) days prior to the date set for hearing, provide to the other party and to the arbitrator a copy of all exhibits upon which the party intends to rely at the hearing and a list of all persons each party intends to call at the hearing.
- c. Independent Contractors. The parties are and shall be independent contractors to one another, and nothing herein shall be deemed to cause this Agreement to create an agency, partnership, or joint venture between the parties. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee.
- d. Insurance. GFOA agrees that it will maintain in effect during the Term of this Agreement insurance policies in the amount and with the type of coverage shown below:
1. Workers Compensation insurance in the form and amount required by applicable law(s).
 2. Commercial General Liability insurance on an "Occurrence Basis" with limits of liability not less than \$500,000 per occurrence and/or combined single-limit bodily injury and property damage.
 3. Motor Vehicle Liability, including No-Fault coverage, with limits of liability not less than \$500,000 per occurrence and/or aggregate combined single limit, personal injury, bodily injury and property damage. Coverage shall include all non-owned vehicles, and all hired vehicles.
 4. Professional Liability, with limits of liability of \$3,000,000 per claim and policy aggregate.
- e. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law but if any provision of this Agreement is held to be invalid, illegal or unenforceable under any applicable law or rule,

the validity and enforceability of the other provisions of this Agreement will not be affected or impaired thereby.

- f. Modification, Amendment, Waiver or Termination. No provision of this Agreement or an SOW may be modified, amended, waived or terminated except by an instrument in writing signed by both parties to this Agreement. No course of dealing between the parties will modify, amend, waive or terminate any provision of this Agreement or any rights or obligations of any party under or by reason of this Agreement.
- g. Assignment. Neither party may assign or transfer its rights or obligations under this Agreement without the prior written consent of the other party.
- h. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.
- i. Invoices. GFOA sends invoices electronically via email. Invoices shall be sent to:

Name _____

Email: accountspayable@grpuc.org

- j. Notices. All notices, consents, requests, instructions, approvals or other communications provided for herein shall be in writing and delivered by personal delivery, overnight courier, mail, fax or e-mail addressed to the receiving party at the address set forth herein. All such communications shall be effective when received.

If to GFOA:

Government Finance Officers Association
203 North LaSalle Street, Suite 2700
Chicago, Illinois 60601
Attention: Mike Mucha (or the current GFOA Engagement Manager)
E-Mail: mmucha@gfoa.org

If to Government:

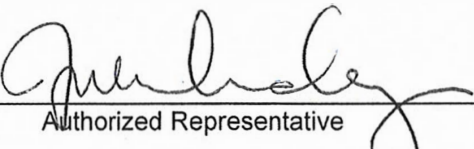
Grand Rapids Public Utilities
500 SE 4th Street
Grand Rapids, MN 55744
Attention: Jean Lane, Business Services Manager & Julie Kennedy, GM
E-Mail: jmlane@grpuc.org and jakennedy@grpuc.org

Any party may change the address set forth above by notice to each other party given as provided herein.

- k. Entire Agreement. This Agreement, including all Exhibits attached hereto and all SOWs entered into hereunder, constitute the entire agreement of the parties hereto and supersedes all prior understandings, representations, proposals, discussions and communications, whether oral or written, with respect to the subject matter of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

GRAND RAPIDS PUBLIC UTILITIES


By: 
Authorized Representative

Name: Julie A. Kennedy

Date: April 18, 2022

Title: General Manager

**Government Finance Officers Association of
the United States and Canada**

By: 
Authorized Representative

Name: Michael Mucha

Date: 4/25/2022

Title: Deputy Executive Director

EXHIBIT A
FORM OF STATEMENT OF WORK

This SOW on the following page(s) incorporates all of the terms and conditions set forth in the Agreement and the Agreement governs the relationship between Government and GFOA. Any modifications to the Agreement that are agreed to by Government and GFOA must be specifically set forth in this SOW, and such modifications shall apply only to this SOW, and not to any previous or subsequent SOWs, unless expressly stated otherwise in such other SOW. All other terms and conditions of the Agreement shall remain in full force and effect. All terms not otherwise defined in this SOW shall have the meaning set forth in the Agreement. In the event of a discrepancy between this SOW and the Agreement, the terms of the Agreement shall control.



