




Date: March 10, 2020

To: **Finance and Administration Committee**
Dan Mortensen, Chair
Tom Campbell
Kathy Colley
Robert DiPrimio
Maria Gutzeit
R. J. Kelly

From: Eric Campbell 
Chief Financial and Administrative Officer

A meeting of the **Finance and Administration Committee** is scheduled to meet on **Monday, March 16, 2020 at 6:00 PM at Rio Vista Water Treatment Plant** located at 27234 Bouquet Canyon Road, Santa Clarita, CA 91350 in the Training Room.

MEETING AGENDA

<u>ITEM</u>		<u>PAGE</u>
1.	Public Comments – Members of the public may comment as to items not on the Agenda at this time. Members of the public wishing to comment on items covered in this Agenda may do so now or at the time each item is considered. Please complete and return a comment request form to the Committee Chair. (Comments may, at the discretion of the Committee Chair, be limited to three minutes for each speaker.)	
2. *	Recommend Receiving and Filing of SCV Water June 30, 2019 Financial Statement	3
3. *	Recommend Approval of a Resolution Awarding a Contract to Emtec, Consulting Services, LLC for Customization and Implementation of the FMIS	101
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7.	*	Recommend Approval of Delegation of Authority to Request Disbursements from the OPEB Prefunding Plan	313
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10.	*	Recommend Approval of a Resolution Awarding a Contract to Valley Maintenance Corp. for Janitorial Services	329
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13.		General Report on Finance and Administration Activities	
14.		Adjournment	

* Indicates attachments

◆ To be distributed

NOTICES:

Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning (661) 297-1600, or writing to Santa Clarita Valley Water Agency at 27234 Bouquet Canyon Road, Santa Clarita, CA 91350. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that Agency staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the Agency to provide the requested accommodation.

Pursuant to Government Code Section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Santa Clarita Valley Water Agency, located at 27234 Bouquet Canyon Road, Santa Clarita, California 91350, during regular business hours. When practical, these public records will also be made available on the Agency's Internet Website, accessible at <http://www.yourscvwater.com>.

Posted on March 11, 2020.



COMMITTEE MEMORANDUM

DATE: March 2, 2020

TO: Finance and Administration Committee

FROM: Rochelle Patterson *RP*
Director of Finance and Administration

SUBJECT: Recommend Receiving and Filing SCV Water June 30, 2019 Financial Statement

SUMMARY

To review Santa Clarita Valley Water Agency's (SCV Water) June 30, 2019 Financial Statement prepared by Lance, Soll & Lunhard, LLP (LSL).

DISCUSSION

The June 30, 2019 Financial Statement is meant to give the reader a narrative overview and analysis of SCV Water's financial performance during the period of July 1, 2018 to June 30, 2019.

The auditors gave the report an unmodified opinion, which is termed a clean opinion and is the highest opinion achieved. An unmodified opinion is the auditor's judgment that he has no reservation as to the fairness of presentation of SCV Water's Financial Statement and their conformity with Generally Accepted Accounting Principles (GAAP). In the auditor's opinion, SCV Water has presented fairly its financial position, results of operations, and changes in cash flows.

The report is attached.

FINANCIAL CONSIDERATIONS

None.

RECOMMENDATION

That the Finance and Administration Committee recommends that the Board of Directors receive and file the attached SCV Water Financial Statement for the period of July 1, 2018 to June 30, 2019.

RP

Attachments

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March 6, 2020

To the Board of Directors
Santa Clarita Valley Water Agency
City of Santa Clarita, California

We have audited the financial statements of the Santa Clarita Valley Water Agency (the Agency) for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 28, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2018-2019. We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the Agency's financial statements were:

Management's estimates of its net pension liability and net other postemployment benefits liability based on actuarial valuation specialist assumptions. We evaluated the key factors and assumptions used to develop the net pension liability and net other postemployment benefits liability in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.





To the Board of Directors
 Santa Clarita Valley Water Agency
 City of Santa Clarita, California

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. These differences are described below. In addition, we detected misstatements as a result of audit procedures which were material, and were subsequently corrected by management. The details of these misstatements are described in a separate letter dated March 6, 2020.

Unadjusted Audit Differences	Current Year Over (Under) Revenues and Expenditures/Expenses and Changes in Fund Balance/Equity
None noted.	\$ -
Cumulative effect (before effect of prior year differences)	-
Effect of unadjusted audit difference - prior year	-
Cumulative effect (after effect of prior year differences)	\$ -

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 6, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Agency’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.



To the Board of Directors
Santa Clarita Valley Water Agency
City of Santa Clarita, California

Other Matters

We applied certain limited procedures to management's discussion and analysis, the schedules of plan contributions, the schedule of proportionate share of the net pension liability, the schedule of changes in net OPEB liability and related ratio which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining statements which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

New Accounting Standards

The following new Governmental Accounting Standards Board (GASB) pronouncements were effective for fiscal year 2018-2019 audit:

GASB Statement No. 83, *Certain Assets Retirement Obligations*.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements*.

The following Governmental Accounting Standards Board (GASB) pronouncements are effective in the following fiscal year audit and should be reviewed for proper implementation by management:

Fiscal year 2019-2020

GASB Statement No. 84, *Fiduciary Activities*.

GASB Statement No. 90, *Majority Equity Interests - An Amendment of GASB Statement No. 14 and No. 61*.

Fiscal year 2020-2021

GASB Statement No. 87, *Leases*.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*.

Fiscal year 2021-2022

GASB Statement No. 91, *Conduit Debt Obligations*.



To the Board of Directors
Santa Clarita Valley Water Agency
City of Santa Clarita, California

Restriction on Use

This information is intended solely for the use of Board of Directors and management of Santa Clarita Valley Water Agency and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Lance, Soll & Lingham, LLP

Brea, California



March 6, 2020

Lance, Soll & Lunghard, LLP
Certified Public Accountants
203 North Brea Boulevard, Suite 203
Brea, CA 92821-4056

This representation letter is provided in connection with your audit of the financial statements of Santa Clarita Valley Water Agency (the Agency) as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 6, 2020 the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 28, 2019, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter. In addition, we are in agreement with the adjusting journal entries you have proposed, and they have been posted to the accounts.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the Agency is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Agency from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the Agency and involves:
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Agency's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

18) We have disclosed to you the identity of the Agency's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

20) We have a process to track the status of audit findings and recommendations.

21) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

22) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

23) The Agency has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.

24) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.

25) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

26) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

27) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

28) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

29) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

- 30) The Agency has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 31) The Agency has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 32) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 33) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34, as amended, and GASB Statement No 84.
- 34) All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 35) Components of net position (net investment in capital assets; restricted; and unrestricted), and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 36) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 37) Provisions for uncollectible receivables have been properly identified and recorded.
- 38) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 39) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 40) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 41) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 42) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 43) Capital assets, including intangible assets, have been evaluated for impairment as a result of significant and unexpected decline in service utility. Impairment loss and insurance recoveries have been properly recorded.
- 44) Inventory quantities at the financial statement dates were determined from physical counts or from the governmental unit's perpetual inventory records, which have been adjusted on the basis of physical inventories taken by competent employees during the year.
- 45) We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 46) Participation in a public entity risk pool has been properly reported and disclosed in the financial statements.

- 47) Unused lines of credit, collateral pledged to secure debt, certain contractual debt terms (such as significant defaults or termination events), and direct borrowings and private placements have been properly disclosed.
- 48) We have appropriately disclosed the Agency's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 49) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 50) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 51) With respect to the combining statements:
- a) We acknowledge our responsibility for presenting the combining statements in accordance with accounting principles generally accepted in the United States of America, and we believe the combining statements, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the combining statements have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the combining statements is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Signature:  Signature: 

Title: Director of Finance and Administration Title: Controller

Summary of Audit Differences

Name of Governmental Unit: Santa Clarita Valley Water Agency

Date of Combined Balance Sheet: June 30, 2019

Opinion Unit, Fund Type or Fund: All Funds

Unadjusted Audit Differences	Cause	Current Year Over (Under) Revenues and Expenditures/Expenses and Changes in Fund Balance/Equity
None noted.		\$ -
Cumulative effect (before effect of prior year differences)		-
Effect of unadjusted audit difference - prior year		-
Cumulative effect (after effect of prior year differences)		\$ -



SANTA CLARITA VALLEY WATER AGENCY

FOR THE YEAR ENDED JUNE 30, 2019

ANNUAL FINANCIAL REPORT

Focused
on YOU



SANTA CLARITA VALLEY WATER AGENCY
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2019

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SANTA CLARITA VALLEY WATER AGENCY

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2019

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Santa Clarita Valley Water Agency
City of Santa Clarita, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Santa Clarita Valley Water Agency, (the Agency), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special District. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



To the Board of Directors
Santa Clarita Valley Water Agency
City of Santa Clarita, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Santa Clarita Valley Water Agency, as of June 30, 2019, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of plan contributions, the schedule of proportionate share of the net pension liability, the schedule of changes in net OPEB liability and related ratio, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The introductory section and combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.



To the Board of Directors
Santa Clarita Valley Water Agency
City of Santa Clarita, California

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2020 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Lance, Soll & Lughard, LLP

Brea, California
March 6, 2020

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SANTA CLARITA VALLEY WATER AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2019

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Santa Clarita Valley Water Agency (Agency) introduces the financial statements of the Agency for the period ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with the basic financial statements and related notes, which follow this section.

OVERVIEW

Historically, residents and businesses of the Santa Clarita Valley were served by several separate water suppliers. It was an inherently fragmented structure that from time to time resulted in redundancies, interagency conflict and barriers to integrated regional water management. While the region's water suppliers provided reliable and cost-effective water service, there was strong consensus that even greater efficiencies, effectiveness and enhanced regional water management could be achieved on behalf of the Santa Clarita Valley's 350,000 residents and thousands of businesses. This fundamental truth was the basis for pursuing Senate Bill 634 (Wilk) which created a new public water agency for the region now known as SCV Water.

SCV Water was created by SB 634 (Act), which went into effect on January 1, 2018. The goal of SB 634 was to create a new agency that could capitalize on economies of scale and reduce costs of operations, maintenance and capital investment, while enhancing integrated resource management, thereby saving customers money while at the same time improving service delivery. As articulated in the Act, the purpose of SCV Water is to unify and modernize water resource management within the Santa Clarita Valley through the efficient, sustainable, and affordable provision, sale, management and delivery of surface water, groundwater, and recycled water for municipal, industrial, domestic, and other purposes at retail and wholesale throughout SCV Water, and to do so in a manner that promotes the sustainable stewardship of natural resources in the Santa Clarita Valley.

A key goal was to align functions previously organized across the three separate retail entities to support water services of a single organization. It will provide water service to customers within the service boundary previously serviced Castaic Lake Water Agency/Santa Clarita Water Division (SCWD), a division of CLWA, Newhall County Water District (NCWD) and Valencia Water Company (VWC).

The combining statement includes:

- Wholesale/Regional Division (previously CLWA)
- Newhall Water Division (previously NCWD)
- Santa Clarita Water Division (previously a division of CLWA)
- Valencia Water Division (previously VWC)
- Upper Santa Clara Valley Joint Powers Authority
- Devil's Den Water District
- Groundwater Sustainability Agency

SANTA CLARITA VALLEY WATER AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2019

Financial Highlights

- As of June 30, 2019, the Agency's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$630.76 million (net position). Of this balance, unrestricted net position amounted to \$173.20 million.
- The Agency's total operating revenues amounted to \$124.95 million during the period.
- The Agency's total operating expenses amounted to \$109.55 million during the period.

REQUIRED FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements, which are comprised of the following: 1) Statement of Net Position, 2) Statement of Revenues, Expenses and Changes in Net Position, 3) Statement of Cash Flows, and 4) Notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

- The *Statement of Net Position* presents information on all the Agency's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or weakening. This statement measures the success of the Agency's operations over the past year and can be used to determine if the Agency has successfully recovered all its costs through its rates and other charges. However, one must consider other nonfinancial factors such as changes in economic or environment conditions, population growth, and new or changed government legislation.
- The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing how the Agency's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).
- The *Statement of Cash Flows* presents information on cash receipts and payments for the fiscal year. From this statement, the reader can obtain comparative information on the sources and uses of the Agency's cash. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities, as well as providing answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.
- The *Notes to the Financial Statements* provide additional information that is essential to fully understand the data supplied in each of the specific financial statements listed above.

SANTA CLARITA VALLEY WATER AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2019

The Agency's financial statements are comprised of four divisions as follows: (1) Regional Water Division (formerly CLWA); (2) Santa Clarita Water Division; (3) Newhall Water Division (formerly NCWD); and (4) Valencia Water Division (formerly VWC). The Agency's records are maintained on an enterprise basis, as it is the intent of the Board of Directors that the costs of providing water service to the customers of the Agency are financed primarily through user charges. See the detailed historical information of the Agency on Note 1 to the basic financial statements.

Financial Analysis of the Agency

One of the most important questions asked about the Agency's finances is, "Is the Agency better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Agency in a way that helps answer this question. These statements include all assets, deferred outflows, liabilities, and deferred inflows using the *accrual basis of accounting*, which is like the accounting used by most private sector companies. All the current year's revenues and expenses are considered regardless of when the cash is received or paid.

These two statements report the Agency's *net position* and changes in them. Think of the Agency's net position – the difference between assets, and deferred outflows of resources, and liabilities and deferred inflows of resources – as one way to measure the Agency's financial health, or *financial position*. Over time, *increases or decreases* in the Agency's net position are one indicator of whether its *financial health* is improving or deteriorating. One will need to consider other non-financial factors however, such as changes in the Agency's property tax base and the types of grants the Agency applies for to assess the *overall financial health* of the Agency.

SANTA CLARITA VALLEY WATER AGENCY

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019**

Statements of Net Position (condensed)

	<u>2019</u>
Assets	
Current and Other Assets	\$ 211,718,497
Restricted	22,823,465
Noncurrent	<u>796,246,824</u>
Total Assets	<u>1,030,788,786</u>
Deferred Outflows of Resources	
Deferred Pension Outflows	5,252,810
Deferred OPEB Outflows	3,908,619
Loss on Defeasance of Debt	<u>1,322,398</u>
Total Deferred Outflows of Resources	<u>10,483,827</u>
Liabilities	
Current Liabilities	49,698,477
Restricted	3,541,479
Noncurrent Liabilities	<u>352,882,507</u>
Total Liabilities	<u>406,122,463</u>
Deferred Inflows of Resources	
Deferred Pension Inflows	1,110,836
Deferred OPEB Inflows	<u>3,282,005</u>
Total Deferred Inflows of Resources	<u>4,392,841</u>
Net Position	
Net Investment in Capital Assets	384,808,121
Restricted	72,753,409
Unrestricted	<u>173,195,779</u>
Total Net Position	<u>\$ 630,757,309</u>

Statement of Net Position, continued

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the period ended June 30, 2019, the Agency's, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$630.76 million. The Agency's net position is made-up of three components: (1) net investment in capital assets, (2) restricted, and (3) unrestricted.

By far the largest portion of the Agency's net position (approximately 60% as of June 30, 2019) reflects the Agency's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The Agency uses these capital assets to provide services to customers within the Agency's service area; consequently, these assets are *not* available for future spending. See Note 10 for further information.

SANTA CLARITA VALLEY WATER AGENCY

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019**

Statements of Revenues, Expenses, and Changes in Net Position

	<u>2019</u>
Operating Revenues:	
Water Consumption Sales and Services	\$ 93,527,684
Other Charges and Services	<u>31,419,497</u>
Total Operating Revenues	<u>124,947,181</u>
Operating Expenses:	
Source of Supply	24,329,974
Pumping Plant	6,292,006
Transmission and Distribution	6,196,650
Water Treatment	6,992,606
Administrative and General	20,016,744
Depreciation Expense	31,263,128
Maintenance	3,263,353
Engineering	2,298,810
Water Quality	2,278,908
Water Resources	6,322,518
Management	<u>292,409</u>
Total Operating Expenses	<u>109,547,106</u>
Operating Income (Loss)	<u>15,400,075</u>
Nonoperating Revenues (Expenses):	
Taxes	58,205,621
Interest Revenue	7,466,695
Interest Expense	(17,477,548)
Other Revenue (Expense)	1,905,933
State Water Contract	(20,182,520)
Gain (loss) on Disposal of Capital Assets	<u>(824,686)</u>
Total Nonoperating Revenues (Expenses)	<u>29,093,495</u>
Income (Loss) Before Capital Contributions	44,493,570
Capital Contributions	<u>4,518,938</u>
Change in Net Position	<u>49,012,508</u>
Net Position:	
Beginning of Year, as previously reported	581,421,048
Restatements	<u>323,753</u>
Beginning of Fiscal Year, as restated	<u>581,744,801</u>
End of Fiscal Year (Should be on prior page)	<u>\$ 630,757,309</u>

SANTA CLARITA VALLEY WATER AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2019

Statements of Revenues, Expenses and Changes in Net Position, continued

A closer examination of the components of net position reveals that:

The Agency's net position amounted to \$630.76 million as of June 30, 2019, which is comprised of an increase in net position of \$49.01 million before restatements.

The Agency's total revenues amounted to \$192.53 million. Operating revenues amounted to \$124.95 million and is comprised of water consumption sales and services of \$93.53 million, and other charges and services of \$31.42 million.

Nonoperating revenues amounted to \$67.58 million and are comprised of 58.21 million in property taxes, \$7.47 million in interest earnings and 1.91 million in other revenue.

The Agency's total expenses (including depreciation expense) amounted to \$148.03 million. Operating expenses amounted to \$109.55 million, and is comprised of depreciation expense of \$31.26 million, source of supply of \$24.33 million, administration and general expense of \$20.02 million, pumping expense of \$6.29 million, water treatment of \$6.99 million, water resources of \$6.32 million, transmission and distribution of \$6.20 million, maintenance expense of \$3.26 million, engineering expense of \$2.30 and water quality expense of \$2.28 million.

Nonoperating expenses amounted to \$38.48 million and are comprised of \$20.18 million in state water contract expenses, interest expense of \$17.48 million and \$.82 million on disposal of capital assets.

Capital Assets and Debt Administration

The Agency's capital assets as of June 30, 2019, totaled \$731.45 million (net of accumulated depreciation).

Capital Assets

	<u>2019</u>
Capital Assets, not being depreciated	
Non-depreciable Assets	<u>\$ 93,413,357</u>
Capital Assets, net - being depreciated	
Depreciable Assets	1,105,766,022
Accumulated Depreciation and Amortization	<u>(467,731,875)</u>
Subtotal	<u>638,034,147</u>
Total Capital Assets, net	<u>\$ 731,447,504</u>

This investment in capital assets includes land, transmission and distribution systems, pumping plants and rights, buildings and structures, equipment, vehicles, and construction-in process.

SANTA CLARITA VALLEY WATER AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2019

Major capital asset additions included upgrades to state water project rights, upgrades to water tanks and mains, meter installations, and developer contributions to the water retail enterprise's transmission and distribution system. A significant portion of these additions were constructed by the Agency and/or subcontractors and transferred out of construction-in-process upon completion of these various projects. The capital assets of the Agency are more fully analyzed in Note 6 to the basic financial statements.

Long-Term Debt Administration

	<u>2019</u>
Certificates of Participation	\$ 132,453,983
Revenue Bonds	217,040,224
Notes Payable	<u>2,573,780</u>
Total Long-Term Debt	<u><u>\$ 352,067,987</u></u>

Long-term Debt

At June 30, 2019, the Agency had \$352.07 million in long-term debt of which \$19.35 million is considered a current liability. The long-term debt position of the Agency is more fully analyzed in Note 9 to the basic financial statements.

Conditions Affecting Current Financial Position

Expanding in Infrastructure – Management has identified a need to invest in the Agency's infrastructure and Capital Improvement Program (CIP). As the Agency's infrastructure continues to expand, the Agency understands the importance of monitoring the impacts of CIP projects on operating expenditures.

Each major CIP project that becomes operational adds new complexity and costs to the Agency's overall system. As this additional infrastructure is implemented, the Agency will require additional staff resources and will incur additional costs to operate and maintain the infrastructure. The current CIP includes several water quality and pipeline projects that will not have significant operating costs. However, the future development of the recycled water program will have significant operating costs that should be identified as part of the planning process.

Requests for Information

This financial report is designed to provide the Agency's funding sources, customers, stakeholders, and other interested parties with an overview of the Agency's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Agency's Director of Finance and Administration at 27234 Bouquet Canyon Road, Santa Clarita, California 91350-2173 or (661) 297-1600.