Government Finance Officers Association

Research and Consulting Center

Prepared for:



**City of Grand Rapids and
Grand Rapids Public Utilities Commission
Minnesota**

Enterprise Resource Planning (ERP) Advisory Services

March 21, 2022

REVISED April 5, 2022

AMENDED August 16, 2023



Government Finance Officers Association

203 North LaSalle Street, Suite 2700
Chicago, IL 60601-1210
312.977.9700 fax: 312.977.4806

April 5, 2022

City of Grand Rapids
Attn: Barbara Baird
420 N. Pokegama Avenue
Grand Rapids, MN 55744

Grand Rapids Public Utilities Commission
Attn: Jean Lane
500 SE 4th St.
Grand Rapids, MN 55744

EMAIL: bbaird@ci.grand-rapids.mn.us / jmlane@grpuc.org

Dear Barbara and Jean

The Government Finance Officers Association (GFOA) is pleased to present this revised proposal to the City of Grand Rapids and the Grand Rapids Public Utilities Commission (collectively "the City") to assist with the City's business process improvement and ERP replacement project. We understand the great opportunity that an ERP system/finance replacement project provides and focus on using that chance to make lasting improvements to policies, business processes, and outcomes for the City. We also understand the challenges of upgrading from a system that hasn't been upgraded in a while and the need to both modernize processes and policies along with technology. Our approach, focused on governance, readiness, and process improvement will meet the City's needs to get stakeholders from across the City (including from both the Public Utilities Commission and the City) engaged early, demonstrate results, and build momentum for the technology implementation.

GFOA is a 501(c)3 non-profit association with 21,000 members representing nearly 10,000 local governments. As one of the premier membership associations for public-sector professionals, GFOA can offer independent, objective, and best practice focused consulting services consistent with our mission to improve government management. Over 600 governments, have found value in our experience, expertise, and detailed approach to ERP projects.

Sincerely,

Michael J. Mucha
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Government Finance Officers Association

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Section I – GFOA Qualifications

The Government Finance Officers Association (GFOA) is the premier association for public sector finance professionals in the United States and Canada. Founded in 1906, GFOA currently has over 21,000 members that look to GFOA as the gold standard for identifying, developing, and communicating leading practices in government management. As a non-profit organization, GFOA's mission is to promote excellence in state and local government financial management. GFOA accomplishes this mission by identifying and developing policies and practices and promoting them through education, training, consulting and leadership.

GFOA's Research and Consulting Center (RCC) is nationally recognized for its comprehensive analytical and advisory services, as well as for research on issues specific to state and local governments' financial, human resource, procurement, payroll and operational management. Since beginning operations in 1977, the RCC has assisted hundreds of cities, counties, public utilities; and other forms of government to create best practice solutions to meet their unique challenges. Approximately 20 years ago, GFOA began consulting for enterprise resource planning (ERP) system assessments, procurement, contract negotiation, and implementation advisory services. GFOA has built a reputation as the unparalleled leader in the field of providing objective, independent advice for ERP procurement and implementation projects. Our approach to ERP projects focuses on business process improvement, effective governance, and building organizational readiness throughout each stage of the procurement process. In addition to our consulting projects, we frequently teach our approach as part of GFOA's training program and in some cases even other consulting firms have used GFOA templates and past consulting deliverables to leverage our lessons learned and market leading formats.

GFOA's strategic mission is to improve state and local government financial management

GFOA does not implement software. We also have no desire or incentive to make recommendations that increase our services and costs on the project. Our focus is exclusively on providing honest and unbiased recommendations to our clients and leveraging our experience to help all public-sector organizations with informed ERP guidance. The ERP market has undergone significant change in recent years and governments are increasingly more reliant on technology to implement financial management best practices. In addition, because of the growth in "cloud" and the importance of these systems on the overall administration of local government, these technologies continues to evolve. With our consulting experience and continued research, GFOA has been able to improve










its approach and generate additional value for our clients through reduced costs, reduced risk, and best practice recommendations to improve not only technology, but also business process.

GFOA's strategic plan identifies four primary roles for our organization. We are a resource, an educator, a facilitator, and an advocate. With this project, our consulting services will draw upon each role to provide value for the City and provide a unique set of services that only GFOA can bring.

Specifically for the City, we aim to mix "traditional" consulting with ongoing education sessions, coaching, and a role as a strategic guide allowing the City to take greater responsibility for tasks within the project, lowering overall consulting costs, and improving changes that the project will be successful.

 GFOA Strategic Focus	
 Resource.	GFOA brings many resources to this project. Our best practices, ever-evolving templates, lessons learned, tools, and most importantly, our knowledgeable consultants.
 Educator.	GFOA prioritizes training throughout our consulting approach. We want you to be successful and we understand that means having the information, skills, and perspective necessary at the City and for the long-term. Our consultants will provide training on the ERP market, process analysis, ERP proposal evaluation, implementation, project management, and more to help increase your change of long-term success.
 Facilitator.	GFOA's strength is in our network of past clients and overall members. We know every government is different and that every project has a unique set of circumstances. We also know that everyone can learn something from others that have just gone through something similar. GFOA's consultants will be your conduit to this network.
 Advocate.	Above all else, GFOA will be your advocate. We will champion best practices. We will work to identify and mitigate risk. We will also work hard to ensure you get the best deal possible from your vendor that allows this ERP project be an investment that the City can benefit for many years.

Other Products and Services

GFOA also provides many services to members and other government managers in addition to consulting services. Our consulting services complement and utilize much of our research knowledge and membership network to deliver current, relevant, and



proven strategies. The same consultants who regularly advise clients also research and write white papers and journal articles, author and edit publications, conduct training, coordinate GFOA's annual conference, and staff best practice committees.

- **Industry Standard Publications:** GFOA staff prepare the industry's leading publication to guide governmental accountants on all standards and financial reporting guidance. *Governmental Accounting, Auditing, and Financial Reporting* (The "Blue Book") is published by GFOA and GFOA consultants and clients have ready access to GFOA's technical experts throughout the project for any complex accounting or financial reporting questions as we work through business process change, chart of account configuration, or system set up challenges. 
- **Other Research and Publications:** GFOA conducts ongoing research with its member network and communicates information on leading practices, lessons learned, and trends in financial management such as technology utilization and governance. GFOA currently has over 40 titles available. The following is a sampling of products recently written by GFOA consultants.
 - ***Technologies for Government Transformation: ERP Systems and Beyond*** 
 - ***IT Budgeting and Decision Making: Maximizing Your Government's Technology Investments*** 
 - ***Financial Foundations for Thriving Communities*** 
- **Government Finance Review:** GFOA consultants also regularly contribute articles and serve as reviewers for GFOA's bi-monthly publication, *The Government Finance Review*, along with other leading journals, books, and white papers.
- **Best Practice Committees:** GFOA has seven standing committees made up of leading finance professionals from governments throughout the United States and Canada that meet regularly to develop best practices to promote and guide sound financial and overall government management.
- **Annual Conference and Training:** GFOA's Annual Conference attracts approximately 5,000-7,000 government finance professionals and provides a forum to discuss innovative practices, learn best practice examples, network with peers, and interact with exhibitors. GFOA also provides ongoing training seminars throughout the country to assist members with continued professional development. GFOA consultants are regular trainers at these seminars including seminars on ERP procurement, project management, and best practices in ERP implementation.



Section II – Project Staffing

All GFOA consultants assigned to this project will have multiple years of experience with similar projects, continually conduct market research, and have prior public sector work experience.

All GFOA consultants have held positions within local government and have prior experience leading ERP projects similar to this engagement.

All GFOA consultants have managed projects similar to this engagement. As a result, our consultants are able to understand your unique needs and future goals, and help provide recommendations and advice from within the team. We understand the current market and will work to transfer that knowledge to the City so it not only creates a recommended plan for implementation, but also so that implementation of that plan is successful.

All of our consultants approach projects with similar goals.