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

STATEMENT OF NET POSITION
 JUNE 30, 2019

	<u>2019</u>
Assets:	
Current:	
Cash and cash equivalents	\$ 19,914,446
Investments	162,916,342
Receivables:	
Accounts	12,645,868
Property tax	1,311,741
Accrued interest	806,911
Accounts - other	6,396,437
Prepaid costs	5,580,695
Materials and supplies inventory	2,146,057
Restricted:	
Cash and cash equivalents	4,712,305
Investments	10,147,536
Cash with fiscal agent	5,863,580
Receivables:	
Property tax	1,216,962
Accrued interest	345,984
Accounts - other	537,098
Total Current Assets	<u>234,541,962</u>
Noncurrent:	
Investments - restricted	64,728,731
Net OPEB asset	70,589
Capital assets - not being depreciated	93,413,357
Capital assets - net of accumulated depreciation	<u>638,034,147</u>
Total Noncurrent Assets	<u>796,246,824</u>
Total Assets	<u>1,030,788,786</u>
Deferred Outflows of Resources:	
Deferred pension outflows	5,252,810
Deferred OPEB outflows	3,908,619
Loss on defeasance of debt	<u>1,322,398</u>
Total Deferred Outflows of Resources	<u>10,483,827</u>

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

STATEMENT OF NET POSITION
 JUNE 30, 2019

	<u>2019</u>
Liabilities:	
Current:	
Accounts payable	9,189,866
Accounts payable - restricted	3,541,479
Accrued liabilities	639,826
Accrued interest	5,043,508
Unearned revenues	953,059
Deposits payable	98,168
Advances for construction	9,864,255
Other current liabilities	3,800,765
Accrued compensated absences	488,309
Certificate of participation	8,915,000
Notes payable	530,721
Revenue bonds	10,175,000
	<u>53,239,956</u>
Total Current Liabilities	53,239,956
Noncurrent:	
Net OPEB liability	5,629,779
Net pension liability	13,340,534
Accrued compensated absences	1,464,928
Certificate of participation	123,538,983
Notes payable	2,043,059
Revenue bonds	206,865,224
	<u>352,882,507</u>
Total Noncurrent Liabilities	352,882,507
Total Liabilities	406,122,463
Deferred Inflows of Resources:	
Deferred pension inflows	1,110,836
Deferred OPEB inflows	3,282,005
	<u>4,392,841</u>
Total Deferred Inflows of Resources	4,392,841
Net Position:	
Net investment in capital assets	384,808,121
Restricted	72,753,409
Unrestricted	173,195,779
	<u>630,757,309</u>
Total Net Position	\$ 630,757,309

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SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2019**

	<u>2019</u>
Operating Revenues:	
Water consumption sales and services	\$ 93,527,684
Other charges and services	31,419,497
	<u>124,947,181</u>
Total Operating Revenues	124,947,181
Operating Expenses:	
Source of supply	24,329,974
Pumping	6,292,006
Transmission and distribution	6,196,650
Water Treatment	6,992,606
Administration and general	20,016,744
Depreciation expense	31,263,128
Maintenance	3,263,353
Engineering	2,298,810
Water Quality	2,278,908
Water Resources	6,322,518
Management	292,409
	<u>109,547,106</u>
Total Operating Expenses	109,547,106
Operating Income (Loss)	<u>15,400,075</u>
Nonoperating Revenues (Expenses):	
Taxes	58,205,621
Interest revenue	7,466,695
Interest expense	(17,477,548)
Other revenue (expenses)	1,905,933
State Water Contract	(20,182,520)
Gain (loss) on disposal of capital assets	(824,686)
	<u>29,093,495</u>
Total Nonoperating Revenues (Expenses)	29,093,495
Income (Loss) Before Capital Contributions	44,493,570
Capital Contributions	<u>4,518,938</u>
Changes in Net Position	<u>49,012,508</u>
Net Position:	
Beginning of Year, as previously reported	581,421,048
Restatements	<u>323,753</u>
Beginning of Fiscal Year, as restated	<u>581,744,801</u>
End of Fiscal Year	<u>\$ 630,757,309</u>

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2019

	<u>2019</u>
Cash Flows from Operating Activities:	
Cash received from customers and users	\$ 120,546,079
Cash paid to suppliers for goods and services	(55,694,643)
Cash paid to employees for services	(21,653,445)
	<u>43,197,991</u>
Net Cash Provided (Used) by Operating Activities	
Cash Flows from Non-Capital Financing Activities:	
Repayment made to other funds	(3,665,695)
Repayment received from other funds	3,665,695
Proceeds from property taxes	58,813,439
Payments for state water contract	(20,182,520)
Proceeds from non-operating revenues	1,905,933
	<u>40,536,852</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	
Cash Flows from Capital and Related Financing Activities:	
Capital contributions	4,518,938
Acquisition and construction of capital assets	(26,917,107)
Principal paid on capital debt	(18,735,972)
Interest paid on capital debt	(15,558,478)
Proceeds from sales of capital assets	28,535
	<u>(56,664,084)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	
Cash Flows from Investing Activities:	
Interest received	7,113,854
	<u>7,113,854</u>
Net Cash Provided (Used) by Investing Activities	
Net Increase (Decrease) in Cash and Cash Equivalents	34,184,613
Cash and Cash Equivalents at Beginning of Year	<u>234,098,327</u>
Cash and Cash Equivalents at End of Year	<u>\$ 268,282,940</u>

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2019

	<u>2019</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ 15,400,075
Adjustments to Reconcile Operating Income (loss) Net Cash Provided (used) by Operating Activities:	
Depreciation	31,263,128
(Increase) decrease in accounts receivable	(3,774,168)
(Increase) decrease in inventory	(173,979)
(Increase) decrease in prepaid expense	130,033
Increase (decrease) in accounts payable	1,711,342
Increase (decrease) in due to other governments	(1,738)
Increase (decrease) in deposits payable	450,797
Increase (decrease) in advances for construction	(690,041)
Increase (decrease) in unearned revenue	(725,102)
Increase (decrease) in accrued liabilities	1,459,698
Increase (decrease) in net OPEB liability and related items	(2,591,417)
Increase (decrease) in net pension liability and related items	354,875
Increase (decrease) in compensated absences	384,488
Total Adjustments	<u>27,797,916</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 43,197,991</u>
Non-Cash Investing, Capital, and Financing Activities:	
Amortization of Premiums/Discounts	\$ 1,718,427

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SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Note 1: Reporting Entity and Summary of Significant Accounting Policies

a. Organization and Operations of the Reporting Entity

The Santa Clarita Valley Water Agency (Agency) was established on January 1, 2018, pursuant to California Senate Bill 634 (SB-634). On October 15, 2017, the Governor of the State of California signed into law SB-634, which reorganized Castaic Lake Water Agency (CLWA) and Newhall County Water District (NCWD) to create the Agency, effective January 1, 2018.

On January 22, 2018, Valencia Water Company (VWC) was fully transitioned into the Agency through a Plan of Dissolution which was approved by VWC's Board of Directors at a special meeting on December 28, 2017. Subsequent to the dissolution, VWC is accounted for as an enterprise fund, called the Valencia Water Division, within the Agency.

The Castaic Lake Water Agency Financing Corporation (Corporation) was formed in 1990. The Corporation is a California nonprofit public benefit corporation formed to assist CLWA by acquiring, constructing, operating and maintaining facilities, equipment, or other property needed by CLWA and leasing or selling such property to CLWA and as such has no employees or other operations. Although the Corporation is legally separate, it is included as a blended component unit of CLWA, as it is in substance part of CLWA's operations. There are no separate basic financial statements prepared for the Corporation.

On October 25, 1988, CLWA purchased land and equipment owned by Producers Cotton Oil Company. Of the 8,459 acres of land purchased in Kern and Kings Counties, approximately, 7,759 acres are within the Devil's Den Water District (District). The District encompasses 8,676 acres. The cost of acquiring the land and equipment was approximately \$5.0 million. The land is being leased to an outside party by CLWA under terms of an operating lease agreement. The annual lease payments received by CLWA range from \$105 to \$150 per acre foot of all water supplied to the leased property. The accompanying basic financial statements contain all above-mentioned land and water allocation transactions.

The criteria used in determining the transfer of operations is based on the provisions of Governmental Accounting Standards Board (GASB) No. 69, *Government Combinations and Disposals of Government Operations*. The effective transfer date of operations of CLWA and NCWD to the Agency was January 1, 2018, while the effective transfer date of operations of VWC to the Agency was January 23, 2018. These are the dates where the Agency obtained control of the assets and deferred outflows of resources and became obligated for the liabilities and deferred inflows of resources of the operations of CLWA and NCWD. The Agency recognized the carrying values of assets, deferred outflows of resources, liabilities and deferred inflows of resources of CLWA and NCWD as of January 1, 2018, and VWC as of January 23, 2018. The net position received or assumed by the Agency is reported as a special item in the statement of revenues, expenses and changes in net position in the period in which the transfer occurs.

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 1: Reporting Entity and Summary of Significant Accounting Policies (Continued)

b. Basis of Accounting and Measurement Focus

The Agency reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Agency is that the cost of providing water to its customers on a continuing basis be financed or recovered primarily through user charges (water sales), capital grants, and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as water sales and water purchases, result from exchange transactions associated with the principal activity of the Agency. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration and depreciation expenses are also considered operating expenses.

Operating expenses are those that are clearly identifiable with a specific function. The types of transactions reported as operating revenues for the Agency are charges for services directly related to the operations of the Agency. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the Agency. Taxes, operating grants, and other items not properly included among operating revenues are reported instead as non-operating revenues. Contributed capital and capital grants are included as capital contributions.

c. Financial Reporting

The Agency's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial accounting principles.

d. Cash and Cash Equivalents

Substantially all of the Agency's cash is invested in interest bearing accounts. The Agency considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Note 1: Reporting Entity and Summary of Significant Accounting Policies (Continued)

e. Use of Estimates

The preparation of the basic financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, and liabilities, and deferred inflows of resources, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

f. Investments and Investment Policy

The Agency has adopted an investment policy in accordance with the provisions of California Government Code Section 53601 and directing the Treasurer to deposit funds in financial institutions.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments. The Agency's policy is to hold its investments until maturity or until market values equal or exceed cost.

g. Fair Value Measurements

The Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The hierarchy is based on valuation inputs used to measure the fair value of the assets, as follows:

Level 1 – Valuation is based on quoted prices in active markets for identical assets.

Level 2 – Valuation is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 – Valuation is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of defaults, loss severity and other assumptions that are internally generated and cannot be observed in the market.

h. Property Taxes and Assessments

The Counties of Los Angeles and Ventura Assessor's Offices assesses all real and personal property within each respective County each year. The Counties of Los Angeles and Ventura Tax Collector's Offices bills and collects the Agency's share of property taxes and/or tax assessments. The Counties of Los Angeles and Ventura Treasurer's Office remits current and delinquent property tax collections to the Agency throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations.

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 1: Reporting Entity and Summary of Significant Accounting Policies (Continued)

Property taxes receivable at year-end are related to property taxes and tax assessments collected by the Counties of Los Angeles and Ventura, which have not been credited to the Agency's cash balance as of June 30. The property tax calendar is as follows:

Lien date	March 1
Levy date	July 1
Due dates	November 1 and March 1
Collection dates	December 10 and April 10

i. Accounts Receivable

The Agency extends credit to customers in the normal course of operations. An allowance for doubtful accounts has been recorded based on an estimate of uncollectible accounts.

j. Materials and Supplies Inventory

Materials and supplies inventory consist primarily of water meters, pipe and pipe fittings for construction and repair to the Agency's retail water transmission and distribution system. Inventory is valued at cost using a weighted average method. Inventory items are charged to expense at the time that individual items are withdrawn from inventory or consumed.

k. Prepaid Expenses

Certain payments to vendors reflect cost or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements. The cost of prepaid items is recorded as an expense when consumed rather than when purchased.

l. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. Agency policy has set the capitalization threshold for reporting capital assets at \$5,000. Improvement to existing capital assets will be presumed to extend the useful life or increase the capacity of performance of the related capital asset and, therefore, will be subject to capitalization if the cost of the improvement meets the \$5,000 threshold. Donated assets are recorded at estimated fair market value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized.

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 1: Reporting Entity and Summary of Significant Accounting Policies (Continued)

Depreciation will be calculated based on the assets in service at the beginning of the fiscal year and is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Franchise and consents – 20 years
- Other Intangible plan – 20 years
- Organizational costs – 33 years
- Structures and Improvements – 30 years
- Wells – 30 years
- Pumping Equipment – 20 years
- Castaic Turnout – 50 years
- Other Pumping Equipment – 30 years
- Water Treatment Equipment – 30 years
- Treatment Structures – 35 years
- Treatment Plant – 50 years
- Reservoirs and Tanks – 50 years
- Transmission and Distribution mains – 50 years
- Fire mains – 50 years
- Services – 30 years
- Meters and Meter installation – 20 years
- Hydrants – 30 years
- Computer Hardware and Software – 5 years
- Office Furniture and Equipment – 10 years
- Vehicles – 10 years
- Stores Equipment – 10 years
- Lab Equipment – 5 years
- Communications Equipment – 7 years
- Power Operating Equipment – 10 years
- Tools, Shop and Garage – 10 years
- Other General Plant Equipment – 8 years
- Sewer Plant – 51 years
- Sewer Lift Stations – 50 years
- Maintenance Facility – 30 years
- Lighting and Roads – 25 years
- Fencing – 15 years

m. Pensions

For the purposes of measuring the net pension liability and deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at the CalPERS website.

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 1: Reporting Entity and Summary of Significant Accounting Policies (Continued)

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation Date: June 30, 2017
- Measurement Date: June 30, 2018
- Measurement Period: July 1, 2017 to June 30, 2018

n. Compensated Absences

The Agency's policy is to permit employees to accumulate earned vacation with maximum hours ranging between 200 and 400 hours, based on years of service, and 480 hours of sick leave. Accumulated vacation and sick time is accrued at year-end to account for the Agency's obligation to the employees for the amount owed.

Vacation accrual increases to 120 hours for each full year of continuous service after 5 years until completion of 10 years of continuous service. After completion of 10 full years, vacation leave shall accrue at the rate of 160 hours per year.

Sick leave shall accrue year after year above the 96 hours accrued in that year. Sick leave shall accrue at the rate of eight hours per month for full time employees commencing on January 1 of each year. Sick leave shall accrue on a pro-rata basis. In the event that an employee has a sick leave accrual of more than 480 hours in any calendar year, the Agency will pay the employee 50% of the value of any unused sick leave in excess of 480 hours as a cash bonus. This bonus shall be based on leave balance on December 31 and is typically paid within 3 months of that date.

o. Post-employment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB Liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Agency's Retiree Health Plan and additions to/deductions from the Agency's fiduciary net position have been determined on the same basis as they are reported by the Agency. For this purpose, the Agency recognizes benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

p. Water Sales

Water sales, retail and wholesale, are billed on a monthly cyclical basis. Estimated unbilled water revenue through June 30, has been accrued at year-end.

q. Capital Contributions

Capital contributions represent cash and capital asset additions contributed to the Agency by property owners, granting agencies, or real estate developers desiring services that require capital expenditures or capacity commitment.

Note 1: Reporting Entity and Summary of Significant Accounting Policies (Continued)

r. Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

- *Net Investment in Capital Assets Component of Net Position* – This component of net position consists of capital assets, net of accumulated depreciation and amortization, and reduced by outstanding balances of any debt, or other long-term borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt is included in this component of net position.
- *Restricted Component of Net Position* – This component of net position consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling legislation.
- *Unrestricted Component of Net Position* – This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted component of net position.

s. Budgetary Policies

The Agency follows specific procedures in establishing the budgetary data reflected in the financial statements. Each April, the Agency's General Manager and Assistant General Manager prepare and submit a capital and operating budget to the Board of Directors and adopted no later than June of each year. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all enterprise funds. Annual budgets are adopted on the accrual basis for the proprietary fund. The adopted budget becomes operative on July 1.

SANTA CLARITA VALLEY WATER AGENCY

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 2: Cash and Investments

Cash and investments as of June 30th, are classified in the Statement of Net Position as follows:

	<u>2019</u>
Cash and cash equivalents	\$ 19,914,446
Cash and cash equivalents (restricted)	4,712,305
Cash and cash equivalents with fiscal agent	5,863,580
Investments - current	162,916,342
Investments - current (restricted)	10,147,536
Investment - non-current	64,728,731
Total cash and investments	<u>\$ 268,282,940</u>

Cash and investments as of June 30th, consist of the following:

	<u>2019</u>
Cash on hand	\$ 3,775
Deposits with financial institutions	24,622,976
Cash with fiscal agent	5,863,580
Investments	237,792,609
Total cash and investments	<u>\$ 268,282,940</u>

Investments Authorized by the California Government Code and the Agency's Investment Policy

The table below identifies the investment types that are authorized by the Agency in accordance with the California Government Code (or the Agency's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Agency's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the Agency, rather than the general provisions of the California Government Code or the Agency's investment policy.

SANTA CLARITA VALLEY WATER AGENCY

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 2: Cash and Investments (Continued)

<u>Authorized Investment</u>	<u>Maximum</u>	<u>Maximum Percentage</u>	<u>Maximum Investment</u>
U.S. Treasury Obligations	5 years	None	None
U.S. Government Agency and Sponsored Enterprise	5 years	None	None
Banker's Acceptances	180 days	30%	5%
Medium Term Notes	5 years	30%	5%
Commercial Paper	270 days	10%	5%
Certificates of Deposit and Time Deposits	5 years	30%	10%
Municipal Obligations	5 years	30%	5%
Repurchase agreements	30 days	10%	None
California Local Agency Investment Fund (LAIF)	N/A	None	None
Los Angeles County Pooled Investment Fund (LACPIF)	N/A	30%	None
Investment Trust of California (CalTRUST)	N/A	20%	None
Money Market Mutual Funds	N/A	20%	10%
Investment Contract	30 years	None	None

* Excluding amounts held by bond trustee that are not subject to California Government Code restrictions.

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Agency's investment policy.

Los Angeles County Pooled Investment Fund

The Los Angeles County Pooled Investment Fund (LACPIF) is a pooled investment fund program governed by the County of Los Angeles Board of Supervisors and administered by the County of Los Angeles Treasurer and Tax Collector. Investments in LACPIF are highly liquid as deposits, and withdrawals can be made at any time without penalty. LACPIF does not impose a maximum investment limit. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based upon the fair value provided by LACPIF for the Agency's LACPIF portfolio.

Los Angeles County Pooled Investment Fund, continued

The Agency's deposit and withdrawal restrictions and limitations are as follows:

- Same day transaction processing occurs for orders received before 10:00 a.m.
- Next day transactions processing occurs for orders received after 10:00 a.m.
- No limit of transactions (combination of deposits and withdrawals) per month.
- Minimum transaction amount requirement rounded to the next highest dollar.
- Prior to funds transfer, an authorized person must complete a deposit or withdrawal form and fax to LACPIF.

The County of Los Angeles' bank deposits are either Federally insured or collateralized in accordance with the California Government Code. Pool detail is included in the County of Los Angeles's Comprehensive Annual Financial Report (CAFR). Copies of the CAFR may be obtained from the County of Los Angeles Auditor-Controller's Office – 500 West Temple Street – Los Angeles, California 90012.

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 2: Cash and Investments (Continued)

Investment in State Investment Pool

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based upon the Agency's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The Agency's deposit and withdrawal restrictions and limitations are as follows:

- Same day transaction processing occurs for orders received before 10:00 a.m.
- Next day transactions processing occurs for orders received after 10:00 a.m.
- Maximum limit of 15 transactions (combination of deposits and withdrawals) per month.
- Minimum transaction amount requirement of \$5,000, in increments of \$1,000 dollars.
- Withdrawals of \$10,000,000 or more require 24 hours advance notice.
- Prior to funds transfer, an authorized person must call LAIF to do a verbal transaction or schedule the transaction on LAIF's website.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

The California Government Code and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit).

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 2: Cash and Investments (Continued)

The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, up to \$250,000 is federally insured, and the remaining balance is collateralized in accordance with the California Government Code; however, the collateralized securities are not held in the Agency's name.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the Agency's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Agency's investments by maturity date at June 30, 2019:

Investment Type	Total	Remaining Maturity (in Months)		
		12 Months or		
		Less	13 to 24 months	25-60 months
Federal Farm Credit Bank	\$ 36,861,002	\$ 18,438,711	\$ 16,421,202	\$ 2,001,089
Federal National Mortgage Association	18,946,950	-	18,946,950	-
Federal Home Loan Bank	19,937,319	9,964,050	3,483,299	6,489,970
Federal Home Loan Mortgage Corp	17,510,675	-	15,008,150	2,502,525
Freddie Mac	6,515,186	-	4,514,898	2,000,288
Fannie Mae	2,987,816	1,992,895	994,921	-
Local Agency Investment Fund (LAIF)	61,354,264	61,354,264	-	-
Los Angeles County Pooled Investment Fund	46,170,942	46,170,942	-	-
Certificates of Deposit	11,443,478	3,744,651	6,417,479	1,281,348
Commerical Paper	11,923,330	3,234,017	3,538,893	5,150,420
Money Market Funds	4,141,647	4,141,647	-	-
Total	\$ 237,792,609	\$ 149,041,177	\$ 69,325,792	\$ 19,425,640

Concentration of Credit Risk

The investment policy of the Agency contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than for U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total Agency investments are as follows:

Issuer	Investment Type	Bank
Federal Farm Credit Bank	Federal agency securities	\$ 36,861,002
Federal National Mortgage Association	Federal agency securities	18,946,950
Federal Home Loan Bank	Federal agency securities	19,937,319
Federal Home Loan Mortgage Corp	Federal agency securities	17,510,675
		\$ 93,255,947

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 2: Cash and Investments (Continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Agency's investment policy, or debt agreements, and the actual rating as of year- end for each investment type.