- 1) Understand your needs and challenges and work with you to meet project goals**
- 2) Provide accurate, timely, and relevant information and gain your trust as a key member of your team.**
- 3) Provide honest recommendations that are solely influenced by the best interests of the City**
- 4) Serve as the City's advocate throughout the project. In both short and long-term, we will be a passionate champion for best practice and ensuring the City gets the best possible project outcomes.**

Bios for GFOA consultants are available under the “staff directory” at www.gfoa.org.



Section III – Project Scope

ERP system implementations offer much promise for improving business processes, empowering employees with tools to become more effective, and ultimately transforming the entire organization. With improvements in technology and market trends favoring “cloud technologies,” this shift not only includes business process, but also risk management, organizational roles, and governance. However, implementation of these systems is a complex effort and many organizations struggle to realize many of the promised benefits. Organizations must be prepared to engage with software vendors by ensuring that key implementation prerequisites are complete. This “readiness” work includes making many decisions upfront on the project goals, scope, requirements, and definition of project success. For the City, we envision a project where staff from the City of Grand Rapids and the Public Utilities Commission work together to identify potential efficiencies, standardize processes (where possible), and support each other to mitigate project risks and develop a future vision that benefits both organizations. However, we also recognize that both organizations work to provide different services, and may need different business processes, project goals, or decision structures.

GFOA’s scope and services are organized into five major tasks. Within each task we have identified a scope of work that is associated with set deliverables and milestone payments. To execute each, GFOA consultants will work collaboratively with city staff relying on staff to complete work along towards information gathering, project documentation, and meeting facilitation along with GFOA consultants. GFOA views every project as a partnership with our client and we aim to work together as a team to address project risks, issues, recommendations and build momentum for realizing success.

- Task 1: Project Planning and Management - completed
- Task 2: Process Analysis / Plan of Action - completed
- Task 3: RFP Development - completed
- Task 4: System and Vendor Selection - amendment
- Task 5: Contract Negotiations - amendment

Each phase and task, along with their related deliverables is detailed below.

Task 1: Project Planning and Management - Completed

No project can be successful without proper planning and tools to manage the effort. Working together, the GFOA and the City project manager will prepare the following tools that will be essential to project coordination.

- **Governance Support** – GFOA recognizes that the success of any large enterprise project depends on the ability to adapt to the changes that technology brings to both business process and organizational culture. We also understand that any



enterprise system is not owned or controlled by one department in the organization, or in the case of the City – one legal entity (assuming potential for one joint system). We are proposing to assist the City with the development of a governance structure for the project that would work to describe executive leadership, cooperation expectations between various departments and leadership for the City and Public Utilities Commission.

This would include identifying the model for a steering committee, project team, and any business process improvement functions. GFOA will utilize recent research as part of our “Financial Foundations for Thriving Communities” Initiative to help inform the governance structure and change management



function for this project. Our Financial Foundations Framework identifies five (5) key pillars of effective and sustainable management. Each pillar includes different leadership strategies and/or institutional design principles that we have found translate exceptionally well to ERP governance. Understanding that local governments cannot order people to collaborate, leadership strategies help inspire pride and public support for a strong financial foundation. Institutional design principles, meanwhile, are the “rules of the road.” They provide the context for leadership strategies and ensure continuity of good financial practices through changes in leadership. For more information, please visit <http://gfoa.org/financial-foundations>.

- **Project Team Set Up** - GFOA will help the City prepare for analysis meetings by providing resources to assist in identifying process investigation teams (“PIT Crews”). These PIT Crews will be made up of representative stakeholders from various departments to help bring an “enterprise-wide” focus to existing business processes and system functions. We consider this approach a critical element in the long-term success of the project and will help initiate teams and begin planning for overall involvement throughout the City’s project.
- **Project Plan** – GFOA will prepare a project plan in Microsoft Project. This document identifies all the detailed tasks for the project, the person responsible for executing those tasks, the estimated time required to complete them, and any dependencies that a given task may have relative to other tasks.
- **Project Documentation** - If the City uses a website or other collaboration tool for project and document management, we will discuss early on in the project how we can use this for sharing documents and information across the larger project team. If desired, GFOA can also host a website with collaboration tools specifically for this project.