Credit ratings of investments and cash equivalents as of June 30, 2019, were as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Legal Rating</u>	<u>From Disclosure</u>	<u>AAA</u>	<u>Not Rated</u>
Federal Farm Credit Bank	36,861,002	N/A	\$ -	\$ 36,861,002	\$ -
Federal National Mortgage Association	18,946,950	N/A	-	18,946,950	-
Federal Home Loan Bank	19,937,319	N/A	-	19,937,319	-
Federal Home Loan Mortgage Corp	17,510,675	N/A	-	17,510,675	-
Freddie Mac	6,515,186	N/A	-	6,515,186	-
Fannie Mae	2,987,816	N/A	-	2,987,816	-
Local Agency Investment Fund (LAIF)	61,354,264	N/A	-	-	61,354,264
Los Angeles County Pooled Investment Fund	46,170,942	N/A	-	-	46,170,942
Certificates of Deposit	11,443,478	N/A	11,443,478	-	-
Commerical Paper	11,923,330	N/A	11,923,330	-	-
Money Market	4,141,647	AAA	4,141,647	-	-
	<u>\$ 237,792,609</u>		<u>\$ 27,508,455</u>	<u>\$ 102,758,948</u>	<u>\$ 107,525,206</u>

Investments measured at fair value on a recurring and non-recurring basis at June 30, 2019, are as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Fair Value Measurement Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Signigicant Other Observable Inputs (Level 2)</u>	<u>Signigicant Other Unobservable Inputs (Level 3)</u>
Federal Agencies	\$ 102,758,948	-	102,758,948	-
Certificates of Deposit	11,443,478	-	11,443,478	-
Commercial Paper	11,923,330	11,923,330	-	-
Money Market Funds	4,141,647	4,141,647	-	-
Total investments measured at fair value	130,267,403	16,064,977	114,202,426	-
Investments measured at amortized cost				
Local Agency Investment Fund (LAIF)	61,354,264			
Los Angeles County Pooled Investment Fund (LACPIF)	46,170,942			
Total	<u>\$ 237,792,609</u>			

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 3: Interfund Receivables and Payables

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Acquisition Interfund Loan		
Regional Water Division	Valencia Water Division	\$ 68,615,536
2018 Series A Revenue Bonds		
Regional Water Division	Valencia Water Division	26,735,000
	Total	<u>\$ 95,350,536</u>

Advances from the Regional Water Division to the Valencia Water Division are to provide funds for the acquisition of Valencia Water Company and amount to \$68,615,536 at June 30, 2019. See pages 54 through 61 of the supplemental information for more detailed information. The advance bears annual interest at 4.46%. The advance plus any accrued interest is due June 30, annually starting in fiscal year 2019.

Principal and estimated interest payments on the advances are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,657,607	\$ 3,059,988	\$ 4,717,595
2021	1,733,468	2,984,127	4,717,595
2022	1,812,800	2,904,795	4,717,595
2023	1,895,763	2,821,832	4,717,595
2024	1,982,523	2,735,072	4,717,595
2025-2029	11,359,518	12,228,457	23,587,975
2030-2034	14,207,923	9,380,052	23,587,975
2035-2039	17,770,567	5,817,408	23,587,975
2040-2043	16,195,367	2,675,012	18,870,379
Total	<u>68,615,536</u>	<u>\$ 44,606,743</u>	<u>\$ 113,222,279</u>
Less current portion	<u>(1,657,607)</u>		
Total non-current	<u>\$ 66,957,929</u>		

Detailed information of the 2018 Series A Revenue Bonds is shown on page 41-42 under Note 9.

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 4 Deferred Contribution Plan

457 Deferred Compensation Savings Plan

The Agency has implemented GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Since the Agency has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statement of net position.

For the benefit of its employees, the Agency participates in a 457 Deferred Compensation Program (Program). The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the Agency is in compliance with this legislation. Therefore, these assets are not the legal property of the Agency, and are not subject to claims of the Agency's general creditors. Market value of all plan assets held in trust by Lincoln Financial Services at June 30, 2019, was \$19,119,115.

401(a) Defined Benefit Plan

For the benefit of its employees, the Agency participates in a 401(a) Retirement Plan Program. The purpose of this 401(a) Plan is to provide a retirement benefit for public employees who fully contribute to their 457 Program. Generally, the Agency will match up to a certain amount for employees who fully contribute to their 457 Plan for the year. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the retirement benefit for income tax purposes.

Federal law requires defined benefit assets to be held in trust for the exclusive benefit of the participants. Accordingly, the Agency is in compliance with this legislation. Therefore, these assets are not the legal property of the Agency, and are not subject to claims of the Agency's general creditors. Market value of all plan assets held in trust by Lincoln Financial Services at June 30, 2019, was \$949,273.

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 5: Compensated Absences

Compensated absences are comprised of unpaid vacation leave, sick leave, personal, and other leave which is accrued as earned. The Agency's liability for compensated absences is determined annually and the changes were as follows:

Balance July 1, 2018	Earned	Taken	Balance June 30, 2019	Current Portion	Long Portion
<u>\$ 1,635,322</u>	<u>\$ 2,232,405</u>	<u>\$ 1,914,490</u>	<u>\$ 1,953,237</u>	<u>\$ 488,309</u>	<u>\$ 1,464,928</u>

The following tables below reflect the changes in compensated absences for each Division as of June 30, 2019:

Regional Water Division

Balance July 1, 2018	Earned	Taken	Balance June 30, 2019	Current Portion	Long Portion
<u>\$ 799,207</u>	<u>\$ 967,809</u>	<u>\$ (824,047)</u>	<u>\$ 942,969</u>	<u>\$ 235,742</u>	<u>\$ 707,227</u>

Santa Clarita Water Division

Balance July 1, 2018	Earned	Taken	Balance June 30, 2019	Current Portion	Long Portion
<u>\$ 384,402</u>	<u>\$ 557,642</u>	<u>\$ (524,565)</u>	<u>\$ 417,479</u>	<u>\$ 104,370</u>	<u>\$ 313,109</u>

Newhall Water Division

Balance July 1, 2018	Earned	Taken	Balance June 30, 2019	Current Portion	Long Portion
<u>\$ 176,136</u>	<u>\$ 308,219</u>	<u>\$ (231,563)</u>	<u>\$ 252,792</u>	<u>\$ 63,198</u>	<u>\$ 189,594</u>

Valencia Water Division

Balance July 1, 2018	Earned	Taken	Balance June 30, 2019	Current Portion	Long Portion
<u>\$ 275,577</u>	<u>\$ 398,735</u>	<u>\$ (334,315)</u>	<u>\$ 339,997</u>	<u>\$ 84,999</u>	<u>\$ 254,998</u>

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 6: Capital Assets

Changes in capital assets for the year ended June 30, 2019, were as follows:

	Balance June 30, 2018	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2019
Santa Clarita Water Agency				
Capital assets, not being depreciated				
Non-depreciable assets	\$ 101,010,916	\$ 16,172,591	\$ (23,770,150)	\$ 93,413,357
Capital assets, net - being depreciated				
Depreciable assets	1,072,807,511	33,669,844	(711,333)	1,105,766,022
Accumulated depreciation and amortization	(437,169,627)	(31,263,132)	700,884	(467,731,875)
Subtotal	635,637,884	2,406,712	(10,449)	638,034,147
Total capital assets, net	<u>\$ 736,648,800</u>	<u>\$ 18,579,303</u>	<u>\$ (23,780,599)</u>	<u>\$ 731,447,504</u>

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 6: Capital Assets (Continued)

Changes in capital assets for the year ended June 30, 2019, were as follows:

Regional Water Division

	Balance June 30, 2018	Reclasses	Adjusted Balance June 30, 2018	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2019
Non-depreciable assets:						
Land and land rights	\$ 28,372,111	\$ -	\$ 28,372,111	\$ -	\$ -	\$ 28,372,111
Construction in-process	37,336,278	-	37,336,278	6,437,298	(16,186,399)	27,587,177
Total non-depreciable assets	65,708,389	-	65,708,389	6,437,298	(16,186,399)	55,959,288
Depreciable assets:						
Contractual state water project rights	147,857,959	-	147,857,959	3,616,264	-	151,474,223
Contractual water rights-other agencies	97,382,021	-	97,382,021	6,384,794	-	103,766,815
Treatment Plant	169,342,290	(6,926,581)	162,415,709	12,215,732	-	174,631,441
Water mains	26,747,245	-	26,747,245	-	-	26,747,245
Reservoirs and tanks	1,649,965	-	1,649,965	74,890	-	1,724,855
Reclaimed Water	4,976,162	-	4,976,162	-	-	4,976,162
Control System	169,208,665	5,492,297	174,700,962	3,933,519	-	178,634,481
Castic turnout	398,243	-	398,243	-	-	398,243
Services and Meters	153,965	-	153,965	-	-	153,965
Maintenance Facility	188,310	-	188,310	-	-	188,310
Large tools and equipment	607,721	-	607,721	122,625	(35,073)	695,273
Furniture and Fixtures	144,136	-	144,136	-	-	144,136
Vehicles	402,799	-	402,799	28,970	(101,654)	330,115
Office Equipmnet	1,553,582	-	1,553,582	219,454	(41,360)	1,731,676
Summit Building	-	1,434,284	1,434,284	-	-	1,434,284
Total depreciable assets	620,613,063	-	620,613,063	26,596,248	(178,087)	647,031,224
Accumulated depreciation and amortization:						
Contractual state water project rights	(77,216,039)	-	(77,216,039)	(3,071,883)	-	(80,287,922)
Contractual water rights-other agencies	(27,756,687)	-	(27,756,687)	(4,113,107)	-	(31,869,794)
Treatment Plant	(68,067,395)	(3,029,625)	(71,097,020)	(5,376,124)	-	(76,473,144)
Water mains	(11,683,535)	-	(11,683,535)	(534,945)	-	(12,218,480)
Reservoirs and tanks	(1,253,957)	-	(1,253,957)	(32,999)	-	(1,286,956)
Reclaimed Water	(2,182,149)	-	(2,182,149)	(139,285)	-	(2,321,434)
Control System	(52,648,600)	2,837,471	(49,811,129)	(4,841,556)	-	(54,652,685)
Castic turnout	(302,668)	-	(302,668)	(7,965)	-	(310,633)
Services and Meters	(147,153)	-	(147,153)	(3,948)	-	(151,101)
Maintenance Facility	(188,310)	-	(188,310)	-	-	(188,310)
Large tools and equipment	(180,198)	-	(180,198)	(36,061)	35,075	(181,184)
Furniture and Fixtures	(107,743)	-	(107,743)	(13,116)	-	(120,859)
Vehicles	(278,030)	-	(278,030)	(63,477)	101,652	(239,855)
Office Equipment	(1,275,581)	-	(1,275,581)	(90,505)	41,360	(1,324,726)
Summit Building	-	192,154	192,154	(64,848)	-	127,306
Total accumulated depreciation and amortization	(243,288,045)	-	(243,288,045)	(18,389,819)	178,087	(261,499,777)
Total depreciable assets, net	377,325,018	-	377,325,018	8,206,429	-	385,531,447
Total capital assets, net	\$ 443,033,407	\$ -	\$ 443,033,407	\$ 14,643,727	\$ (16,186,399)	\$ 441,490,735

A significant portion of these additions were constructed by the Agency and/or sub-contractors and transferred out of construction-in-process upon completion of these various projects. Depreciation expenses under the Agency's Regional water division, totaled \$18,389,819.

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 6: Capital Assets (Continued)

Santa Clarita Water Division

Changes in capital assets for the year ended June 30, 2019, were as follows:

	Balance June 30, 2018	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2019
Non-depreciable assets:				
Land and land rights	\$ 891,550	\$ -	\$ -	\$ 891,550
Construction in-process	17,788,040	4,143,474	(2,794,381)	19,137,133
Total non-depreciable assets	18,679,590	4,143,474	(2,794,381)	20,028,683
Depreciable assets:				
Transmission/Distribution	69,466,031	1,192,910	-	70,658,941
Reservoirs/Tanks	28,076,086	382,720	(57,963)	28,400,843
Services	17,448,019	701,308	-	18,149,327
Hydrants	8,828,643	195,626	-	9,024,269
Boosters	11,091,414	139,834	(9,043)	11,222,205
Meters	6,899,660	-	-	6,899,660
Wells	2,586,073	-	(5,933)	2,580,140
Structures and improvements	7,735,806	81,434	-	7,817,240
Machinery and equipment	8,648,621	62,273	-	8,710,894
Transportation equipment	1,822,408	-	(112,294)	1,710,114
General Plant	97,892	36,229	-	134,121
Total depreciable assets	162,700,653	2,792,334	(185,233)	165,307,754
Accumulated depreciation and amortization:				
Transmission/Distribution	(21,166,847)	(1,200,576)	-	(22,367,423)
Reservoirs/Tanks	(14,848,094)	(984,306)	55,368	(15,777,032)
Services	(8,549,035)	(515,268)	-	(9,064,303)
Hydrants	(5,160,000)	(228,475)	-	(5,388,475)
Boosters	(5,446,874)	(532,498)	7,225	(5,972,147)
Meters	(3,012,377)	(489,595)	-	(3,501,972)
Wells	(1,490,924)	(75,708)	3,161	(1,563,471)
Structures and improvements	(2,438,169)	(269,208)	-	(2,707,377)
Machinery and equipment	(5,515,498)	(776,560)	-	(6,292,058)
Transportation equipment	(1,108,582)	(130,011)	112,294	(1,126,299)
General Plant	(78,444)	(13,947)	-	(92,391)
Total accumulated depreciation and amortization	(68,814,844)	(5,216,152)	178,048	(73,852,948)
Total depreciable assets, net	93,885,809	(2,423,818)	(7,185)	91,454,806
Total capital assets, net	\$ 112,565,399	\$ 1,719,656	\$ (2,801,566)	\$ 111,483,489

Major capital asset additions included developer contributions to the water retail enterprise's transmission and distribution system and various other projects. A significant portion of these additions were constructed by the Agency and/or sub-contractors and transferred out of construction-in-process upon completion of these various projects. Depreciation expenses under the Agency's Santa Clarita Water Division, totaled \$5,216,152.

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 6: Capital Assets (Continued)

Newhall Water Division

Changes in capital assets for the year ended June 30, 2019, were as follows:

	<u>Balance 30, 2018</u>	<u>June Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance June 30, 2019</u>
Non-depreciable assets:				
Land and land rights	\$ 9,808,490	-	-	9,808,490
Construction in-process	925,118	2,433,667	(2,927,257)	431,528
Total non-depreciable assets	<u>10,733,608</u>	<u>2,433,667</u>	<u>(2,927,257)</u>	<u>10,240,018</u>
Depreciable assets:				
Structures and improvements	10,470,328	49,209	-	10,519,537
Wells	5,019,099	434,068	(80,691)	5,372,476
Pumping Equipment	10,930,508	158,036	-	11,088,544
Water Treatment Equipment	1,600,258	12,995	(10,468)	1,602,785
Reservoirs/Tanks	17,033,088	63,269	-	17,096,357
Transmission/Distribution	49,889,613	1,506,846	(11,729)	51,384,730
Services	6,836,056	429,531	-	7,265,587
Meters	4,708,809	291,103	(174,286)	4,825,626
Hydrants	2,364,690	85,532	-	2,450,222
Furniture and Equipment	4,557,965	179,761	(11,562)	4,726,164
General Plant	385,592	4,834	-	390,426
Water Rights	17,617	-	-	17,617
Sewer Plant	1,368,607	41,554	(41,553)	1,368,608
Intangible Plant	422,606	-	-	422,606
Organization Costs	40,487	-	-	40,487
Total depreciable assets	<u>115,645,323</u>	<u>3,256,738</u>	<u>(330,289)</u>	<u>118,571,772</u>
Accumulated depreciation and amortization:				
Structures and improvements	(2,597,441)	(276,089)	-	(2,873,530)
Wells	(1,842,516)	(167,303)	80,691	(1,929,128)
Pumping Equipment	(6,345,627)	(517,902)	-	(6,863,529)
Water Treatment Equipment	(481,530)	(53,342)	10,468	(524,404)
Reservoirs/Tanks	(5,291,998)	(340,662)	-	(5,632,660)
Transmission/Distribution	(18,798,969)	(997,960)	11,729	(19,785,200)
Services	(4,052,598)	(227,869)	-	(4,280,467)
Meters	(1,198,859)	(235,440)	174,286	(1,260,013)
Hydrants	(1,678,523)	(78,823)	-	(1,757,346)
Furniture and Equipment	(3,937,655)	(253,257)	11,562	(4,179,350)
General Plant	(333,587)	(48,199)	-	(381,786)
Water Rights	(11,384)	(705)	-	(12,089)
Sewer Plant	(334,696)	(27,372)	41,553	(320,515)
Intangible Plant	(60,708)	(21,130)	-	(81,838)
Organization Costs	(27,874)	(1,227)	-	(29,101)
Total accumulated depreciation and amortization	<u>(46,993,965)</u>	<u>(3,247,280)</u>	<u>330,289</u>	<u>(49,910,956)</u>
Total depreciable assets, net	<u>68,651,358</u>	<u>9,458</u>	<u>-</u>	<u>68,660,816</u>
Total capital assets, net	<u>\$ 79,384,966</u>	<u>2,443,125</u>	<u>(2,927,257)</u>	<u>78,900,834</u>

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 6: Capital Assets (Continued)

Major capital asset additions included developer contributions to the division's transmission and distribution system and various other projects. A significant portion of these additions were constructed by the Agency and/or sub-contractors and transferred out of construction-in-process upon completion of these various projects. Depreciation expenses under the Newhall Water Division, totaled \$3,247,280.

Valencia Water Division

Changes in capital assets for the year ended June 30, 2019, were as follows:

	Balance June 30, 2018	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2019
Non-depreciable assets:				
Land and land rights	\$ 1,366,286	-	-	1,366,286
Construction in-process	4,523,043	3,158,152	(1,862,113)	5,819,082
Total non-depreciable assets	<u>5,889,329</u>	<u>3,158,152</u>	<u>(1,862,113)</u>	<u>7,185,368</u>
Depreciable assets:				
Plant	115,351	-	-	115,351
Building	2,513,250	-	-	2,513,250
Wells	11,265,791	-	-	11,265,791
Pumping Plant	9,277,091	64,050	-	9,341,141
Reservoirs & tanks	27,476,388	-	-	27,476,388
T & D mains	82,015,635	7,022	-	82,022,657
Services	14,357,243	76,916	-	14,434,159
Meters	9,262,522	226,193	(12,284)	9,476,431
Hydrants	10,984,788	33,437	-	11,018,225
Other T & D plant	18,505	-	-	18,505
Office furniture & equipment	2,698,308	149,329	(5,440)	2,842,197
Transportation equipment	44,550	-	-	44,550
Other equipment	3,819,050	467,577	-	4,286,627
Total depreciable assets	<u>173,848,472</u>	<u>1,024,524</u>	<u>(17,724)</u>	<u>174,855,272</u>
Accumulated depreciation and amortization:				
Plant	(85,303)	(1,620)	-	(86,923)
Building	(1,036,015)	(61,910)	-	(1,097,925)
Wells	(4,783,306)	(365,765)	-	(5,149,071)
Pumping Plant	(7,410,052)	(251,540)	-	(7,661,592)
Reservoirs & tanks	(9,995,119)	(596,580)	-	(10,591,699)
T & D mains	(31,630,652)	(1,592,072)	-	(33,222,724)
Services	(8,456,908)	(408,024)	-	(8,864,932)
Meters	(3,856,300)	(448,776)	12,257	(4,292,819)
Hydrants	(6,785,647)	(297,014)	-	(7,082,661)
Other T & D plant	(14,993)	(491)	-	(15,484)
Office furniture & equipment	(1,796,284)	(255,694)	2,199	(2,049,779)
Transportation equipment	(42,184)	(2,365)	-	(44,549)
Other equipment	(2,180,010)	(128,026)	-	(2,308,036)
Total accumulated depreciation	<u>(78,072,773)</u>	<u>(4,409,877)</u>	<u>14,456</u>	<u>(82,468,194)</u>
Total depreciable assets, net	<u>95,775,699</u>	<u>(3,385,353)</u>	<u>(3,268)</u>	<u>92,387,078</u>
Total capital assets, net	<u>\$ 101,665,028</u>	<u>(227,201)</u>	<u>(1,865,381)</u>	<u>99,572,446</u>

Major capital asset additions in the business-type activities area included developer contributions to the water retail enterprise's transmission and distribution system and various other projects. A significant portion of these additions were constructed by the Agency and/or sub-contractors and transferred out of construction-in-process upon completion of these various projects. Depreciation expenses under the Valencia Water Division, totaled \$4,409,877.

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 6: Capital Assets (Continued)

Construction-In-Process

The Agency has been involved in various construction projects throughout the year. The balances of the various construction projects that comprise the construction-in-process balances at year-end are as follows:

Regional Water Division

The balance at June 30th, consists of the following projects:

	2019
Rio Vista water treatment plant and expansion	\$ 6,251,091
RRB Extraction project	9,504,677
Lateral Extension and Storage project	4,981,091
Recycled Water project	3,895,569
Pipeline Inspection Facility Modifications	1,539,089
Castaic Conduit project	1,034,549
Various minor projects	381,111
Construction-in-process	<u><u>\$ 27,587,177</u></u>

Santa Clarita Water Division

	2019
Internal construction projects	\$ 4,815,199
Developer on-site construction projects	14,321,934
Construction in-process	<u><u>\$ 19,137,133</u></u>

Note 7: Defined Benefit Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Agency's Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and the Agency's resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 7: Defined Benefit Pension Plan (Continued)

Benefits provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the Agency's CalPERS 2.5% at 55 Risk Pool Retirement Plan to new employee entrants effective December 31, 2013. All employees hired after January 1, 2013 are eligible for the Agency's CalPERS 2.0% at 62 Retirement Plan under PEPRA.

The following plan groups are as follows:

Classic Members - employees hired before January 1, 2013, are enrolled in the CalPERS Local Miscellaneous 2% at 55 Plan.

New Members - in accordance with the PEPRA, employees hired on or after January 1, 2013, are enrolled in the CalPERS Local Miscellaneous 2% at 62 Plan.

The Plan's provisions and benefits in effect at June 30, 2019, are summarized as follows:

	Miscellaneous Pool	
	Classic	PEPRA
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	
Benefit payments	Monthly for life	
Retirement age	50-55	52-62
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	6.90%	6.50%
Required employer contribution rates	10.152%	7.266%

SANTA CLARITA VALLEY WATER AGENCY

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 7: Defined Benefit Pension Plan (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of change in the rate. Funding contributions for both Plans are determined annually on actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Agency is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2019, the contributions recognized as part of pension expense for the Plan were as follows:

	2019
Contributions - Employer	<u>\$ 2,182,797</u>

Net Pension Liability

As of June 30, 2019, the Agency reported net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

	2019
Proportionate share of net pension liability	<u>\$ 13,340,534</u>

The Agency's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the plan is measured as of June 30, 2018 (the measurement date), and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 (the valuation date), rolled forward to June 30, 2018, using standard update procedures. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The Agency's proportionate share of the net pension liability for the Plan as of the measurement date June 30, 2017, was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2016	0.13026%
Increase in proportion	0.00670%
Proportion - June 30, 2017	0.13729%
Increase in proportion	0.00971%
Proportion - June 30, 2018	<u>0.14700%</u>

SANTA CLARITA VALLEY WATER AGENCY

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 7: Defined Benefit Pension Plan (Continued)

Deferred Pension Outflows (Inflows) of Resources

As of June 30, 2019, the Agency reported deferred outflows of resources and deferred inflow of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,182,797	\$ -
Differences between actual and expected experience	511,853	174,180
Differences in actual contribution and proportionate share of contribution	-	563,923
Changes in assumptions	1,520,861	372,733
Net differences between projected and actual earnings on plan investments	65,952	-
Adjustment due to differences in proportions of net pension liability	971,347	-
Total	\$ 5,252,810	\$ 1,110,836

As of June 30, 2019, employer pension contributions reported as deferred outflows of resources related to contributions subsequent to the measurement date of \$2,182,797 and will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2020.

At June 30, 2019, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows.

Fiscal Year Ending June 30:	Deferred Outflows/ (Inflows) of Resources
2020	\$ 1,503,419
2021	919,492
2022	(343,746)
2023	(119,988)

SANTA CLARITA VALLEY WATER AGENCY

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 7: Defined Benefit Pension Plan (Continued)

Actuarial Assumptions

The total pension liabilities were determined by actuarial valuation reports as of June 30, 2017, which were rolled forward to June 30, 2018, using the following actuarial assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement NO. 68
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Investment Rate of Return	7.15 Net of Pension Plan Investment and Administrative Expenses; includes inflation
Mortality Rate Table*	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefits	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies 2.50 thereafter

* The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Change of Assumptions

For the measurement date June 30, 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes to the discount rate.

Discount rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 7: Defined Benefit Pension Plan (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

As of June 30, 2019, the target allocation and the long-term expected real rate of return by asset class were as follows:

Asset Class	New Strategic Allocations	Real Return Years 1-10	Real Return Year 11
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.0%		

SANTA CLARITA VALLEY WATER AGENCY

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 7: Defined Benefit Pension Plan (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Agency's proportionate share of the net pension liability for each Plan, calculated using the discount rate, as well as what the Agency's proportionate share of net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

As of June 30, 2019, the Agency's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher, is as follows:

	Discount Rate - 1% 6.15%	Current Discount Rate 7.15%	Discount Rate +1% 8.15
Agency's Net Pension Liability	<u>\$ 22,446,948</u>	<u>13,340,534</u>	<u>5,823,339</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued CalPERS financial reports. See pages 51 and 52 for the Required Supplementary Schedules.

Note 8: Other Post-Employment Benefits

Plan Description

The Agency provides other post-employment benefits (OPEB) to qualified employees who retire from the Agency and meet the Agency's vesting requirements. The Agency participates in CalPERS California Employer's Retiree Benefit Trust Program (CERBT), a Prefunding Plan trust fund intended to perform an essential government function within the meaning of Section 115 of the Internal Revenue Code as an agent multiple-employer plan. CalPERS CERBT audited financial report may be obtained from their executive Office: 400 P Street, Sacramento, California 95814. The Agency has set aside funds to cover retiree health liabilities in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

Medical coverage is currently provided through CalPERS as permitted under the Public Employees' Medical and Hospital Care Act (PEMCHA). Under PEMCHA, the Agency is obligated to contribute toward the cost of retiree medical coverage for all employees who retire from the Agency for the retiree's lifetime or until CalPERS medical coverage is discontinued.

All employees who retire from the Agency who are eligible to continue coverage in retirement will receive a medical benefit not less than the required PEMCHA minimum employer contribution (MEC). MEC benefits continue to a covered surviving spouse as well, if eligible for survivor benefits under the retirement program. The MEC is \$133 per month in 2018 and \$136 per month in 2019.

All Agency retirees are also eligible for 100% paid dental premiums for the retiree and his or her eligible, covered dependents for the retiree's lifetime.

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 8: Other Post-Employment Benefits (Continued)

Additional retiree medical benefits are payable in the following circumstances, which vary based on the retiree's employment date with the Agency or predecessor agency (CLWA or NCWD).

For retirees hired before January 1, 2009, the Agency pays 100% of the medical premium for the retiree and any enrolled dependents, up to but not exceeding 90% of the PERS Care LA Basic Region Basic Plan premium for the coverage level selected by the retiree (e.g. single, two-party or family).

For retirees hired on or January 1, 2009, the Agency pays 100% of the medical premium for the retiree and any enrolled dependents, up to but not exceeding a vested percentage of 90% of the PERS Care LA Region Basic Plan premium for the coverage level selected by the retiree (e.g. single, two-party or family). The vested percent is based on all years of CalPERS membership, but requires at least 5 years of service with the Agency.

Employee Covered By Benefit Terms

At June 30, 2019, the following employees were covered by the benefit terms:

	2019
Participating active employees	194
Retiree employees	51
Total plan membership	<u>245</u>

Discount Rate

The discount rate to measure the total OPEB liability was 7.00%, which is based on the long-term return on plan assets assuming 100% funding through CERBT. The projection of cash flows used to determine the discount rate assumed that liabilities and cash flow will vary based on the number and demographic characteristics of employees and retirees.

Discount Rate

The Agency's net OPEB liability was \$5,559,190. The breakdown by fund is as follow:

	Net OPEB Liability (Asset)
Regional Water Division	2,348,354
Santa Clarita Water Division	1,145,617
Newhall Water Division	2,135,808
Valencia Water Division	(70,589)
Total plan membership	<u>5,559,190</u>

SANTA CLARITA VALLEY WATER AGENCY

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 8: Other Post-Employment Benefits (Continued)

Deferred OPEB Outflows (Inflows) of Resources

For the year ended June 30, 2019, the Agency recognized OPEB expense of \$213,593.

At June 30, 2019, the Agency reported deferred outflows and inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 2,377,824	\$ -
Differences between actual and expected experience	5,529	2,117
Changes in assumptions	1,525,266	2,966,764
Net differences between projected and actual earnings on investments	-	313,124
Total	\$ 3,908,619	\$ 3,282,005

As of June 30, 2018, the Agency reported deferred outflows of resources related to employer OPEB contributions subsequent to measurement date in the amount of \$601,683. The employer OPEB contributions in the amount of \$601,683, will be recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2019.

At June 30, 2019, other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Period Ending June 30, 2019	Net Deferred Outflows/Inflows of Resources
2020	\$ (318,518)
2021	(318,517)
2022	(318,516)
2023	(291,183)
2024	(233,403)
Thereafter	(271,073)

SANTA CLARITA VALLEY WATER AGENCY

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 8: Other Post-Employment Benefits (Continued)

Actuarial Assumptions

The Agency's total OPEB liability in the June 30, 2018 actuarial valuation, which was measured at June 30, 2018, was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2018
Measurement Period	June 30, 2017 to June 30, 2018
Actuarial cost method	Entry Age Normal cost method in accordance with the requirements of GASB Statement No. 75
Long Term Return on Assets	7.28% as of June 30, 2017 and 7.00% as of June 30, 2018 net of plan investment expenses and including inflation.
Discount Rates	7.28% as of June 30, 2017 and 7.00% as of June 30, 2018.
Participant Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.
Salary Increase	3.25% per year; since benefits do not depend on salary, this is used only to allocate the cost of benefits between service years.
Assumed Wage Inflation	3.0% per year; used to determine amortization payments for developing the Actuarially Determined Contributions.
General Inflation Rate	2.75% per year.

Demographic actuarial assumptions used in this valuation are based on the 2014 experience study of the CalPERS using data from 1997 to 2011.

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 8: Other Post-Employment Benefits (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

As of June 30, 2019, the following presents the net OPEB liability of the Agency, as well as what the Agency's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	Discount Rate -1% 6.00%	Current Discount Rate 7.00%	Discount Rate +1% 8.00%
Net OPEB Liability	<u>\$ 9,016,852</u>	<u>5,559,190</u>	<u>2,764,904</u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

As of June 30, 2019, the following presents the net OPEB liability of the Agency, as well as what the Agency's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1- percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Healthcare Cost Trend Rates - 1%	Current Healthcare Cost Trend Rate	Healthcare Cost Trend Rates +1%
Net OPEB Liability	<u>\$ 2,343,359</u>	<u>5,559,190</u>	<u>9,954,058</u>

Changes in the Net OPEB Liability

Changes in the net OPEB liability for the year were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (c) = (a) - (b)
Balance at June 30, 2018	<u>\$ 18,971,850</u>	<u>\$ 13,714,823</u>	<u>\$ 5,257,027</u>
Changes during the year:			
Service cost:	991,161	-	991,161
Interest	1,432,518	-	1,432,518
Changes in benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	841,942	-	841,942
Contributions - employer	-	1,900,160	(1,900,160)
Net investment income	-	1,088,901	(1,088,901)
Benefit payments	(571,142)	(571,142)	-
Administrative fee	-	(25,603)	25,603
Net changes	<u>2,694,479</u>	<u>2,392,316</u>	<u>302,163</u>
Balance at June 30, 2019	<u>\$ 21,666,329</u>	<u>\$ 16,107,139</u>	<u>\$ 5,559,190</u>

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 9: Long-Term Debt

Changes in long-term debt for the year ended June 30, 2019, were as follows:

	Balance June 30, 2018	Additions	Payments /Retirements	Balance June 30, 2019	Current Portion	Long-Term Portion
Regional Water Division						
Public Offering:						
Certificates of Participation	\$ 137,220,136	\$ 3,932,963	\$ 8,699,116	\$ 132,453,983	\$ 8,915,000	\$ 123,538,983
Revenue Bonds	168,585,698	-	8,191,505	160,394,193	7,140,000	153,254,193
Santa Clarita Water Division						
Public Offering:						
Revenue Bonds	59,836,159	-	3,190,128	56,646,031	3,035,000	53,611,031
Newhall Water Division						
Direct Borrowing:						
Notes Payable	3,089,752	-	515,972	2,573,780	530,721	2,043,059
Santa Clarita Water Agency						
Public Offering:						
Certificates of Participation	137,220,136	3,932,963	8,699,116	132,453,983	8,915,000	123,538,983
Revenue Bonds	228,421,857	-	11,381,633	217,040,224	10,175,000	206,865,224
Direct Borrowing:						
Notes Payable	3,089,752	-	515,972	2,573,780	530,721	2,043,059
Total	\$ 368,731,745	\$ 3,932,963	\$ 20,596,721	\$ 352,067,987	\$ 19,620,721	\$ 332,447,266

The following is a summary of the Agency's Long-Term Debt by Division as of June 30, 2019:

Regional Water Division

	Balance June 30, 2018	Additions	Payments /Retirements	Balance June 30, 2019	Current Portion	Long-Term Portion
Certificates of Participation						
1999 Series A Revenue COPS - Capital Appr.	\$ 67,070,746	\$ 3,932,963	-	\$ 71,003,709	-	\$ 71,003,709
2008 Series A Revenue Refunding COPS	17,450,000	-	5,600,000	11,850,000	5,800,000	6,050,000
2010 Series A Revenue Refunding COPS	51,450,000	-	2,995,000	48,455,000	3,115,000	45,340,000
Premium on issuance - 2010 Series A	1,249,390	-	104,116	1,145,274	-	1,145,274
Total Certificates of Participation	137,220,136	3,932,963	8,699,116	132,453,983	8,915,000	123,538,983
Revenue Bonds						
2014 Series A Revenue Refunding Bonds	8,770,000	-	2,780,000	5,990,000	2,920,000	3,070,000
Premium on issuance - 2014 Series A	716,096	-	238,698	477,398	-	477,398
2015 Series A Revenue Refunding Bonds	59,355,000	-	2,165,000	57,190,000	2,250,000	54,940,000
Premium on issuance - 2015 Series A	8,743,894	-	546,493	8,197,401	-	8,197,401
2016 Series A Revenue Refunding Bonds	24,350,000	-	1,410,000	22,940,000	1,460,000	21,480,000
Premium on issuance - 2016 Series A Ref	4,303,595	-	358,633	3,944,962	-	3,944,962
2016 Series A New Revenue Bonds	30,190,000	-	490,000	29,700,000	510,000	29,190,000
Premium on issuance - 2016 Series A New	5,786,168	-	214,302	5,571,866	-	5,571,866
2018 Series A Revenue Bonds	26,735,000	-	-	26,735,000	-	26,735,000
Discount on issuance - 2018 Series A	(364,055)	-	(11,621)	(352,434)	-	(352,434)
Total Revenue Bonds	168,585,698	-	8,191,505	160,394,193	7,140,000	153,254,193
Total Regional Water Division Activities	\$ 305,805,834	\$ 3,932,963	\$ 16,890,621	\$ 292,848,176	\$ 16,055,000	\$ 276,793,176

SANTA CLARITA VALLEY WATER AGENCY

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 9: Long-Term Debt (Continued)

Santa Clarita Water Division

Business Type Activities - SCWD

	Balance June 30, 2018	Additions	Payments/ Retirements	Balance June 30, 2019	Current Portion	Long-Term Portion
Revenue Bonds:						
2017 Series A Revenue Bonds	\$ 50,745,000	\$ -	\$ 2,780,000	\$ 47,965,000	\$ 3,035,000	\$ 44,930,000
Premium on issuance - 2017 Series A	9,091,159	-	410,128	8,681,031	-	8,681,031
Total Revenue Bonds	\$ 59,836,159	\$ -	\$ 3,190,128	\$ 56,646,031	\$ 3,035,000	\$ 53,611,031

Newhall Water Division

Business Type Activities - NWD

	Balance June 30, 2018	Additions	Payments/ Retirements	Balance June 30, 2019	Current Portion	Long-Term Portion
Notes Payable:						
Municipal Leasing Associates 2007	\$ 2,661,939	\$ -	\$ 376,756	\$ 2,285,183	\$ 388,143	\$ 1,897,040
Municipal Leasing Associates 2009	427,813	-	139,216	288,597	142,578	\$ 146,019
Total Notes Payable	\$ 3,089,752	\$ -	\$ 515,972	\$ 2,573,780	\$ 530,721	\$ 2,043,059

1999 Series A Revenue Certificates of Participation

In August 1999, the Corporation issued \$75,813,498 of certificates of participation to finance certain capital improvements to Castaic Lake Water Agency's (CLWA) (currently part of the Agency as Regional Water Division) wholesale water system and reimbursement of the Agency's cost of acquisition of certain state water project entitlements. The certificates are payable solely from installment payments to be made by the Agency. The Agency has pledged all revenues derived from the ownership of its water system (which expressly exclude revenues derived from the retail sales of water).

On December 7, 2006, CLWA refunded \$45,520,000 of the 1999 certificates (2006 Series A). A total of \$45,520,000 from the 2006 Series A COPs was used to pay off the outstanding principal of the 1999 Series A Revenue Certificates of Participation. As a result, the 1999 Series A Revenue Certificates of Participation are considered retired and the liability for those obligations has been removed from the financial statements. CLWA completed the advance refunding to reduce CLWA's total debt service payments over the next 24 years by achieving a 5.6% net present value savings. In May 2016, CLWA refunded all of the 2006 Series A certificates of participation (2016 Series A Refunding). (See 2016 Series A Refunding for their respective debt service requirements.)

The Certificates are payable by installment payments according to their respective Installment Agreements. Interest is payable semi-annually August 1 and February 1 of each year, and principal is due annually on August 1. The outstanding balance at June 30, 2016, is \$59,846,309 as follows: \$59,846,309 Series 1999 remaining; and no balance for the Series 2006 A (refunded portion of 1999 Series A) as these were refunded during FY 2015/16 (2016A Refunded Revenue Bonds). (See 2006 Series A Certificates of Participation and 2016A Refunding Revenue Bonds for their respective debt service requirements).

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 9: Long-Term Debt (Continued)

The par amount of the certificates is comprised of \$23,408,498 (original amount) capital appreciation certificates. No regular payments of interest are made on the capital appreciation certificates prior to maturity. Interest on the capital appreciation certificates is compounded semi-annually on February 1 and August 1 and is payable at maturity. The interest compounded annually is added to the principal amount outstanding. The yield to maturity for the capital appreciation certificates ranges from 5.76% to 5.8%. Principal on the capital appreciation certificates matures annually on August 1 from 2021 through 2030. All the certificates are subject to extraordinary prepayment as a whole or in part on any date in order of maturity if the Agency makes prepaid installment payments from insurance proceeds or condemnation awards.

Below is a schedule of future annual principal to be issued that will be added to the capital appreciation certificate's current outstanding principal balance of \$71,003,709.

	<u>Fiscal Year</u>	<u>Principal Issued</u>
Balance as of June 30, 2019		\$ 71,003,709
Annual principal issued:	2020	4,163,590
	2021	4,407,741
	2022	4,365,394
	2023	4,011,146
	2024	3,636,322
	2025-2029	11,709,681
	2030-2031	1,152,917
	Total	<u>\$ 104,450,500</u>

2008 Series A Revenue Refunding Certificates of Participation

In May 2008, CLWA refunded all of the 2004B certificates; the swap agreement remained in effect until August 2014 for the 2008A certificates (2008 Series A). Interest on the certificates is calculated by the remarketing agent on Tuesday of each week during the Weekly Interest Rate Period. Principal matures August 1 of each year through August 1, 2020. Certificates are in denominations of \$100,000 and bear interest from the date of issue to their maturity. The interest rate on the refunding certificates is determined.

Annual debt service requirements on the 2008 Series A Revenue Refunding Certificates of Participation are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 5,800,000	\$ 341,443	\$ 6,141,443
2021	6,050,000	115,404	6,165,404
Total	11,850,000	<u>\$ 456,847</u>	<u>\$ 12,306,847</u>
Less current position	5,800,000		
Total non-current	<u>\$ 6,050,000</u>		

In June 2010, CLWA implemented GASB Statement No. 53, which established accounting and financial reporting standards for all state and local governments that enter into derivative instrument agreements. The analysis of the swap valuation is conducted annually to comply with the reporting requirement of the GASB Statement No. 53.

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 9: Long-Term Debt (Continued)

2010 Series A Revenue Refunding Certificates of Participation

In February 2001, the Corporation issued \$80,000,000 of certificates of participation to finance certain capital improvements to CLWA's wholesale water system and reimburse the Agency's cost of acquiring the outstanding stock of the Santa Clarita Water Company (the retail company).

In June 2010, the Corporation issued \$70,595,000 of certificates of participation to provide funds to prepay \$68,520,000 of CLWA's outstanding 2001 A Revenue Certificates of Participation. The certificates are payable solely from installment payments to be made by CLWA. Pursuant to the reserve requirement, \$5,349,556 was placed in a debt service reserve fund on the issuance date of the certificates. Interest on the certificates is payable semi-annually on February 1 and August 1. Principal matures August 1 of each year through August 1, 2030. Certificates are in denominations of \$5,000 and bear interest from the date of issue to their maturity dates at rates ranging from 2.00% to 5.00% per annum.

Annual debt service requirements on the 2010 Series A Revenue Certificates of Participation are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 3,115,000	\$ 2,158,681	\$ 5,273,681
2021	3,260,000	2,014,506	5,274,506
2022	3,405,000	1,860,681	5,265,681
2023	3,560,000	1,691,556	5,251,556
2024	3,740,000	1,510,306	5,250,306
2025-2029	21,415,000	4,833,509	26,248,509
2030-2031	9,960,000	491,325	10,451,325
Total	48,455,000	<u>\$ 14,560,564</u>	<u>\$63,015,564</u>
Add: bond premium	1,145,274		
Less current portion	(3,115,000)		
Total non-current	<u>\$ 46,485,274</u>		

The Series 2010 A Certificates of Participation are structured as serial bonds with maturities ranging from 2011 through 2031. Yields for the serial bonds range from 2.00% to 5.00% and market conditions required that the Certificates be structured in a manner that resulted in an original issue premium of \$2,082,316 that will be amortized over the life of the debt service.

2014 Series A Revenue Refunding Bonds

In May 2004, the Corporation issued \$29,085,000 of certificates of participation to provide funds to prepay \$28,475,000 of the Agency's outstanding 1994 Refunding Revenue Certificates of Participation, to acquire a reserve policy and pay certain costs of delivery. Interest on the certificates was payable semi-annually on February 1 and August 1 of each year. Principal matures August 1 of each year through August 1, 2020. Certificates were in denominations of \$5,000 and bear interest from the date of issue to their maturity dates at rates ranging from 2.0% to 4.0% per annum.

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 9: Long-Term Debt (Continued)

In June 2014, CLWA issued \$16,750,000 of revenue bonds to provide funds to prepay \$20,495,000 of CLWA's outstanding 2004 A Revenue Certificates of Participation. The aggregate difference between the refunding debt and the refunded debt was \$2,055,250. This amount was being netted against the new debt to be amortized over the life of the refunding debt. CLWA completed the refunding to reduce CLWA's total debt service payments over the next 6 years by achieving a \$2,147,813 savings, or a 10.48% net present value savings. The bonds are payable solely from installment payments to be made by CLWA. Interest on the bonds are payable semi-annually on February 1 and August 1. Principal matures on August 1 of each year through August 1, 2020. Bonds are in denominations of \$5,000 and bear interest from the date of issue to their maturity dates at rates ranging from 2.00% to 5.00% per annum.