- **Project Management / Transformation Governance** – GFOA will participate in regular project management meetings and provide a regular (monthly) status report for the project. We expect our project manager to serve as a coach, guide, and advisor throughout the project. They will maintain regular communication to address issues, point out risks, provide lessons learned, and ultimately work to help the project be a success. As part of our ongoing project management services, we will help prepare any communications, attend council meetings, or help delivery key messages to City stakeholders throughout the project to help reinforce key messages or provide support to identified business process improvements.

Project Deliverables

1. Project Management Documents - COMPLETED
 - a. Project Charter
 - b. Project Goals
 - c. Project Plan
 - d. Staffing Readiness
 - e. Collaboration Website (Basecamp)
 - f. Status Report Template
 - g. Ongoing Readiness and Project Support

Recommendations

Task 2: Process Analysis / Plan of Action - COMPLETED

Many consulting firms take the approach to wait on business process improvement activities until after the software vendor is on board. GFOA strongly disagrees with this approach. Relying 100% on software vendors to develop a to-be definition requires the City to buy software prior to truly identifying its needs. Software vendors also will focus on configuring software and are prone to re-creating existing (bad or outdated) processes in the new system. Our experience with software vendors can point to countless examples where this has occurred. We very much commend the City on beginning business process documentation efforts. Our proposal includes services for GFOA to assist City staff in identifying major business process changes and preparing to-be documentation that can be used to communicate scope for a new system. For this effort, we will use the City's current "as-is" process documentation or can coach the City on completing documentation (if not already complete). GFOA will facilitate meetings, convene focus groups, and interview staff individually to discuss and help determine the future state (to-be) process. Throughout this phase, we expect City participation in providing feedback, making decisions, and beginning to work on potential process changes.

GFOA will provide analysis on the processes listed below.



Process List	
Process	Task / Topics
Accounting	<ul style="list-style-type: none">• Chart of Accounts• Funds Management• General Ledger Transactions• Grant / Project Tracking• Financial Reporting
Budget	<ul style="list-style-type: none">• Operating Budget• Capital Improvement Planning (CIP)• Capital Budget• Budget Adjustments / Amendments
Procure – Pay	<ul style="list-style-type: none">• Vendors• Purchase Requisitions<ul style="list-style-type: none">○ RFP / RFI / RFQ• Purchase Orders / Contracts• P-cards• Change Order• Receiving<ul style="list-style-type: none">○ Inventory / Warehouse• Accounts Payable• Travel Reimbursement
Customer Billing	<ul style="list-style-type: none">• Customer File• Online Bill Pay• Billing• Accounts Receivable
Treasury	<ul style="list-style-type: none">• Cash Receipts<ul style="list-style-type: none">○ Online payments• Interface to External Systems (Parks and Rec)• Disbursements• Interest Allocation• Bank Reconciliation
Asset Management	<ul style="list-style-type: none">• Asset Acquisition• Asset Tracking• Transfer / Disposal / Retirement• Work Order<ul style="list-style-type: none">○ Service Requests○ Work Orders / Scheduling○ Preventative Maintenance○ Asset History
Human Resources	<ul style="list-style-type: none">• Positions• Employee File• Benefit Enrollment• Personnel Evaluations• Disciplinary Actions / Grievance



Process List	
	<ul style="list-style-type: none">• Risk Management (Injury / Workers Comp)
Personnel Actions	<ul style="list-style-type: none">• Recruitment• New Hire• Personnel Actions (Salary Adjustment / Position Change)
Time Entry – Payroll	<ul style="list-style-type: none">• Time Entry• Time Approval• Payroll Calculations• Payroll Processing• Leave Management (FMLA)
Utility Billing	<ul style="list-style-type: none">• Customer Service• Service Billing<ul style="list-style-type: none">○ Electric○ Water○ Solid Waste• Customer Payments• Service Requests / Work Orders

Project Deliverables - COMPLETED

2. Process Analysis and Action Plan
 - a. Observations and Recommendations (Review of Existing Documentation)
 - b. To-Be Project Documentation for RFP

Task 3: Develop Request for Proposal (RFP) - COMPLETED

In this phase, GFOA will provide a completed detailed Request for Proposals (RFP) template for the City to use for both the City and Public Utilities Commission. The GFOA RFP format is designed to remove disparity between proposals and to provide as close to an apples-to-apples comparison as possible. In addition, GFOA develops all RFP's with the end goal in mind – a successful contract that mitigates risk and leads to a successful project.

When complete, the RFP document will incorporate information developed with many of the other deliverables from this project including:

- 1) Procurement terms and conditions
- 2) Detailed vendor response templates
- 3) Templates to build core elements of vendor statement of work
- 4) Functional Requirements
- 5) Interface Definition
- 6) Technical Documentation



- 7) Key Objectives / Goals / Critical Success Factors for the Project
- 8) Service Level Agreements
- 9) Other information necessary for vendors to prepare detailed response that meets the City's needs.

GFOA maintains a list of ERP vendors, implementation partners, and others in the industry. We will help publicize the City's RFP to get the most competitive response.

A key part of the RFP will be the development of detailed functional requirements that will be important throughout the selection project and throughout implementation. For the processes that are determined to be in scope, GFOA consultants will work with City staff to review, validate and ultimately make decisions on the high-level to-be process definition and those requirements that will serve as a tool for accountability going forward.

GFOA focuses functional requirements development on business process and will prepare requirements in the form of testable use cases that will have value beyond the procurement phase. At each step in the business process we will determine both the system requirements and implementation requirements and document those using a Microsoft Excel template that is aligned to our process maps that will be included in the eventual RFP. Requirements development focuses on functional requirements that define "what" needs to be completed (such as tasks, outputs, interfaces, calculations, processing, etc.) and not on "how" the system or the organization handles tasks currently. This allows for future improvement and full utilization of the system tools and built in processes to make the City more efficient. Where possible, we will work to complete requirements that work and can be managed between both organizations, but expect requirements to apply to the City, Public Utilities Commission, or both.

At this stage in the process, it is important for the business process improvement decisions to be made so the RFP can present a clear direction for the City's project. While every ERP system has slightly different ways of completing business process transactions and the full business process can't be defined at a fine level of detail without the assistance of system consultants, the overall direction and high-level understanding of the process is important to communicate.

It is expected then that the requirements serve as the base document that establishes a template for proposal comparisons, the scope of the implementation project, the base level criteria for user acceptance testing, and the standard for post implementation warranty.

Note: GFOA is currently planning on issuing one RFP that would serve both the City and Public Utilities Commission. However, if the City and Public Utilities Commission determine that it is in its best interest to issue two separate RFPs for an ERP system, GFOA can prepare both documents at no additional charge as long as documents are being prepared at the same time.



Project Deliverables - COMPLETED

- 3. RFP Package
 - a. RFP Document
 - b. Functional Requirements

Task 4: Evaluation and Selection of Vendor - AMENDMENT

GFOA will assist with Task 4 as directed by City staff. All services proposed under Task 4 will be billed at an hourly rate and GFOA will communicate with the City on where GFOA can have the most value in assisting with vendor selection activities. The following description identifies the approach that GFOA recommends the City take and provides options for how GFOA could be involved.

GFOA's system selection and procurement methodology relies on principles of fairness, attention to detail, and competition, yet remains flexible enough to adapt to local procurement laws or other unique situations. In addition, the approach is continually enhanced by feedback from the hundreds of public sector clients that we work with, our own staff experience, and the vendor community. We strive to get the best deals for our clients and often go against what the vendor's describe as "industry standards."

Through defined steps, vendors will be evaluated and scored according to pre-defined criteria with the top vendors moving on to compete at the next step. Each step is an opportunity to negotiate terms, address risks, and provide methods for holding stakeholders accountable. Overall, our approach is focused on identifying and mitigating risks throughout the procurement process. GFOA's RFP template provides the opportunity to focus the evaluation on key risk factors in the implementation and separates actual proposal from marketing buzzwords. GFOA's standard evaluation process includes the three steps described below.