Annual debt service requirements on the 2014 Series A Revenue Refunding Bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 2,920,000	\$ 226,500	\$ 3,146,500
2021	3,070,000	76,750	3,146,750
Total	5,990,000	<u>\$ 303,250</u>	<u>\$ 6,293,250</u>
Add: bond premium	477,398		
Less current portion	<u>(2,920,000)</u>		
Total non-current	<u>\$ 3,547,398</u>		

2015 Series A Revenue Refunding Bonds

In December 2006, the Corporation issued \$89,830,000 of certificates of participation to finance certain capital improvements to the CLWA's wholesale water system. CLWA has pledged all revenues derived from the ownership and operation of its water system. These revenues paid for the operation and maintenance of the water system, and after the application of contingency reserves, the remaining funds were used for installment payments on the certificates.

The Series 2006 C Certificates of Participation are structured as serial bonds with maturities ranging from 2008 through 2026 and two term bonds maturing on 2030 and 2036, respectively. Yields for the serial bonds range from 3.40% to 4.14% (yields to call for maturities 2017 through 2026), with the term bonds yielding 4.16% and 4.20% (yields to call). Market conditions required that maturities after 2016 be structured in a manner that resulted in the debt being price to the August 1, 2016, par call date. The ultimate structure produced an original issue premium of \$4,978,449 to be amortized over the life of the debt service.

In April 2015, CLWA issued \$64,000,000 of revenue bonds through Upper Santa Clara Valley Joint Powers Authority, a Joint Powers Authority created on June 8, 2011 between the CLWA and the Devil's Den Water District (District), to provide funds to prepay \$77,685,000 of CLWA's outstanding 2006 C Revenue Certificates of Participation. CLWA completed the refunding to reduce CLWA's total debt service payments over the next 20 years by achieving a \$10,311,149 savings, or a 13.27% net present value savings. The bonds are payable by installment payments according to the Installment Purchase Agreement. Interest is payable semi-annually on August 1 and February 1, and the principal is due annually on August 1.

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 9: Long-Term Debt (Continued)

Annual debt service requirements on the 2015 Series A Revenue Refunding Bonds are as follows:

Year	Principal	Interest	Total
2020	\$ 2,250,000	\$ 2,768,550	\$ 5,018,550
2021	2,345,000	2,676,650	5,021,650
2022	2,440,000	2,568,750	5,008,750
2023	2,560,000	2,443,750	5,003,750
2024	2,685,000	2,312,625	4,997,625
2025-2029	15,585,000	9,355,625	24,940,625
2030-2034	19,900,000	4,940,750	24,840,750
2035-2036	9,425,000	476,875	9,901,875
Total	57,190,000	\$27,543,575	\$84,733,575
Add: bond premium	8,197,401		
Less current portion	(2,250,000)		
Total non-current	\$ 63,137,401		

2016 Series A Revenue Refunding Bonds

In December 2006, the Corporation issued \$45,520,000 of certificates of participation to provide funds to prepay \$45,385,000 of the CLWA's outstanding 1999 A Revenue Certificates of Participation. Pursuant to the reserve requirement, \$3,317,609 was placed in a debt service reserve fund on the issuance date of the certificates. Interest on the certificates is payable semi-annually on February 1 and August 1. Principal matures August 1 of each year through August 1, 2030. Certificates are in denominations of \$5,000 and bear interest from the date of issue to their maturity dates at rates ranging from 3.35% to 5.00% per annum.

The Series 2006 A Certificates of Participation are structured as serial bonds with maturities ranging from 2007 through 2023 and two term bonds maturing on 2026 and 2030 respectively. Yields for the serial bonds range from 3.35% to 4.08% (yields to call for maturities 2010 through 2023), with the term bonds yielding 4.41% and 4.46% (yields to call). Market conditions required that the maturities after 2016 be structured in a manner that resulted in the debt being priced to the August 1, 2016, par call date. The ultimate structure produced an original issue premium of \$1,145,317 that will be amortized over the life of the debt service.

In May 2016, CLWA issued \$56,395,000 of revenue bonds through Upper Santa Clara Valley Joint Powers Authority, to provide funds to prepay \$35,555,000 of CLWA's outstanding 2006 A Revenue Certificates of Participation (2016 Series A Refunding) and to provide \$30,665,000 new funds (2016 Series A New) to acquire certain capital improvements to CLWA's Wholesale System. CLWA completed the refunding portion to reduce CLWA's total debt service payments over the next 15 years by achieving a \$5,909,717 savings, or a 16.62% net present value savings. The bonds are payable by installment payments according to the Installment Purchase Agreement. Interest is payable semi-annually on August 1 and February 1, and the principal is due annually on August 1.

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 9: Long-Term Debt (Continued)

Annual debt service requirements on the 2016 Series A Revenue Refunding Bonds for the retirement of the 2006 A Certificates of Participation are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,460,000	\$ 1,063,600	\$ 2,523,600
2021	1,520,000	996,400	2,516,400
2022	1,600,000	918,400	2,518,400
2023	1,685,000	836,275	2,521,275
2024	1,765,000	750,025	2,515,025
2025-2029	10,145,000	2,423,525	12,568,525
2030-2031	4,765,000	241,125	5,006,125
Total	22,940,000	\$ 7,229,350	\$30,169,350
Add: bond premium	3,944,962		
Less current portion	(1,460,000)		
Total non-current	\$ 25,424,962		

Annual debt service requirements on the 2016 Series A Revenue Refunding Bonds for the acquisition of certain capital improvements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 510,000	\$ 1,455,800	\$ 1,965,800
2021	535,000	1,432,225	1,967,225
2022	560,000	1,404,850	1,964,850
2023	590,000	1,376,100	1,966,100
2024	620,000	1,345,850	1,965,850
2025-2029	3,560,000	6,264,300	9,824,300
2030-2034	4,535,000	5,286,875	9,821,875
2035-2039	5,830,000	3,998,250	9,828,250
2040-2044	7,485,000	2,341,875	9,826,875
2045-2047	5,475,000	419,625	5,894,625
Total	29,700,000	\$ 25,325,750	\$55,025,750
Add: bond premium	5,571,866		
Less current portion	(510,000)		
Total non-current	\$ 34,761,866		

2018 Series A Revenue Refunding Bonds

On June 1, 2010, Valencia Water Company (VWC) entered into a \$12,000,000 senior secured note with Modern Woodmen of America (Modern Woodmen). On September 15, 2010, VWC entered into an additional \$12,000,000 senior secured note with Modern Woodmen (collectively, the "Senior Secured Notes"). The Senior Secured Notes are secured by all of VWC's assets. Interest is payable semi-annually on April 15 and October 15 at a fixed rate of 4.62% per annum. The Senior Secured Notes contain various financial covenants with which VWC was in compliance as of December 31, 2017.

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 9: Long-Term Debt (Continued)

On January 9, 2018, the Agency issued \$26,735,000 of Revenue Bonds through Upper Santa Clara Valley Joint Powers Authority, to provide funds to prepay \$24,000,000 of VWC's senior secured note with Modern Woodmen and as such, is recorded as a liability of the Regional Water Division. Payments on the obligation are to be funded through an interdivisional loan to be funded by customers within the Valencia Water Division's service area. The difference between the refunding debt and the refunded debt is being netted against the new debt and amortized over the life of the refunding debt. The bonds are payable by installment payments according to the Installment Purchase Agreement. Interest is payable semi-annually on August 1 and February 1, and the principal is due annually on August 1.

Annual debt service requirements on the 2018 Series A Revenue Refunding Bonds are as follows:

Year	Principal	Interest	Total
2020	\$ -	\$ 976,975	\$ 976,975
2021	-	976,975	976,975
2022	-	976,975	976,975
2023	-	976,975	976,975
2024	650,000	968,038	1,618,038
2025-2029	3,535,000	4,538,259	8,073,259
2030-2034	4,165,000	3,908,678	8,073,678
2035-2039	4,995,000	3,076,656	8,071,656
2040-2044	6,050,000	2,026,238	8,076,238
2045-2049	7,340,000	733,344	8,073,344
Total	26,735,000	\$19,159,113	\$45,894,113
Add: bond discount	(352,434)		
Less current portion	-		
Total non-current	\$ 26,383,286		

2017 Series A Revenue Refunding Bonds

In May 2010, the Santa Clarita Water Division (Retail) of the Agency issued \$14,475,000 of certificates of participation to provide funds to acquire the new Administration Office Building, several reservoir tanks, and well. The certificates are payable by installment payments according to the Installment Purchase Agreement. Interest is payable semi-annually August 1 and February 1, and the principal is due annually on August 1.

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 9: Long-Term Debt (Continued)

In September 2011, the Santa Clarita Water Division issued \$52,290,000 of Revenue Bonds through Upper Santa Clara Valley Joint Powers Authority, a Joint Powers Authority created on June 8, 2011 between the CLWA and Devil’s Den Water District (the “District”), to provide funds to prepay the outstanding interfund loan balance payable by Retail to CLWA. The Interfund Loan was established in September 1999 as a repayment of acquisition when the Agency acquired Santa Clarita Water Company’s (SCWC) stock for \$63 million. The bonds are payable by installment payments according to the Installment Purchase Agreement. Interest is payable semi-annually August 1 and February 1, and the principal is due annually on August 1.

In September 11, 2017, CLWA issued \$50,745,000 of Revenue Bonds through Upper Santa Clara Valley Joint Powers Authority, to provide funds to prepay \$12,900,000 of the Division’s outstanding 2010 Series B Revenue Refunding Certificates of Participation (2010 Series B Refunding) and to acquire certain capital improvements to the Division’s retail water system. The difference between the refunding debt and the refunded debt was being netted against the new debt and amortized over the life of the refunding debt. The bonds are payable by installment payments according to the Installment Purchase Agreement. Interest is payable semi-annually August 1 and February 1, and the principal is due annually on August 1. The loss on defeasance of debt totaling \$1,322,398 is recorded in deferred outflows of resources and will be amortized over the remaining life of the 2017 Series A Revenue Refunding Bonds.

Annual debt service requirements on the 2017 Series A Revenue Refunding Bonds are as follows:

Year	Principal	Interest	Total
2020	\$ 3,035,000	\$ 2,218,625	\$ 5,253,625
2021	3,315,000	2,059,875	5,374,875
2022	3,615,000	1,886,625	5,501,625
2023	3,925,000	1,698,125	5,623,125
2024	4,255,000	1,493,625	5,748,625
2025-2029	21,720,000	3,877,075	25,597,075
2030-2034	2,960,000	1,179,500	4,139,500
2035-2039	3,560,000	563,181	4,123,181
2040-2041	1,580,000	54,744	1,634,744
Total	47,965,000	15,031,375	62,996,375
Add: bond premium	8,681,031		
Less current portion	(3,035,000)		
Total non-current	\$ 53,611,032		

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 9: Long-Term Debt (Continued)

Events of Default on Agency Bonds

Upon the occurrence and continuation of an event of default on the Agency's outstanding bonds, the principal amounts of (and accrued interest on) the respective bonds can be accelerated and declared immediately due and payable by the registered bondholders of a majority in aggregate principal amount of the then outstanding bonds upon written notice delivered to the Agency. Failure to pay debt service when due and the occurrence of certain insolvency or bankruptcy-related events are events of default. Failure to observe or perform the covenants and agreements under the Indenture for a period of 60 days after written notice of such failure is given to the Agency is also an event of default unless the Agency has taken all action reasonably possible to remedy such failure within 60 days and the Agency diligently proceeds to remedy the failure. A default by the Agency under any agreement governing parity debt which continues after the applicable grace period, if any, is also an event of default.

Municipal Leasing Associates, Inc. (2007)

On October 18, 2007, Newhall County Water District (currently part of the Agency as Newhall Water Division) entered into an Installment Sale Agreement (Agreement) with the Municipal Leasing Associates, Inc. (MLA). MLA provided \$5,500,000 for the purpose of financing the cost of the District's project. The Agreement was amended on October 26, 2012. The original 4.5% installment note was payable over twenty years in semi-annual installments of principal and interest of \$209,976. The amended agreement is payable in semi-annual installments of \$226,905 of principal and interest at 3% payable in April and October each year and matures October 2024.

Annual debt service requirements on the Municipal Leasing Associates, Inc. (2007) agreement are as follows:

Year	Principal	Interest	Total
2020	\$ 388,143	\$ 65,666	\$ 453,809
2021	399,875	53,935	453,810
2022	411,961	41,848	453,809
2023	424,413	29,397	453,810
2024	437,241	16,569	453,810
2025	223,550	3,353	226,903
Total	2,285,183	210,768	2,719,501
Less current portion	(388,143)		
Total non-current	\$ 1,900,393		

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 9: Long-Term Debt (Continued)

Municipal Leasing Associates, Inc. (2009)

On April 1, 2009, Newhall County Water District (currently part of the Agency as Newhall Water Division) entered into an Installment Sale Agreement (Agreement) with the Municipal Leasing Associates, Inc. (MLA). MLA provided \$2,000,000 for the purpose of financing costs related to the construction of the new administrative facility. The Agreement was amended on June 8, 2016. The original 4.65% installment note was payable over twenty years in semi-annual installments of principal and interest of \$77,342. The amended agreement is payable in semi-annual installments of \$74,320 of principal and interest at 2.4% payable in June and December each year and matures June 2021.

Annual debt service requirements on the Municipal Leasing Associates, Inc. (2009) agreement are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 142,578	\$ 6,076	\$ 148,654
2021	146,019	2,633	148,652
Total	288,597	8,709	297,306
Less current portion	(142,578)		
Total non-current	<u>\$ 146,019</u>		

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 10: Net Position

	<u>2019</u>
Net investment in capital assets	
Capital assets, net	\$ 731,447,504
Certificate of participation, current	(8,915,000)
Certificate of participation, non-current	(52,535,274)
Revenue bonds, current	(10,175,000)
Revenue bonds, non-current	(206,865,224)
1999 Series A cap appreciation bonds accretion since issuance	(71,003,709)
Notes payable, current	(530,721)
Notes payable, non-current	(2,043,059)
Fiscal agent cash	5,428,604
Total net investment in capital assets	<u>384,808,121</u>
Restricted net position:	
Restricted for capital projects:	
Restricted - cash and cash equivalents	4,712,277
Restricted - investments	10,147,536
Restricted - accrued interest receivable	59,407
Restricted - accounts receivable, other	388,297
Restricted - accounts payable	(1,937,534)
Total restricted for capital projects	<u>13,369,983</u>
Restricted for state water contract	
Restricted - investments	64,728,731
Restricted - property tax receivable	1,216,962
Restricted - accrued interest receivable	285,034
Restricted - accounts receivable, other	560,121
Restricted - prepaid expense	188,337
Restricted - accounts payable	(1,603,945)
Total restricted for state water contract	<u>65,375,240</u>
Restricted for debt service:	
Restricted - cash and cash equivalents with fiscal agent	(5,131,326)
Restricted - accrued interest receivable	1,339
Restricted - interest payable	(861,827)
Total restricted for debt service	<u>(5,991,814)</u>
Total restricted net position	<u>72,753,409</u>
Unrestricted net position:	
Non-spendable net position:	
Materials and supplies inventory	2,146,057
Prepaid expenses and other assets	5,392,358
Total non-spendable net position	<u>7,538,415</u>
Spendable net position is designated as follows:	
Unrestricted	<u>165,657,364</u>
Total spendable net position	<u>165,657,364</u>
Total unrestricted net position	<u>173,195,779</u>
Total net position	<u>\$ 630,757,309</u>

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2019

Note 11: Risk Management

The Agency is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Agency is a member of the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California water agencies. The purpose of the ACWA/JPIA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage. As of June 30, 2019, the Agency limits and deductibles for liability, property, and workers compensation programs of the ACWA/JPIA are as follows:

- General and auto liability, public officials and employees' errors and omissions: Total risk financing self-insurance limits of \$1,000,000, combined single limit per occurrence. The ACWA/JPIA purchased additional excess coverage layers: \$59 million for general, auto and public officials liability, which increases the limits on the insurance coverage noted above.
- Property loss is paid at the replacement cost for buildings, fixed equipment, and personal property on file, if replaced within two years after the loss, otherwise paid on actual cash value basis, subject to a \$5,000 deductible per loss; and actual cash value for mobile equipment, subject to a \$1,000 deductible per loss, and licensed vehicles, subject to a \$500 deductible per loss. ACWA/JPIA purchased excess coverage for a combined total of \$100 million per occurrence.
- Boiler and machinery coverage for the replacement cost up to \$100 million per occurrence, subject to various deductibles depending on the type of equipment.
- Workers compensation insurance up to California statutory limits for all work related injuries/illnesses covered by California law, and Employer's Liability Coverage up to \$4 million. The Agency is self-insured up to \$2 million and excess loss insurance has been purchased. In addition to the above, the Agency also has the following insurance coverage.
- Crime coverage up to \$1,000,000 per loss includes public employee dishonesty, including Public Officials who are required by law to give bonds for the faithful performance of their service, forgery or alteration and computer fraud, subject to a \$1,000 deductible.
- Cyber liability coverage up to \$2,000,000 per occurrence with an aggregate of \$5,000,000 includes defense costs and damages for security, privacy, and media liability; fees and expenses incurred from cyber extortion; as well as costs to restore network business interruption and digital asset protection, subject to a \$50,000 deductible.

There were no reductions in insurance coverage in the year ended June 30, 2019. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There was no IBNR claims payable as of June 30, 2019.

Note 12: Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2019, that have effective dates that may impact future financial presentations.

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 12: Governmental Accounting Standards Board Statements Issued, Not Yet Effective (Continued)

Governmental Accounting Standards Board Statement No. 87

In June 2017, the GASB issued Statement No. 87 – *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The impact of the implementation of this Statement to the Agency's financial statements has not been assessed at this time.

Note 13: Commitments and Contingencies

Department of Water Resources (DWR) Water Contract Commitment

On April 30, 1963, a contract was entered into between the State of California acting by and through the Department of Water Resources and CLWA (the Contract), pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California.

The contract provides for a maximum annual water entitlement to the Agency of up to 41,500 acre feet. As amended, on January 1, 1991, the Agency began receiving the Devil's Den agricultural entitlement of 12,700 acre feet. In March 1999, the Agency purchased an additional 41,000 acre feet from Wheeler Ridge-Maricopa Water Storage District, bringing the total maximum entitlement to 95,200 acre feet. The agreement contemplated water delivery of 20,100 acre feet beginning in 1981, with increasing deliveries through the years until the maximum entitlement was reached in 1991.

However, as of June 30, 2003, the water delivery objectives of the Contract cannot be achieved unless additional conservation features are constructed. The term of the Contract is for the project re-payment period or 75 year, whichever is longer, and provides for a pledge of certain SCV Water revenues to the bondholders of the State under the Bond Act.

Provision is made in the Contract for two general charges: (1) a Delta water charge and (2) a transportation charge, which are divided into components. The Delta water charge is intended to return to the State all costs of project conservation facilities including capital, maintenance, operation, and replacement components, and is charged to SCV Water on the basis of water entitlement and/or delivery. The transportation charge is for facilities necessary to deliver water to the contractors and also includes a capital, maintenance, operation, and replacement component.

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 13: Commitments and Contingencies (Continued)

At June 30, 2019, the Agency's remaining estimated commitment for these charges is as follows:

On May 22, 2007, SCV Water entered into a 30-year agreement with the Buena Vista Water Storage District and Rosedale-Rio Bravo Water Storage District for the acquisition of 11,000 acre-feet (AF) of water supply per year for a 30-year period. The purchase price was established in FY 2006/07 at \$486.85 per AF, or \$5,335,350. The purchase price is adjusted each calendar year by Consumer Price Index (All Urban Consumers – All Items – Southern California Area) and every 10 years based on historical changes to the cost of the State Water Project. The current purchase price is \$882.60 per AF.

<u>Calendar year ending December 31</u>	<u>Amount</u>
2019	\$ 23,719,296
2020	27,465,054
20201	28,329,211
2022	28,752,611
2023	28,752,096
2024-2028	143,894,712
2029-2033	142,262,331
2034-2035	57,379,772
Total	<u>\$ 480,555,083</u>

Payments due under the DWR and BVRRB agreements are similar in nature to a long-term operating lease, since the Agency does not take title to any assets of the DWR and BVRRB at the end of the water delivery period. Accordingly, no liability under this contract is recorded in the Statement of Net Position.

Litigation

In the ordinary course of operations, the Agency is subject to claims and litigation from outside parties. After consultation with legal counsel, the Agency believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

Grant Awards

Grant funds received by the Agency are subject to audit by the grantor agencies. Such an audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the Agency believes that such disallowances, if any, would not be significant.

SANTA CLARITA VALLEY WATER AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 13: Commitments and Contingencies (Continued)

Construction Contracts

The Agency has a variety of agreements with private parties relating to the installation, improvement, or modification of water facilities, and distribution systems, and other Agency activities. The financing of such contracts is being provided primarily from the Agency's replacement reserves and advances for construction. The Agency has committed to approximately \$7,168,844 of open construction contracts as of June 30, 2019.

The contracts outstanding include:

Project Name	Total Approved Contract	Construction Costs to Date	Balance to Complete
Magic Mountain Parkway Phase 6A	\$ 7,168,844	\$ -	\$ 7,168,844

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

**COST-SHARING MULTIPLE EMPLOYER MISCELLANEOUS PLANS
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾**

	<u>2019</u>	<u>2018</u>
	6/30/2018	6/30/2017
Measurement Date		
Proportion of the Net Pension Liability	0.13844%	0.13729%
Proportionate Share of the Net Pension Liability	\$ 13,340,534	\$ 13,615,322
Covered Payroll	\$ 13,319,776	\$ 13,148,794
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	100.2%	103.5%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.3%	73.3%

Notes to Schedule of Proportionate Share of the Net Pension Liability:

Benefit Changes: None

Changes of Assumptions: In 2017, the accounting discount rate reduced from 7.65 to 7.15 percent. In 2018, demographic assumptions and inflate rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable. The Agency has presented information for those year for which information is available until a full 10-year trend is compiled.

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

**COST-SHARING MULTIPLE EMPLOYER MISCELLANEOUS PLANS
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾**

	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 2,182,797	\$ 1,759,981
Contribution in Relation to the Actuarially Determined Contribution	<u>(2,182,797)</u>	<u>(1,759,981)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 15,958,119	\$ 13,319,776
Contributions as a Percentage of Covered Payroll	13.7%	13.2%

Notes to Schedule of Plan Contributions:

Methods and assumptions used to determine contribution rates:

Valuation Date:	June 30, 2016
Actuarial cost method:	Entry age normal
Amortization method:	Level percentage of payroll
Remaining amortization period:	21 Years as of the Valuation Date
Assets valuation method:	Market Value
Inflation:	2.75% compounded annually
Salary Increases:	3.00% compounded annually
Investment rate of return:	7.375% compounded annually (net of investment and
Retirement age:	50 and 57 years
Mortality:	Scale BB published by the Society of Actuaries

⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable. The Agency has presented information for those year for which information is available until a full 10-year trend is compiled.

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾**

	<u>2019</u>	<u>2018</u>
	June 30, 2018	June 30, 2017
Measurement Date		
Total OPEB Liability		
Service cost	\$ 991,161	\$ 312,585
Interest on the total OPEB liability	1,432,518	742,964
Actual and expected experience difference	-	4,214
Changes in assumptions	841,942	(2,687,699)
Changes in benefit terms	-	637,826
Benefit payments	(571,142)	(273,181)
Net change in total OPEB liability	2,694,479	(1,263,291)
Total OPEB liability - beginning	18,971,850	20,235,141
Total OPEB liability - ending (a)	21,666,329	18,971,850
Plan Fiduciary Net Position		
Contribution - employer	1,900,160	1,298,476
Net investment income	1,088,901	938,262
Benefit payments	(571,142)	(273,181)
Administrative expense	(7,502)	(3,116)
Other expenses	(18,101)	-
Net change in plan fiduciary net position	2,392,316	1,960,441
Plan fiduciary net position - beginning	13,714,823	11,754,382
Plan fiduciary net position - ending (b)	16,107,139	13,714,823
Net OPEB Liability - ending (a) - (b)	\$ 5,559,190	\$ 5,257,027
Plan fiduciary net position as a percentage of the total OPEB liability	74.3%	72.3%
Covered-employee payroll	\$ 5,990,450	\$ 7,273,299
Net OPEB liability as a percentage of covered-employee payroll	92.8%	72.3%

Notes to Schedule:

⁽¹⁾ Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

**SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾**

	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 2,377,824	\$ 601,683
Contribution in Relation to the Actuarially Determined Contributions	<u>(2,377,824)</u>	<u>(601,683)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 5,990,450	\$ 7,273,299
Contributions as a percentage of covered-employee payroll	39.7%	8.3%

Notes to Schedule of Plan Contributions:

Actuarial methods and assumptions used to set the actuarially determined contribution for Fiscal Year 2019 were from the June 30, 2018 actuarial valuation.

Valuation Date:	June 30, 2018
Actuarial Cost Method:	Entry Age Normal, Level Percentage of Payroll
Amortization Method:	Level percent of pay
Amortization Period:	28 years
Asset Valuation Method:	Market value of assets
Discount Rate:	7.00%
General Inflation:	2.75%
Medical Trend:	7.5% in 2019 to 5% in steps of 0.5%.
Mortality:	CalPERS 2014 experience study
Mortality Improvement:	Mortality Improvement Scale 2017 for post-retirement mortality
All Other Assumptions	Same as those used to determine the total OPEB liability

⁽¹⁾ Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>Regional Water Division</u>	<u>Santa Clarita Water Division</u>	<u>Newhall Water Division</u>	<u>Valencia Water Division</u>
Assets:				
Current:				
Cash and cash equivalents	\$ 4,574,115	\$ 10,384,134	\$ 1,700,421	\$ 3,212,276
Investments	94,666,130	44,886,790	10,796,882	12,316,731
Receivables:				
Accounts	2,409,464	4,357,951	1,531,719	4,346,734
Property tax	1,302,680	-	9,044	-
Accrued interest	545,925	246,644	12,748	-
Accounts - other	5,558,940	9,221	45,030	783,246
Prepaid costs	5,015,977	133,350	40,380	390,988
Due from other funds	2,849,324	121,514	130,713	564,144
Materials and supplies inventory	-	878,382	675,629	592,046
Internal balances	95,350,536	-	-	(95,350,536)
Restricted:				
Cash and cash equivalents	4,712,305	-	-	-
Investments	10,147,536	-	-	-
Cash with fiscal agent	5,863,580	-	-	-
Receivables:				
Property tax	1,216,962	-	-	-
Accrued interest	345,984	-	-	-
Accounts - other	537,098	-	-	-
Total Current Assets	<u>235,096,556</u>	<u>61,017,986</u>	<u>14,942,566</u>	<u>(73,144,371)</u>
Noncurrent:				
Investments - restricted	64,728,731	-	-	-
Net OPEB asset	-	-	-	70,589
Capital assets - not being depreciated	55,959,288	20,028,683	10,240,018	7,185,368
Capital assets - net of accumulated depreciation	<u>385,531,447</u>	<u>91,454,806</u>	<u>68,660,816</u>	<u>92,387,078</u>
Total Noncurrent Assets	<u>506,219,466</u>	<u>111,483,489</u>	<u>78,900,834</u>	<u>99,643,035</u>
Total Assets	<u>741,316,022</u>	<u>172,501,475</u>	<u>93,843,400</u>	<u>26,498,664</u>
Deferred Outflows of Resources:				
Deferred pension outflows	2,775,724	1,439,576	261,283	776,227
Deferred OPEB outflows	1,866,250	903,583	823,930	314,856
Loss on defeasance of debt	-	1,322,398	-	-
Total Deferred Outflows of Resources	<u>4,641,974</u>	<u>3,665,557</u>	<u>1,085,213</u>	<u>1,091,083</u>

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>Regional Water Division</u>	<u>Santa Clarita Water Division</u>	<u>Newhall Water Division</u>	<u>Valencia Water Division</u>
Liabilities:				
Current:				
Accounts payable	2,939,556	3,057,357	722,560	2,467,728
Accounts payable - restricted	3,541,479	-	-	-
Accrued liabilities	309,891	113,674	61,091	155,170
Accrued interest	3,647,285	956,042	12,801	427,380
Unearned revenues	-	620,075	296,384	36,600
Deposits payable	-	-	-	98,168
Due to other funds	-	1,748,508	741,106	1,176,081
Advances for construction	-	3,036,253	-	6,828,002
Other current liabilities	-	-	-	3,800,765
Accrued compensated absences	235,742	104,370	63,198	84,999
Certificate of participation	8,915,000	-	-	-
Notes payable	-	-	530,721	-
Revenue bonds	7,140,000	3,035,000	-	-
Total Current Liabilities	<u>26,728,953</u>	<u>12,671,279</u>	<u>2,427,861</u>	<u>15,074,893</u>
Noncurrent:				
Net OPEB liability	2,348,354	1,145,617	2,135,808	-
Net pension liability	6,431,019	3,260,733	1,749,704	1,899,078
Accrued compensated absences	707,227	313,109	189,594	254,998
Certificate of participation	123,538,983	-	-	-
Notes payable	-	-	2,043,059	-
Revenue bonds	153,254,193	53,611,031	-	-
Total Noncurrent Liabilities	<u>286,279,776</u>	<u>58,330,490</u>	<u>6,118,165</u>	<u>2,154,076</u>
Total Liabilities	<u>313,008,729</u>	<u>71,001,769</u>	<u>8,546,026</u>	<u>17,228,969</u>
Deferred Inflows of Resources:				
Deferred pension inflows	535,497	271,514	145,693	158,132
Deferred OPEB inflows	1,344,736	676,342	1,260,927	-
Total Deferred Inflows of Resources	<u>1,880,233</u>	<u>947,856</u>	<u>1,406,620</u>	<u>158,132</u>
Net Position:				
Net investment in capital assets	154,071,207	54,837,458	76,327,054	99,572,402
Restricted	72,753,409	-	-	-
Unrestricted	204,244,418	49,379,949	8,648,913	(89,369,756)
Total Net Position	<u>\$ 431,069,034</u>	<u>\$ 104,217,407</u>	<u>\$ 84,975,967</u>	<u>\$ 10,202,646</u>

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

	Upper Santa Clara Valley	Devil's Den Water District	Groundwater Sust agency	Totals
Assets:				
Current:				
Cash and cash equivalents	\$ 6,899	\$ 11,601	\$ 25,000	\$ 19,914,446
Investments	7,048	242,761	-	162,916,342
Receivables:				
Accounts	-	-	-	12,645,868
Property tax	-	17	-	1,311,741
Accrued interest	45	1,549	-	806,911
Accounts - other	-	-	-	6,396,437
Prepaid costs	-	-	-	5,580,695
Due from other funds	-	-	-	3,665,695
Materials and supplies inventory	-	-	-	2,146,057
Internal balances	-	-	-	-
Restricted:				
Cash and cash equivalents	-	-	-	4,712,305
Investments	-	-	-	10,147,536
Cash with fiscal agent	-	-	-	5,863,580
Receivables:				
Property tax	-	-	-	1,216,962
Accrued interest	-	-	-	345,984
Accounts - other	-	-	-	537,098
Total Current Assets	13,992	255,928	25,000	238,207,657
Noncurrent:				
Investments - restricted	-	-	-	64,728,731
Net OPEB asset	-	-	-	70,589
Capital assets - not being depreciated	-	-	-	93,413,357
Capital assets - net of accumulated depreciation	-	-	-	638,034,147
Total Noncurrent Assets	-	-	-	796,246,824
Total Assets	13,992	255,928	25,000	1,034,454,481
Deferred Outflows of Resources:				
Deferred pension outflows	-	-	-	5,252,810
Deferred OPEB outflows	-	-	-	3,908,619
Loss on defeasance of debt	-	-	-	1,322,398
Total Deferred Outflows of Resources	-	-	-	10,483,827

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>Upper Santa Clara Valley</u>	<u>Devil's Den Water District</u>	<u>Groundwater Sust agency</u>	<u>Totals</u>
Liabilities:				
Current:				
Accounts payable	-	2,665	-	9,189,866
Accounts payable - restricted	-	-	-	3,541,479
Accrued liabilities	-	-	-	639,826
Accrued interest	-	-	-	5,043,508
Unearned revenues	-	-	-	953,059
Deposits payable	-	-	-	98,168
Due to other funds	-	-	-	3,665,695
Advances for construction	-	-	-	9,864,255
Other current liabilities	-	-	-	3,800,765
Accrued compensated absences	-	-	-	488,309
Certificate of participation	-	-	-	8,915,000
Notes payable	-	-	-	530,721
Revenue bonds	-	-	-	10,175,000
Total Current Liabilities	-	2,665	-	56,905,651
Noncurrent:				
Net OPEB liability	-	-	-	5,629,779
Net pension liability	-	-	-	13,340,534
Accrued compensated absences	-	-	-	1,464,928
Certificate of participation	-	-	-	123,538,983
Notes payable	-	-	-	2,043,059
Revenue bonds	-	-	-	206,865,224
Total Noncurrent Liabilities	-	-	-	352,882,507
Total Liabilities	-	2,665	-	409,788,158
Deferred Inflows of Resources:				
Deferred pension inflows	-	-	-	1,110,836
Deferred OPEB inflows	-	-	-	3,282,005
Total Deferred Inflows of Resources	-	-	-	4,392,841
Net Position:				
Net investment in capital assets	-	-	-	384,808,121
Restricted	-	-	-	72,753,409
Unrestricted	13,992	253,263	25,000	173,195,779
Total Net Position	\$ 13,992	\$ 253,263	\$ 25,000	\$ 630,757,309

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2019

	Regional Water Division	Santa Clarita Water Division	Newhall Water Division	Valencia Water Division
Operating Revenues:				
Water consumption sales and services	\$ 29,417,182	\$ 18,788,103	\$ 12,712,003	\$ 32,610,396
Other charges and services	14,687,778	15,506,358	320,954	904,407
Total Operating Revenues	44,104,960	34,294,461	13,032,957	33,514,803
Operating Expenses:				
Source of supply	-	12,544,001	2,949,148	8,836,825
Pumping	182,942	2,746,954	1,257,751	2,104,359
Transmission and distribution	-	4,448,859	559,223	1,188,568
Water Treatment	5,296,643	910,236	354,284	431,443
Administration and general	6,227,411	767,737	4,603,038	8,256,419
Depreciation expense	18,389,819	5,216,152	3,247,280	4,409,877
Maintenance	3,263,353	-	-	-
Engineering	1,588,867	709,943	-	-
Water Quality	1,094,842	702,119	481,947	-
Water Resources	5,792,111	-	-	530,407
Management	288,298	-	-	-
Total Operating Expenses	42,124,286	28,046,001	13,452,671	25,757,898
Operating Income (Loss)	1,980,674	6,248,460	(419,714)	7,756,905
Nonoperating Revenues (Expenses):				
Taxes	57,578,026	-	621,980	-
Interest revenue	7,610,154	416,719	(16,289)	(579,603)
Interest expense	(11,298,342)	(1,982,743)	(84,246)	(4,112,217)
Other revenue (expenses)	873,599	897,850	134,484	-
State Water Contract	(20,182,520)	-	-	-
Gain (loss) on disposal of capital assets	1,933	19,422	(5,184)	(840,857)
Total Nonoperating Revenues (Expenses)	34,582,850	(648,752)	650,745	(5,532,677)
Income (Loss) Before Capital Contributions	36,563,524	5,599,708	231,031	2,224,228
Capital Contributions	-	2,803,347	1,555,591	-
Changes in Net Position	36,563,524	8,403,055	1,786,622	2,224,228
Net Position:				
Beginning of Year, as previously reported	394,438,933	95,814,352	83,189,345	7,978,418
Restatements	66,577	-	-	-
Beginning of Fiscal Year, as restated	394,505,510	95,814,352	83,189,345	7,978,418
End of Fiscal Year	\$ 431,069,034	\$ 104,217,407	\$ 84,975,967	\$ 10,202,646

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2019

	Upper Santa Clara Valley	Devil's Den Water District	Groundwater Sust agency	Totals
Operating Revenues:				
Water consumption sales and services	\$ -	\$ -	\$ -	\$ 93,527,684
Other charges and services	-	-	-	31,419,497
Total Operating Revenues	-	-	-	124,947,181
Operating Expenses:				
Source of supply	-	-	-	24,329,974
Pumping	-	-	-	6,292,006
Transmission and distribution	-	-	-	6,196,650
Water Treatment	-	-	-	6,992,606
Administration and general	24,179	2,960	135,000	20,016,744
Depreciation expense	-	-	-	31,263,128
Maintenance	-	-	-	3,263,353
Engineering	-	-	-	2,298,810
Water Quality	-	-	-	2,278,908
Water Resources	-	-	-	6,322,518
Management	986	3,125	-	292,409
Total Operating Expenses	25,165	6,085	135,000	109,547,106
Operating Income (Loss)	(25,165)	(6,085)	(135,000)	15,400,075
Nonoperating Revenues (Expenses):				
Taxes	-	5,615	-	58,205,621
Interest revenue	28,981	6,733	-	7,466,695
Interest expense	-	-	-	(17,477,548)
Other revenue (expenses)	-	-	-	1,905,933
State Water Contract	-	-	-	(20,182,520)
Gain (loss) on disposal of capital assets	-	-	-	(824,686)
Total Nonoperating Revenues (Expenses)	28,981	12,348	-	29,093,495
Income (Loss) Before Capital Contributions	3,816	6,263	(135,000)	44,493,570
Capital Contributions	-	-	160,000	4,518,938
Changes in Net Position	3,816	6,263	25,000	49,012,508
Net Position:				
Beginning of Year, as previously reported	-	-	-	581,421,048
Restatements	10,176	247,000	-	323,753
Beginning of Fiscal Year, as restated	10,176	247,000	-	581,744,801
End of Fiscal Year	\$ 13,992	\$ 253,263	\$ 25,000	\$ 630,757,309

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2019

	<u>Regional Water Division</u>	<u>Santa Clarita Water Division</u>	<u>Newhall Water Division</u>	<u>Valencia Water Division</u>
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 39,497,799	\$ 35,107,956	\$ 12,519,116	\$ 33,421,208
Cash paid to suppliers for goods and services	(16,956,702)	(22,133,125)	(5,923,979)	(10,510,936)
Cash paid to employees for services	(7,369,500)	(1,635,787)	(3,656,622)	(8,991,536)
Net Cash Provided (Used) by Operating Activities	15,171,597	11,339,044	2,938,515	13,918,736
Cash Flows from Non-Capital Financing Activities:				
Repayment made to other funds	(2,849,324)	(121,514)	(130,713)	(564,144)
Repayment received from other funds	-	1,748,508	741,106	1,176,081
Internal balances	1,221,012	-	-	(1,221,012)
Proceeds from property taxes	58,176,635	-	631,156	-
Payments for state water contract	(20,182,520)	-	-	-
Proceeds from non-operating revenues	873,599	897,850	134,484	-
Net Cash Provided (Used) by Non-Capital Financing Activities	37,239,402	2,524,844	1,376,033	(609,075)
Cash Flows from Capital and Related Financing Activities:				
Capital contributions	-	2,803,347	1,555,591	-
Acquisition and construction of capital assets	(16,847,148)	(4,143,474)	(2,768,333)	(3,158,152)
Principal paid on capital debt	(15,440,000)	(2,780,000)	(515,972)	-
Interest paid on capital debt	(9,060,096)	(2,306,412)	(86,491)	(4,105,479)
Proceeds from sales of capital assets	1,933	26,602	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(41,345,311)	(6,399,937)	(1,815,205)	(7,263,631)
Cash Flows from Investing Activities:				
Interest received	7,322,974	326,777	8,405	(579,603)
Net Cash Provided (Used) by Investing Activities	7,322,974	326,777	8,405	(579,603)
Net Increase (Decrease) in Cash and Cash Equivalents	18,388,662	7,790,728	2,507,748	5,466,427
Cash and Cash Equivalents at Beginning of Year	166,303,735	47,480,196	9,989,555	10,062,580
Cash and Cash Equivalents at End of Year	\$ 184,692,397	\$ 55,270,924	\$ 12,497,303	\$ 15,529,007
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 1,980,674	\$ 6,248,460	\$ (419,714)	\$ 7,756,905
Adjustments to Reconcile Operating Income (loss) Net Cash Provided (used) by Operating Activities:				
Depreciation	18,389,819	5,216,152	3,247,280	4,409,877
(Increase) decrease in accounts receivable	(4,600,522)	648,546	373,571	(195,763)
(Increase) decrease in inventory	-	(97,755)	77,414	(153,638)
(Increase) decrease in prepaid expense	(7,493)	(48,066)	24,871	160,721
Increase (decrease) in accounts payable	846,695	1,277,263	(466,729)	56,026
Increase (decrease) in due to other governments	-	-	-	-
Increase (decrease) in deposits payable	-	352,629	-	98,168
Increase (decrease) in advances for construction	-	-	-	(690,041)
Increase (decrease) in unearned revenue	(6,639)	164,949	(887,412)	4,000
Increase (decrease) in accrued liabilities	90,047	8,971	3,368	1,357,312
Increase (decrease) in net OPEB liability and related items	(1,969,171)	(2,118,433)	1,813,601	(317,414)
Increase (decrease) in net pension liability and related items	237,851	(346,748)	(904,391)	1,368,163
Increase (decrease) in compensated absences	210,336	33,076	76,656	64,420
Total Adjustments	13,190,923	5,090,584	3,358,229	6,161,831
Net Cash Provided (Used) by Operating Activities	\$ 15,171,597	\$ 11,339,044	\$ 2,938,515	\$ 13,918,736
Non-Cash Investing, Capital, and Financing Activities:				
Amortization of Premiums/Discounts	\$ 1,450,621	\$ 267,806	\$ -	\$ -

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2019

	Upper Santa Clara Valley	Devil's Den Water District	Groundwater Sust agency	Totals
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ -	\$ -	\$ -	\$ 120,546,079
Cash paid to suppliers for goods and services	(26,903)	(7,998)	(135,000)	(55,694,643)
Cash paid to employees for services	-	-	-	(21,653,445)
Net Cash Provided (Used) by Operating Activities	(26,903)	(7,998)	(135,000)	43,197,991
Cash Flows from Non-Capital Financing Activities:				
Repayment made to other funds	-	-	-	(3,665,695)
Repayment received from other funds	-	-	-	3,665,695
Internal balances	-	-	-	-
Proceeds from property taxes	-	5,648	-	58,813,439
Payments for state water contract	-	-	-	(20,182,520)
Proceeds from non-operating revenues	-	-	-	1,905,933
Net Cash Provided (Used) by Non-Capital Financing Activities	-	5,648	-	40,536,852
Cash Flows from Capital and Related Financing Activities:				
Capital contributions	-	-	160,000	4,518,938
Acquisition and construction of capital assets	-	-	-	(26,917,107)
Principal paid on capital debt	-	-	-	(18,735,972)
Interest paid on capital debt	-	-	-	(15,558,478)
Proceeds from sales of capital assets	-	-	-	28,535
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	160,000	(56,664,084)
Cash Flows from Investing Activities:				
Interest received	28,969	6,332	-	7,113,854
Net Cash Provided (Used) by Investing Activities	28,969	6,332	-	7,113,854
Net Increase (Decrease) in Cash and Cash Equivalents	2,066	3,982	25,000	34,184,613
Cash and Cash Equivalents at Beginning of Year	11,881	250,380	-	234,098,327
Cash and Cash Equivalents at End of Year	\$ 13,947	\$ 254,362	\$ 25,000	\$ 268,282,940
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (25,165)	\$ (6,085)	\$ (135,000)	\$ 15,400,075
Adjustments to Reconcile Operating Income (loss) Net Cash Provided (used) by Operating Activities:				
Depreciation	-	-	-	31,263,128
(Increase) decrease in accounts receivable	-	-	-	(3,774,168)
(Increase) decrease in inventory	-	-	-	(173,979)
(Increase) decrease in prepaid expense	-	-	-	130,033
Increase (decrease) in accounts payable	-	(1,913)	-	1,711,342
Increase (decrease) in due to other governments	(1,738)	-	-	(1,738)
Increase (decrease) in deposits payable	-	-	-	450,797
Increase (decrease) in advances for construction	-	-	-	(690,041)
Increase (decrease) in unearned revenue	-	-	-	(725,102)
Increase (decrease) in accrued liabilities	-	-	-	1,459,698
Increase (decrease) in net OPEB liability and related items	-	-	-	(2,591,417)
Increase (decrease) in net pension liability and related items	-	-	-	354,875
Increase (decrease) in compensated absences	-	-	-	384,488
Total Adjustments	(1,738)	(1,913)	-	27,797,916
Net Cash Provided (Used) by Operating Activities	\$ (26,903)	\$ (7,998)	\$ (135,000)	\$ 43,197,991
Non-Cash Investing, Capital, and Financing Activities:				
Amortization of Premiums/Discounts	\$ -	\$ -	\$ -	\$ 1,718,427

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Santa Clarita Valley Water Agency
City of Santa Clarita, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Santa Clarita Valley Water Agency, (the Agency) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated March 6, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify the following deficiencies in internal control, described in the accompanying schedule of findings and questioned costs, that we consider to be significant deficiencies: 2019-001.