Step 1: Initial Proposal Assessment and Base Presentation

Upon receiving the written proposals from vendors, the City's project team will begin an assessment and analysis of all proposals. GFOA will assist with this assessment by reviewing proposals and providing initial comments on potential risks, issues, and any significant weaknesses/gaps and/or strengths. The purpose of this initial analysis is to determine which vendors will be elevated for the "Base presentation" to highlight aspects of the proposal. Each "Base Presentation" will consist of a short (60-90 minute) presentation and question and answer session with each vendor. This purpose of this is to provide an initial opportunity for interaction, clarify any necessary proposal



information, and provide an opportunity for vendors to highlight differentiating features.

GFOA expects that after this initial presentation, the City will elevate a limited number of proposals for demos and more extensive interviews.

Step 2: Demos and Interviews / Thorough Proposal Assessment

After elevation, GFOA will provide a thorough analysis of any elevated proposals and work to prepare develop detailed demo scripts for each vendor. Demo scripts are based heavily on the requirements and business process decisions built in early tasks. Also, GFOA's approach to software demos provides a focus on implementation activities. Typically time devoted to implementation and demo is split 50/50. GFOA believes that it is critical for vendors to explain HOW the software will be implemented along with the features of the software. The greatest system in the world will not be useful if it is not configured and implemented correctly to meet the needs of the organization.

Our approach to software demos and interviews differentiates GFOA and demonstrates our dedication to continually evolve our approach to a changing ERP market. As software features become more mature, it is less important for governments to evaluate "if" it will work. However, since most of the risk comes from implementation, we work through a series of business process case studies, sample "workshops," and implementation resource interviews to make sure you can effectively evaluate the knowledge and skills of the proposed implementation team.

GFOA will work with the City's project manager to facilitate the demos and interviews with each vendor. In this role, GFOA would participate in demos to ask questions, take notes, and provide feedback to the City. However, we would expect the City's assistance in facilitating the demos. GFOA expects that after this first round of software demos and interviews, the City elevate two vendors.

Step 3: Discovery

Discovery acts as the City's final opportunity to clarify unresolved issues before it makes its final elevation. Prior to Discovery, GFOA will develop a Request for Clarification (RFC) letter for each vendor that was elevated. Then, during Discovery, each remaining vendor is invited back on-site for one more day of presentation. During this presentation, any remaining issues with software functionality, implementation approach, data conversion, or scope are clarified and vendors are asked to make any necessary revisions to their proposal. The main focus of this session is to plan the implementation so that the City and vendor can later develop a detailed statement of work. GFOA will facilitate the Discovery session for two proposal teams. Additionally, by clarifying outstanding issues at Discovery, development of the statement of work becomes easier. At the conclusion of Discovery, the City will enter contract negotiations with one vendor.



GFOA expects that after Discovery, the City identify a finalist vendor. If it is not possible for the City to identify a finalist vendor, GFOA will facilitate additional clarification rounds.

Project Deliverables

4. System and Vendor Selection
 - a. Evaluation Criteria
 - b. Initial Proposal Assessment
 - c. Base Presentations
 - d. Demo Scripts
 - e. Demo Facilitation and Notes
 - f. Request for Clarification Letters

Task 5: Contract Negotiations - AMENDMENT

GFOA can be involved with the negotiation of any applicable software license contract, software maintenance agreement, hosting / SaaS agreement or implementation services agreement. In addition, GFOA can lead the development of the statement of work. The statement of work is the critical document that outlines responsibility for the implementation. GFOA will ensure that the City's statement of work is defined to a fine level of detail to prevent any unnecessary issues or misunderstandings during implementation.

Also, for cloud contracts, it is essential that the City identify and negotiate appropriate service level agreements and other contractual provisions that establish performance standards and identify role responsibility. GFOA will take the lead in establishing this documentation. GFOA assumes that the City will be negotiating one contract (or a contract for one proposal if that proposal contains multiple contracts for software, implementation, hosting, etc.).

Project Deliverables

5. Contract Negotiations
 - a. Completed Contract Documents



Section IV – Cost and Timeline

GFOA is available to begin projects when the City would be ready. Based on the timeline identified by the City, we anticipate a late April / Early May project start which would allow for RFP release winter 2022/2023. Implementation of a new system would begin in early 2024.