To the Board of Directors
Santa Clarita Valley Water Agency
City of Santa Clarita, California

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Agency's Response to Findings

The Agency's response to the findings identified in our audit was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Lance, Soll & Lughard, LLP".

Brea, California
March 6, 2020



To the Board of Directors
Santa Clarita Valley Water Agency
City of Santa Clarita, California

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year-End Closing Process

Reference Number: 2019-001

Condition:

Various adjusting entries were received throughout the duration of the audit to correct errors in account balances identified by LSL and the Agency.

Criteria:

The trial balance received at the beginning of audit fieldwork is expected to be complete and free from material errors.

Cause of Condition:

The Agency has four divisions with separate accounting systems and personnel overseeing the trial balances. As such, there is a lack of sufficient controls to ensure the final account balance are properly reconciled and the trial balances received by each division are complete.

Effect or Potential Effect of Condition:

Unreconciled account balances could result in a material misstatement in the Agency's financial statements.

Recommendation:

We recommend the Agency implement controls to ensure that all account balances are properly reconciled prior to providing a final trial balance.

Management's Response and Corrective Action:

Management agrees with the audit finding. The agency will be replacing the separate accounting systems with one unified system. This will significantly improve internal controls with one set of Agency-wide financial statements. This will allow for timely review of account balances.



COMMITTEE MEMORANDUM

DATE: March 2, 2020

TO: Finance and Administration Committee

FROM: Rochelle Patterson *[Signature]*
Director of Finance and Administration

SUBJECT: Recommend Approval of a Resolution Awarding a Contract to Emtec Consulting Services, LLC for Customization and Implementation of the FMIS

SUMMARY

This recommendation details the process to modernize and update the Agency's existing accounting software, which currently includes three different accounting systems with four general ledgers, all of which are legacy systems of the various entities that were merged into the Agency in January 2018. To improve efficiency, the Agency recognized the need to implement new accounting software that meets the accounting and financial reporting requirements of all divisions of the Agency.

There are two components for the total implementation of a new Financial Management Information System (FMIS): 1) choosing the correct software to meet the Agency-defined functional requirements; and 2) contracting with a system implementation vendor to customize the identified functional requirements. After a year of data gathering, evaluating criteria and functional requirements, developing and reviewing an RFP (Request For Proposal), participating in vendor demonstrations and confirmation sessions, staff recommended to the Board of Directors, and the Board approved Oracle Enterprise Performance Management Enterprise Cloud Service (Oracle) at its February 18, 2020 regular meeting as the software vendor who best met the Agency's needs. The second component of the FMIS project is to contract with the system implementation vendor that will be customizing and implementing the Oracle software.

Based on the competitive selection process, staff recommends the award of a consultant contract to Emtec Consulting Services, LLC (Attachment 1). We anticipate fully transitioning to the new FMIS and completing the implementation of Oracle by April 2021. We are seeking a recommendation to award a 17-month consultant contract to Emtec Consulting Services, LLC., in an amount not to exceed \$3,257,454, for implementation and customization of the Oracle FMIS.

DISCUSSION

The Agency currently uses SunGard/CentralSquare, Sage 300 and Microsoft Dynamics GP for financial and accounting software. As identified in the planning stage, the current accounting and financial software that is used by each legacy division does not meet the needs of the Agency. Over the past year, Agency staff has spent hundreds of hours working on selecting a new software system and an implementation vendor. The new system will eliminate the limitations and manual processes of the current systems and provide a comprehensive solution and enable transformation of processes necessary to become a best in class agency.

Critical financial management process areas:

- Accounts Receivable
- General Ledger
- Inventory
- Purchasing
- Contract Management
- Project Accounting
- Budgeting

Processes that worked well for the smaller individual utilities are not efficient for the larger, more complex, single agency.

A full suite of FMIS modules along with implementation services will:

- Unite the organization on one modern FMIS platform
- Enable the adoption of efficient business processes across the organization
- Enable efficient and scalable business management
- Provide a modern technological platform that can easily integrate with ancillary solutions such as human resources, project management and purchasing
- Provide easy access to information for end users, executives, and financial reporting

Staff has undertaken a competitive procurement process to identify the software and qualified vendor to implement the system. After reviewing eight responses to the RFP and receiving demonstrations from the top three scoring software and implementation vendors, staff determined that Oracle as the software vendor and Emtec as the system implementation vendor would best meet the Agency's primary objectives of having one integrated system. Below were the top three scoring vendor proposals for implementation received during the RFP process.

Oracle/Emtec	\$2,583,576
Infor/Infor	\$2,940,356
Tyler Technologies/Tyler Technologies	N/A

The Agency selected Oracle software with the Emtec implementation services. After the selection was made, the Agency decided to modify the scope of work by adding additional reporting elements and Oracle's Human Capital Management (HCM) module. Infor did not offer a suitable human resources module but could have added additional configuration costs to link the Agency's legacy human resources system. Although Tyler Technologies scored in the top three during vendor selection, it was determined during demonstrations that the Tyler Technologies product would not meet the required functional requirements and was eliminated.

The desired scope of services includes establishing a detailed implementation plan, designating responsibilities, developing a schedule, creating detailed design documents, providing weekly meeting agendas, attendance and status reports, authoring a quality assurance report of the entire system and its processes, and providing support to Agency users. We anticipate fully transitioning to the new FMIS and completing implementation of Oracle by April 2021.

After full implementation, the new FMIS will: 1) replace the current financial and accounting systems with a single system tailored for government agencies; 2) develop a configured platform that will meet the Agency's business requirements and automatically transfer and

upload data in real time; 3) streamline and improve current business processes; 4) provide detailed project management accounting and reporting; 5) integrate payroll and benefits; and 6) integrate paperless document management into all business processes.

In addition, the functions available in the Oracle/Emtec solution will offer the Agency the capability to help address requirements of public sector organizations including adaptability to legislative mandates, grants and support of open government and accountability. Emtec will assist the Agency with its identified project objectives as well as taking into consideration needs of public sector including specific functions such as project management, grant management, tracking of multiple fund sources for projects, contract management, and public sector accounting reporting.

While it is difficult to estimate savings due to efficiencies as there are so many intangibles related to the new FMIS that cannot be captured in a return-on-investment calculation, staff believes they will be able to focus their energy on delivering the latest functionality and continuously analyze their processes for effectiveness.

FINANCIAL CONSIDERATIONS

The contract will be funded by the adopted capital improvement budget from each division in Fiscal Years (FY) 2019/20 and FY 2020/21.

The costs will be allocated to each legacy division based on the adopted FY 2019/20 and FY 2020/21 budgeted allocation plan. Staff is recommending awarding a 17-month consultant contract to Emtec Consulting Services, LLC in an amount not to exceed \$3,257,454, for implementation and customization of the Oracle FMIS.

RECOMMENDATION

That the Finance and Administration Committee recommend that the Board of Directors approve a resolution (Attachment 2) awarding a contract with Emtec Consulting Services, LLC for customization and implementation of the Oracle FMIS in an amount not to exceed \$3,257,454.

RP

Attachments

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PROFESSIONAL SERVICES AGREEMENT

between

**Santa Clarita Valley Water Agency
27234 Bouquet Canyon Road
Santa Clarita, CA 91350**

Telephone (661) 297-1600 FAX (661) 297-1611

AND Legal Entity Name:	Emtec Consulting Services, LLC
Trade Name (DBA)	n/a
Address Line 1:	122 W. Market Street, Suite B
Address Line 2:	Athens, Alabama 35611
Telephone Number:	(484) 654-2540
Federal Tax ID Number:	[REDACTED]

This Agreement (“Agreement”) is made effective as of [REDACTED], 2020, by and between the Santa Clarita Valley Water Agency, a California special act agency (Chapter 833, Statutes of 2017) (“SCV Water”), and Emtec Consulting Services, a Delaware limited liability company (“Consultant”) (collectively, the “Parties”), at Santa Clarita, California, with reference to the following facts and intentions:

WHEREAS, SCV Water is replacing its existing legacy ERP software with a new Oracle cloud based software solution (“Project”), which will include Oracle’s Cloud ERP (Enterprise Resource Planning – collectively this refers to the Oracle Financials, Supply Chain, and Projects applications), HCM (Human Capital Management – refers to the Oracle Human Resource application), and EPM (Enterprise Planning Module – refers to the Enterprise Planning and Budgeting Cloud Service application (aka EPBCS) software (collectively, the “Software”)); and

WHEREAS, SCV Water requires a highly qualified consultant with the requisite knowledge, skill, ability and expertise to provide the necessary services for the configuration of the Software and the implementation of the Project and

WHEREAS, SCV Water solicited proposals to interested parties to provide the Services in connection with the Project pursuant to that certain Request for Proposal dated June 27, 2019 (“RFP”); and

WHEREAS, Consultant submitted that certain response to the Request for Proposal dated August 12, 2019 (“Response”) and was selected by SCV Water to move forward to the negotiation and contracting process; and

WHEREAS, Consultant represents to SCV Water that it is fully qualified and available to perform the Services for and as requested by SCV Water as set forth in the Response.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and terms and conditions herein, the Parties agree as follows:

1. SCOPE OF WORK

1.1. SCOPE OF WORK AND WORK PRODUCT.

Consultant shall provide all “Services” as set forth below:

Consultant shall provide all services and deliverables set out in the attached Exhibit A, Scope of Work, in accordance with the requirements of (i) this Agreement, (ii) the Scope of Work, (iii) the Functional Requirements which are attached hereto as Exhibit B; and (iv) the RFP, as modified by the Response. The Scope of Work and the foregoing documents are referred to herein as the “Contract Documents”. In the event of any conflict between the Contract Documents, the following order of precedence will be observed in interpreting the provisions thereof: (a) Scope of Work; (b) the Functional Requirements; (iii) this Agreement; (iv) the Response; and (v) the RFP.

All services and deliverables will be subject to review and acceptance by SCV Water pursuant to the acceptance criteria set forth in this Agreement and the Scope of Work.

- 1.2. **Independent Contractor; Agency** - The Consultant is acting hereunder as an independent contractor and not as an agent or employee of SCV Water. The Consultant is thus not eligible to receive workers’ compensation, medical, indemnity or retirement benefits, including but not limited to enrollment in CalPERS. Except as expressly provided herein, the Consultant is not eligible to receive overtime, vacation or sick pay. The Consultant shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of SCV Water.
- 1.3. **Extra Services** - Before performing any services outside the scope of this Agreement (“Extra Services”), Consultant shall submit a written request for approval of such Extra Services and receive written approval from SCV Water in accordance with the change order process described in the Scope of Work. SCV Water shall have no responsibility to compensate Consultant for any Extra Services provided by Consultant without such prior written approval.
- 1.4. **Methods** - Consultant shall have the sole and absolute discretion in determining the methods, details and means of performing the Services required by SCV Water, provided, however, that Consultant and SCV Water have agreed upon certain procedures to be followed to ensure the timely and completion of the Services as set forth in the Scope of Work, it being understood that a successful implementation requires a high level of cooperation and coordination between Consultant and SCV Water and its Project manager. SCV Water shall not have any right to direct the methods, details and means of the Services; however, Consultant must receive prior written approval from SCV Water before assigning or changing any assignment of Consultant’s project manager or key personnel and before using any Sub-consultants (“Sub-consultants”) or Sub-consultant agreements for services or materials under this Agreement and any work authorizations.
- 1.5. **Review** - Consultant shall furnish SCV Water with reasonable opportunities from time to time to ascertain whether the Services of Consultant are being performed in accordance with this Agreement. All work done and materials furnished shall be subject to final review and approval by SCV Water pursuant to the testing and acceptance procedures set forth herein and the Scope of Work. SCV Water’s review and approval of the Services shall not, however, relieve Consultant of any of its obligations under this Agreement.

1.6 Warranty and Covenants of Consultant –

- 1.6.1 Consultant represents and warrants that it is familiar with the Software and has requested from SCV Water all information that is necessary to evaluate and understand the resources necessary for the implementation of the Project in accordance with the Scope of Work. Consultant further warrants that it has the expertise and a sufficient number of qualified personnel to (i) perform the Services as outlined in the Contract Documents; (ii) complete the Services within the number of hours stated in the fixed fee proposal, subject to any change in the agreed Scope of Work; and (iii) complete of the Services in accordance with the Project milestones and work schedule that is set forth in the Scope of Work, subject to the timely performance of SCV Water's obligations.
- 1.6.2 Consultant warrants that the Services will be performed in a skilled and professional manner consistent with the generally accepted practices in the software industry and that upon completion of the Services, the configuration and implementation of the Software by Consultant will not contain Defects. For the purposes of this Agreement, a "Defect" means the Software was not configured and implemented by Consultant in such a manner as to provide the feature and business processes which are set forth in the Functional Requirements. Consultant is not responsible for any underlying defect or failure in the Software to operate properly in accordance with its documentation. Any Defect that is identified during the acceptance testing process as set forth in the Scope of Work will be corrected pursuant to the procedure set forth therein, or as described in Section 1.8 of this Agreement. Furthermore, Consultant will promptly cure any Defect that is identified by SCV Water for a period of four (4) months following go-live as specified in Consultants response to the RFP. In the event that SCV Water discovers a Defect after the four (4) month period and has accumulated unused service hours in accordance with the process set forth in the Scope of Work, then SCV Water may direct Consultant to use such hours to correct the Defect. Once all of the unused hours have been expended, any remaining work will by consultant will be on a time and materials basis.
- 1.6.3 Consultant represents that at the time of execution, no additional Oracle software, third party software or interface (other than disclosed in the Scope of Work) is necessary for Consultant to configure the Software to provide the Functional Requirements.
- 1.6.4 Consultant will comply with the reasonable data and network security requirements of SCV Water with respect to accessing SCV Water servers and any live or test environments used for the configuration, testing and implementation of the Project. Consultant further agrees that in accessing such servers and environments, it will not install any backdoor or disabling device, nor shall it introduce any virus or malware.
- 1.6.5 During the performance of the Services, Consultant may have access to data that includes private personal identifying information of SCV Water customers and employees and Consultant covenants and agrees that it will maintain the confidentiality of such data in accordance with the requirements of Section 12, will not use the data for any purpose other than the performance of the Services and will not disclose the data to any third party unless required to make such disclosure by court order.
- 1.6.6 Except as expressly set forth in the Contract Documents, the Services and each

constituent of are provided without warranty of any kind, express or implied.

1.7 Project Schedule

- 1.7.1 As set forth in Section 6.1 of the Scope of Work, the Parties will develop a project schedule that details both Consultant and SCV Water's responsibilities, timeline for project activities, phases, milestones, and deliverables ("Project Schedule") in connection with Consultant's performance of the Services. The Project Schedule shall be in sufficient detail to specify the deliverables, conversion, training, testing, acceptance, configuration, modification, integration, and live operation activities. The Project Schedule will comply with any agreed upon major milestones or project completion dates set forth in the Contract Documents.
- 1.7.2 Both Parties shall perform their obligations pursuant to the Scope of Work in accordance with the agreed Project Schedule. A Party may request minor variances in the Project Schedule which do not exceed thirty (30) days in the aggregate, approval of which will not be unreasonably withheld by the other party. In the event that the Project Schedule is delayed as a result of the failure of SCV Water to provide information or deliverables in a timely manner, then Consultant will be entitled to a reasonable extension of the Project Schedule. In the event that the Project Schedule is delayed as a result of the failure of Consultant to complete Services in a timely manner, then Consultant will notify SCV Water of the delay and will provide a written plan to get the Project Schedule back on track. Any extension of the project Schedule by SCV Water in response to such notice and plan will be at the sole discretion of SCV Water. Any change in the Project Schedule will be subject to the change approval process set forth in the Scope of Work.

1.8 Acceptance Testing.

- 1.8.1 **Conditional Acceptance of Services and Deliverables.** Upon notification from Consultant that work product from the Services (including all deliverables, conversions, interfaces and modifications) (each, a "Deliverable") is ready for testing, SCV Water will begin testing such Deliverable in a non-production environment in accordance with the testing procedures set forth in the Scope of Work. SCV Water will conduct those tests using the procedures and standards identified in the Scope of Work or otherwise mutually agreed in writing ("Acceptance Test Procedures"). SCV Water will conduct the tests to determine whether each Deliverable satisfies the Acceptance Test Procedures ("Pre-Live Testing"). Except for the time periods for Pre-Live Testing of specific Deliverables set forth in the test plan in the Scope of Work, SCV Water will have ten (10) days to conduct Pre-Live Testing, beginning on the date Consultant notifies SCV Water that the Deliverable(s) is/are ready for testing. After that ten (10) day window has passed, SCV Water will notify Consultant in writing if the Deliverable(s) achieved "Conditional Acceptance." If SCV Water determines that one or more Deliverables cannot achieve Conditional Acceptance for failure to satisfy the Acceptance Test Procedures or contains a Defect, SCV Water will deliver to Consultant a description of the failures according to reporting procedures agreed to in the Scope of Work. Consultant will correct the failures and/or Defect and resubmit the Deliverable to SCV Water and the Parties will repeat the Acceptance Test Procedures except that the time period for retesting by SCV Water will be five (5) days. This process shall continue until Conditional Acceptance of all Deliverables has been achieved. In the sole discretion of SCV Water, it may issue Conditional Acceptance of all Deliverables for the purposes of implementing live production use of the Software subject to a list of issues that have been identified in the acceptance testing and Conditional Acceptance process which

Agreement: _____

Consultant has agreed to resolve following the commencement of live production on a schedule that is acceptable to SCV Water. These issues will be referred to as the "Punch List Issues".

- 1.8.2 **Final Acceptance of Services and Deliverables.** Once Conditional Acceptance of the Services and all Deliverables has occurred, and the Software has been placed in a live production environment, SCV Water will operate the Software for a period of four months ("Live Testing"). During the Live Testing period, SCV Water will notify Consultant of any new issues that are discovered where the functionality of the Software does not comply with the Functional Requirement and upon verification of such Defects by Consultant, they will be added to the Punch List Issues along with the agreed schedule for resolution of such issue. At such time as all Punch List Issues have been resolved, then SCV Water will issue Final Acceptance. If a Punch List Issue cannot reasonably be resolved within the Live Testing period, then Consultant will propose a schedule for the resolution of such issue for approval by SCV Water, which approval will not be unreasonably withheld. Upon final resolution of all Punch List Issues remaining at the end of the Live Testing period, SCV Water will issue Final Acceptance.

1.9 Project Staffing

- 1.9.1 The Project will be staffed by Consultant personnel in accordance with the requirements of the Scope of Work.
- 1.9.2 As a general principal, Consultant will use reasonable efforts to maintain the continuity of its personnel to provide a team that is knowledgeable about the requirements of SCV Water in connection with carrying out the Services. In particular, Consultant will use reasonable best efforts to maintain the continuity of its personnel during the period following go-live for the duration of the Live Testing.
- 1.9.3 In the event any of Consultant's personnel are, in the opinion of SCV Water, uncooperative, inept, incompetent, or otherwise do not conform to the warranties herein, Consultant will be given an opportunity to correct the deficiency. In the event the deficiency persists, SCV Water may require the removal of the personnel in question. Consultant will work towards a mutually agreeable remedy in the event of a change in personnel, including managing the effect upon the timelines and milestones set forth in the Scope of Work. The replacement personnel will be timely assigned. Replacement personnel shall, at no additional cost, devote sufficient time to becoming familiar with the Project before delivering Services.
- 1.9.4 Consultant shall give prior written notice to SCV Water which subcontractors Consultant assigns, if any, to fulfill its roles and responsibilities defined in the Scope of Work. In the event SCV Water has a reasonable objection to the subcontractor, Consultant will cooperate with SCV Water to use a different subcontractor if it is feasible, but Consultant will be granted an extension of the Project Schedule for any delays caused by such replacement. In the event any subcontractor is, in the opinion of SCV Water, uncooperative, inept, incompetent, or otherwise do not conform to the warranties herein, Consultant will be given an opportunity to correct the deficiency. In the event the deficiency persists, SCV Water may require the removal of the subcontractor in question. Consultant will work towards a mutually agreeable remedy in the event of a change in subcontractor, including managing the effect upon the timelines and milestones set forth in the Scope of Work. The replacement subcontractor will be timely assigned. Replacement subcontractor shall, at no additional cost to SCV Water, devote

sufficient time to becoming familiar with the Project before delivering Services.