We start every project by gather documents and becoming more familiar with the City's policies, structure, and overall background information while we are preparing the project plan an initial agendas.

Proposed Schedule	Project Start = May 2022															
	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8
Task 1: Project Planning - completed																
Task 2: Process Analysis - completed																
Task 3: RFP Development - completed																
Task 4: Vendor Selection - amendment																
Task 5: Contract Negotiations - amendment																
Task 6: Implementation - out of scope														T	B	D



Pricing

Unless noted, all pricing is provided as a fixed fee based on completion of milestones. GFOA will invoice for project deliverables upon completion of project deliverables. We also understand that projects may face delays, require additional analysis than what was originally planned, or may require additional effort to address risks as they come up during the project. We commit to honoring our fixed price to deliver a successful project.

Tasks 4-5 AMENDMENT

Task/Deliverable	Milestone	Price
4	Evaluation and Selection of Vendor	
HOURLY	Hourly at \$250/hour	NTE \$15,000
5	Contract Negotiations	
5	Contract Negotiations	\$7,500
-	Travel	
	Travel Reimbursement	\$2,500
TOTAL NOT-TO-EXCEED PRICE for Tasks 4-5		\$25,000

Note: GFOA's pricing includes a travel estimate of \$5,000 for the entire project. At the conclusion of Tasks 4-5, GFOA would bill the City of actual travel costs up to a not-to-exceed limit of \$2,500. Any travel costs in excess of \$2,500 for each phase grouping would be the responsibility of GFOA.

Use of the Ongoing Project Management resources (NTE \$15,000) would be for additional requests or unique tasks outside of the scope listed in this proposal related to ongoing project governance, business process improvement, policy development, or change management concerns on the project. Prior to using any resources in this area, GFOA would get approval from the City or Grand Rapids Public Utility and price separately costs for the City and Public Utility.



Contract Requirements

GFOA would like to add the following to any future agreement.

- GFOA is a nonprofit membership association made up of members representing organizations like the City. Therefore, the GFOA's liability and indemnification under any agreement reached with your organization will be limited to the extent of claims paid by insurance coverage currently in force.
- The City's staff will be reasonably available for interviews and will participate in the project as agreed upon and appropriate. The City agrees not to cancel meetings once established (which would increase our travel costs).
- Unless otherwise stated, the City agrees to confirm acceptance of deliverables within a mutually agreed upon number of business days. If a deliverable is not accepted, the City must state in writing to the GFOA Project Manager the changes needed to the deliverable to gain acceptance.
- The GFOA conducts the majority of the engagement work on a fixed-fee engagement, where payment is due upon completion of deliverables. If any work is to be billed using a time and expense method, the time and expense portion of the engagement will be billed on a monthly basis at the hourly rate of \$250/hour, unless otherwise noted.
- When performing work on-site, GFOA staff will be provided appropriate workspace and access to copiers, projectors, workspace, and miscellaneous office supplies if necessary.
- GFOA is scoped to prepare one RFP document and conduct the evaluation process for that one RFP. If it is determined to be in the City's best interested to release multiple RFPs, GFOA will develop those RFPs at no additional cost. Proposal evaluation and system selection services for multiple RFPs may require additional cost depending on timing.
- As an educational, nonprofit, professional membership association, the GFOA reserves the right to publish non-confidential documents describing the results of, or created during, the services described in this scope of work. The GFOA will not publish any item with the name of the City without obtaining prior written consent of the government.
- The City recognizes that GFOA's role is to provide information, analysis and advisory services. As such, GFOA bears no responsibility for the performance of the software, hardware, or implementation service suppliers.

IN WITNESS WHEREOF, the parties have executed this Amendment to the Agreement as of the effective date.

GRAND RAPIDS PUBLIC UTILITIES

By: Julie Kennedy

Name: Julie A Kennedy

Date: August 11 2023

Title: General Manager

Government Finance Officers Association
of the United States and Canada

By: Michael Mucha

Name: Michael Mucha

Date: August 9 2023

Title: Deputy Executive Director