1.10 On-Site Work Requirements.

- 1.10.1 Consultant agrees that all persons working for or on behalf of Consultant whose duties bring them upon the premises of SCV Water shall obey the safety rules and regulations of SCV Water and shall comply with the reasonable directions of the SCV Water's employees and security personnel.
- 1.10.2 Consultant shall be responsible for the acts of its employees and agents while on the premises of SCV Water.
- 1.10.3 Consultant agrees that, in the event of an accident caused by Consultant's employees or contractors, Consultant will timely notify the SCV Water representative and thereafter, if requested, furnish a full written report of such accident.
- 1.10.4 Consultant and its employees and contractors shall have the right to use only those facilities of SCV Water that are reasonably necessary to perform services under this Agreement and shall have no right to access any other facilities. SCV Water shall extend parking privileges to properly identified members of Consultant's personnel.

2. COMPENSATION

- 2.1. **Amount** - As consideration for the Services described above, SCV Water will pay the Consultant an amount not to exceed [REDACTED] ("Maximum Amount"). Payment will be made in accordance with the Project milestones set forth in the Scope of Work. Consultant shall submit an invoice within ten (10) days after the completion of each Project milestone.
- 2.2. **Invoicing** - Each invoice shall identify and describe the activities performed by Consultant and state the total cost of the Services for the milestone covered by the invoice; the hours worked; the name and title of the person(s) performing the work; the hourly rate for the person(s) performing the work; the accrued reimbursable expenses; and the budget amount and percentage remaining (after invoice payment), without reduction for retentions. The invoice shall also identify expenses for which reimbursement is requested and attach supporting documentation, including original receipts and/or bills. Any expenses exceeding \$500 shall require written approval from SCV Water. Reimbursable costs shall not include any administrative or overhead expenses and shall be reimbursable as described in the Scope of Work. Costs or expenses not designated or identified in the Scope of Work shall not be reimbursable unless otherwise provided in this Agreement. Only actual time in providing the Services will be charged. Except as set forth in the Scope of Work, SCV Water will not make any payments for Consultant's travel time incurred in providing the Services, and Consultant agrees not to invoice SCV Water for any travel time incurred in providing the Services. SCV Water shall review and approve all invoices prior to payment. Consultant agrees to submit additional supporting documentation to support the invoice if requested by SCV Water. If SCV Water does not approve an invoice, SCV Water shall send a notice to the Consultant setting forth the reason(s) the invoice was not approved. Consultant may re- invoice SCV Water to cure the defects identified in the SCV Water notice. The revised invoice will be treated as a new submittal. If SCV Water contests all or any portion of an invoice, SCV Water and the Consultant shall use their best efforts to resolve the contested portion of the invoice.

Agreement: _____

SCV Water shall pay approved invoice amounts within thirty (30) days of receipt. SCV Water's determinations regarding verification of Consultant's performance, accrued reimbursable expenses and percentage of completion shall be binding and conclusive. Consultant's time records, invoices, receipts and other documentation supporting the invoices shall be available for review by SCV Water upon reasonable notice and shall be retained by Consultant for three (3) years after completion of the Project.

All invoices submitted for payment must indicate the Agreement number, budget coding, and either are to be emailed to the Project Manager or a hard copy mailed to SCV Water, 27234 Bouquet Canyon Road, Santa Clarita, CA. 91350, Attention: Accounts Payable.

- 2.3. **Withholding Payment** - In the event SCV Water has reasonable grounds for believing Consultant will be unable to materially perform the Services under this Agreement or unable to complete the Services within the Maximum Amount described in this Agreement, or if SCV Water becomes aware of a potential claim against Consultant or SCV Water arising out of Consultant's negligence, intentional act or breach of any provision of this Agreement, including a potential claim against Consultant by SCV Water, then SCV Water may withhold payment of any amount payable to Consultant that SCV Water determines is related to such inability to complete the Services, negligence, intentional act, or breach.

3. TAXES; INSURANCE; PERMITS; LICENSES

- 3.1. **Taxes** - Consultant shall be solely responsible for the payment of all federal, state and local income tax, social security tax, worker's compensation insurance, state disability insurance, and any other taxes or insurance Consultant, as an independent contractor, is responsible for paying under federal, state or local law. Consultant is aware of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and Consultant shall comply with such provisions before commencing the performance of the Services under the Agreement. Consultant and its Sub-consultants shall maintain workers' compensation insurance for their employees in effect during all work covered by the Agreement.
- 3.2. **Permits and Licenses** - Consultant shall procure and maintain all permits, and licenses and other government-required certification necessary for the performance of the Services, all at the sole cost of Consultant. None of the items referenced in this section shall be reimbursable to Consultant under the Agreement. Consultant shall comply with any and all applicable local, state, and federal regulations and statutes including Cal/OSHA requirements.

4. RISK TRANSFER PROVISIONS

- 4.1. **Workers' Compensation Insurance** - By his/her signature hereunder, Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing the performance of the work of this Agreement.
- 4.2. **Indemnification** - To the fullest extent permitted by law, Consultant will immediately defend, indemnify and hold harmless SCV Water, its directors, officers, employees, or authorized volunteers, and each of them (collectively "the Agency") from and against:

Agreement: _____

- 4.2.1. All claims, demands, liabilities and losses arising out of the performance (or actual or alleged non-performance) of the Services by Consultant, including its agents and employees, under this Agreement, for damages to persons or property arising, pertaining to or relating to the Consultant's negligent acts or omissions or willful misconduct or the failure of Consultant to comply with any professional standard of care applicable to Consultant's services.
- 4.2.2. Any and all actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or equity, of every kind or nature whatsoever, arising out of, resulting from, or on account of the intentional or negligent violation of any governmental law or regulation, compliance with which is the responsibility of Consultant.
- 4.2.3. Any and all losses, expenses, damages (including damages to the work itself), reasonable attorneys' fees, and other costs, including all costs of defense, including but not only costs of counsel reasonably acceptable to the SCV Water, which any of them may incur with respect to the failure, neglect, or refusal of Consultant to perform the work and all of the Consultant's obligations under the Agreement. Such costs, expenses, and damages shall include all costs, including reasonable attorneys' fees, incurred by the indemnified parties in any lawsuit to which they are a party.
- 4.2.4. Consultant shall immediately defend upon the SCV Water's tender, at Consultant's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against SCV Water or its directors, officers, employees, authorized volunteers, and/or representatives, notwithstanding whether Consultant's liability can be established or not. Consultant shall further defend itself against any and all liabilities, claims, losses, damages, and costs arising out of or alleged to arise out of performance or non-performance of the work hereunder, and shall not tender such claims to SCV Water nor to its directors, officers, employees, or authorized volunteers, for defense or indemnity.
- 4.2.5. Consultant's obligation to defend and indemnify shall survive the termination or completion of this Agreement for the full period of time allowed by law and shall not be restricted by the insurance requirements of this Agreement or to insurance proceeds, if any received by SCV Water, or its directors, officers, employees, or authorized volunteers.
- 4.2.6. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against SCV Water or its directors, officers, employees, or authorized volunteers, in any and all such aforesaid suits, actions, or other legal proceedings if arising as provided in the previous subsections of this Section.
- 4.2.7. Consultant shall reimburse SCV Water or its directors, officers, employees, or authorized volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith.
- 4.2.8. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the SCV Water or its directors, officers, employees, or authorized volunteers.

Notwithstanding the foregoing obligations, Consultant shall not at any time be responsible for any claims, liabilities or demands to the extent that they arise from the negligence or willful misconduct of SCV Water, provided, however, that contributory negligence will not relieve Consultant of its obligation to defend unless the claims, liabilities or demand are the result of the

sole negligence or willful misconduct of SCV Water.

- 4.3 **Limitation of Liability** – Except for third party claims for personal injury, wrongful death or property damage, to the maximum extent permitted by applicable law, in no event will either Party be liable for any indirect, special, incidental or consequential damages arising out of this Project, even if advised of the possibility thereof, and regardless of the legal or equitable theory upon which the claim is based. Furthermore, in no event shall Consultant's aggregate liability under this Project exceed the greater of two times the total value of fees agreed to hereunder or the amount available under Consultant's insurance coverage for any claim covered by insurance for which Consultant has indemnified SVC Water hereunder.

5. GENERAL CONDITIONS

- 5.1. **Laws, Regulations and Permits** - The Consultant shall give all notices required by law and comply with all laws, ordinances, rules, and regulations pertaining to the conduct of the work. The Consultant shall be liable for all violations of the law in connection with work furnished by the Consultant. If the Consultant performs any work knowing it to be contrary to such laws, ordinances, rules and regulations, the Consultant shall bear all costs arising therefrom.
- 5.2. **Safety** - The Consultant shall execute and maintain his/her work so as to avoid injury or damage to any person or property.

In carrying out his/her work, the Consultant shall at all times exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed, and be in compliance with all applicable federal, state and local statutory and regulatory requirements including State of California, Department of Industrial Relations (Cal/OSHA) regulations, and the U.S. Department of Transportation Omnibus Transportation Employee Testing Act. Safety precautions, as applicable, shall include but shall not be limited to: adequate life protection and life-saving equipment; adequate illumination; instructions in accident prevention for all employees, such as the use of machinery guards, safe walkways, scaffolds, ladders, bridges, gang planks, confined space procedures, trenching and shoring, fall protection, and other safety devices; equipment and wearing apparel as are necessary or lawfully required to prevent accidents, injuries, or illnesses; and adequate facilities for the proper inspection and maintenance of all safety measures.

- 5.3. **Labor Compliance Requirements** - Labor Compliance requirements (Prevailing Wage, SB 854): Contractor/Vendor must comply with all labor compliance requirements including but not limited to prevailing wage requirements, SB 854, Labor Code sections 1771.1(a) & 1725.5, Public Works Contractor Registration Program, and Electronic Certified Payroll Records to Labor Commissioner. Additional information about these requirements and the new public works program regarding compliance monitoring, administration and enforcement are available at the Department of Industrial Relations.

6. REQUIRED INSURANCE

- 6.1. **Liability Insurance** - The Consultant shall provide and maintain at all times during the performance of the work under this Agreement, the following commercial general liability, professional liability and automobile liability insurance:
- 6.2. **Coverage** - Coverage shall be at least as broad as the following:

Agreement: _____

- 6.2.1. Coverage for Professional Liability appropriate to the Consultant's profession covering Consultant's wrongful acts, negligent actions, errors or omissions. The retroactive date (if any) is to be no later than the effective date of this Agreement.
 - 6.2.2. Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 0001).
 - 6.2.3. Insurance Services Office (ISO) Business Auto Coverage (Form CA 0001), covering Symbol 1 (non-owned and hired automobiles).
- 6.3. **Limits** - The Consultant shall maintain limits no less than the following:
- 6.3.1. Professional Liability – Two million dollars (\$2,000,000) per claim and annual aggregate.
 - 6.3.2. General Liability – Two million dollars (\$2,000,000) per occurrence or the full per occurrence limits of the policies available, whichever is greater for bodily injury, personal injury and property damage and products & completed operations liability. If Commercial General Liability Insurance or other form with a general aggregate limit or products-completed operations aggregate limit is used, either the general aggregate limit shall apply separately to the project/location (with the ISO CG 2503, or ISO CG 2504, or insurer's equivalent endorsement provided to the SCV Water) or the general aggregate limit and products-completed operations aggregate limit shall be twice the required occurrence limit.
 - 6.3.3. Automobile Liability – One million dollars (\$1,000,000) for bodily injury and property damage each accident limit.
 - 6.3.4. Excess Liability – The limits of Insurance required in this agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the Agency (if agreed to in a written contract or agreement) before the Agency's own primary or self-Insurance shall be called upon to protect it as a named insured.
- 6.4. **Required Provisions** - The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:
- 6.4.1. The SCV Water, its directors, officers, employees, and authorized volunteers are to be given insured status at least as broad as ISO endorsement CG 20 10 11 85; or both CG 20 10 and CG 20 37 04 13 (or the 20 10 04 13 (or earlier edition date) specifically naming all of the Agency parties required in this agreement, or using language that states "as required by contract"). All Sub-consultants hired by Consultant must also have the same forms or coverage at least as broad; as respects: liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; and automobiles owned, leased, hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the SCV Water, its directors, officers, employees, or authorized volunteers.
 - 6.4.2. For any claims related to this project, the Consultant's insurance shall be primary insurance as respects the SCV Water, its directors, officers, employees, or authorized volunteers using the ISO CG 20 01 04 13 or coverage at least as broad. Any insurance,

Agreement: _____

self-insurance, or other coverage maintained by the SCV Water, its directors, officers, employees, or authorized volunteers shall not contribute to it.

- 6.4.3. Any failure to comply with the reporting or other provisions of the policies including breaches and warranties shall not affect coverage provided to the SCV Water, its directors, officers, employees, or authorized volunteers.
- 6.4.4. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- 6.4.5. Such liability insurance shall indemnify the Consultant and his/her Sub-consultants against loss from liability imposed by law upon, or assumed under contract by, the Consultant or his/her Sub-consultants for damages on account of such bodily injury (including death), property damage, personal injury, completed operations, and products liability.
- 6.4.6. The general liability policy shall cover bodily injury and property damage liability, owned and non-owned equipment, blanket contractual liability, completed operations liability, explosion, collapse, underground excavation and removal of lateral support.
- 6.4.7. The automobile liability policy shall cover all owned, non-owned, and hired automobiles.
- 6.4.8. Each insurance policy required by this Agreement shall state, or be endorsed to state, that coverage shall not be canceled by the insurance carrier or the Consultant, except after thirty (30) days (10 days for non-payment of premium) prior written notice by U.S. mail has been given to the SCV Water.
- 6.4.9. All of the insurance shall be provided on policy forms and through companies satisfactory to the SCV Water.
- 6.5. **Workers' Compensation and Employer's Liability Insurance** - The Consultant and all Sub-consultants shall cover or insure under the applicable laws relating to workers' compensation insurance, all of their employees employed directly by them or through Sub-consultants in carrying out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act", Division IV of the Labor Code of the State of California and any Acts amendatory thereof. The Consultant shall provide employer's liability insurance with limits of no less than \$1,000,000 each accident, \$1,000,000 disease policy limit, and \$1,000,000 disease each employee.
- 6.6. **Deductibles and Self-Insured Retentions** - Any deductible or self-insured retention must be declared to and approved by the SCV Water. At the option of the SCV Water, the insurer shall either reduce or eliminate such deductibles or self-insured retentions. Policies containing any self-insured retention (SIR) provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named or additional insureds, co-insurers, and/or insureds other than the First Named Insured.
- 6.7. **Acceptability of Insurers** - Insurance is to be placed with insurers having a current A.M. Best rating of no less than A-:VII or equivalent or as otherwise approved by the SCV Water.
- 6.8. **Evidences of Insurance** - Prior to execution of the Agreement, the Consultant shall file with the SCV Water a certificate of insurance (Acord Form 25 or equivalent) signed by the insurer's representative evidencing the coverage required by this Agreement. Such evidence shall include (1) attached additional insured endorsements with primary & non-

Agreement: _____

contributory wording, (2) Workers' Compensation waiver of subrogation, and (3) a copy of the CGL declarations or endorsement page listing all policy endorsements, and confirmation that coverage includes or has been modified to include Required Provisions 6.4.1 through 6.4.9. The Agency reserves the right to obtain complete, certified copies of all required insurance policies, at any time. Consultant shall maintain the Insurance required by this Agreement for a period of not less than 10 years following the termination of completion of this agreement. Consultant further waives all rights of subrogation under this Agreement. Failure to continually satisfy the Insurance requirements is a material breach of contract.

The Consultant shall, upon demand of the SCV Water, deliver to the SCV Water such policy or policies of insurance and the receipts for payment of premiums thereon.

- 6.9. **Continuation of Coverage** - If any of the required coverages expire during the term of this Agreement, the Consultant shall deliver the renewal certificate(s) including the general liability additional insured endorsement to the SCV Water at least ten (10) days prior to the expiration date. Failure to comply with any of the Insurance requirements shall constitute material breach of contract. The insurance requirements in this Agreement do not in any way represent or imply that such coverage is sufficient to adequately cover the Consultant's obligations under this agreement. All Insurance or self-insurance coverage and limits applicable to a given loss or available to the named insured shall be available and applicable to the additional insured. The insurance obligations under this Agreement are independent of and in addition to the defense and indemnity obligations contained elsewhere in this Agreement and shall not in any way act to limit or restrict the defense or indemnity or additional insure obligations of the Consultant or the Consultant's insurance carrier, and shall be for (1) the full extent of the insurance or self-insurance coverages and limits carried by or available to the Consultant, or (2) the minimum insurance coverage and amounts shown in this Agreement; whichever is greater. Agency reserves the right to add such other parties as may be required in the future to the indemnity and additional insured requirements of this Agreement.
- 6.10. **Sub-Consultants** - In the event that the Consultant employs other consultants ("Sub-Consultants") as part of the services covered by this Agreement, it shall be the Consultant's responsibility to require and confirm that each Sub-consultant meets the minimum insurance requirements specified above.

7. LABOR AND MATERIALS

Consultant shall furnish, at its own expense, all labor, materials, equipment, tools, transportation and services necessary for the successful completion of the Services to be performed under this Agreement. Consultant shall give its full attention and supervision to the fulfillment of the provisions of this Agreement by its employees and Sub-Consultants and shall be responsible for the timely performance of the Services required by this Agreement. Consultant's standard schedule of fees and charges is attached, which is incorporated herein as though fully set forth ("Fee Schedule"). All compensation for Consultant's Services under this Agreement shall be pursuant to the Fee Schedule.

8. TERM OF THE AGREEMENT

- 8.1. **Period of Services** - This Agreement between SCV Water and Consultant will continue until all Services have been completed in accordance with the milestones set forth in the Scope of Work, subject to the termination provisions herein.
- 8.2. **Termination** - SCV Water may terminate this Agreement for any reason by giving Consultant

Agreement: _____

at least thirty (30) days prior written notice of such termination. Such termination shall not relieve SCV Water from responsibility for payment for Services rendered by Consultant prior to the date of termination but shall relieve SCV Water of its obligations for the full payment of compensation due under the Agreement for the Services of Consultant after the notice of termination.

8.3. **Termination for Cause** - SCV Water may terminate the Agreement for cause, effective immediately upon written notice of such termination to Consultant, based upon the occurrence of any of the following events:

8.3.1. Material breach of the Agreement by Consultant

8.3.2. Cessation of Consultant to be licensed, as required by law

8.3.3. Failure of Consultant to substantially comply with any applicable federal, state or local laws or regulations

8.3.4. The voluntary or involuntary filing of any petition under any law for the relief of debtors with respect to Consultant

8.3.5. Conviction of Consultant of any crime other than minor traffic offenses

8.4. **Compensation Upon Termination** - If the Services of Consultant are terminated, in whole or in part, Consultant shall be compensated as provided herein for all Services and approved Extra Services performed prior to the date of such termination.

9. CALIFORNIA LABOR CODE REQUIREMENTS

9.1. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws, if applicable. Consultant shall defend, indemnify and hold the Agency, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all Sub-Consultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages, employment of apprentices, hours of labor and debarment of contractors and subcontractors.

9.2. Effective March 1, 2015, if the services are being performed as part of an applicable "public works" or "maintenance" project, in addition to the foregoing, then pursuant to Labor Code sections 1725.5 and 1771.1, the Consultant and all sub-consultants must be registered with the Department of Industrial Relations ("DIR"). Consultant shall maintain registration for the duration of the project and require the same of any sub-consultants. This project may also be subject to compliance monitoring and enforcement by the DIR. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements, including the submission of payroll records directly to the DIR.

10. INTERESTS OF CONSULTANT

10.1 Consultant represents and warrants that it presently has no interests, and covenants that it

Agreement: _____

will not acquire any interests, direct or indirect, financial or otherwise, that would conflict with the performance of the Services to be provided by Consultant under the Agreement. Consultant further covenants that, in the performance of the Agreement, it will not employ any Sub-consultant or employee with any such interest. Consultant certifies that no one who has or will have any financial interest under this Agreement or within Consultant is a director, officer or employee of SCV Water.

- 10.2 Although Consultant is retained as an independent contractor, Consultant's employees or agents may still be required under the California Political Reform Act and the SCV Water Administrative Code to file annual financial disclosure statements. Consultant agrees that its employees and/or agents will file with SCV Water in a timely manner those financial disclosure statements that SCV Water determines Consultant is required to file pursuant to the Political Reform Act. Failure to file such financial disclosure statements by Consultant and any of its employees or agents is grounds for termination of this Agreement.

11. COMPLETED WORK AND WORK PRODUCT

In the event of termination or completion of the Services under the Agreement, Consultant shall, at SCV Water's request, promptly surrender to SCV Water all completed work and work in progress and all materials, records and notes developed, procured, or produced pursuant to the Agreement. Consultant may retain copies of such work product as a part of its record of professional activity.

12. CONFIDENTIALITY AND RESTRICTIONS ON DISCLOSURE

- 12.1. **Confidential Nature of Materials** - The Consultant understands that all documents, records, reports, data, or other materials (collectively "Materials") provided by SCV Water to the Consultant pursuant to the Agreement, including but not limited to draft reports, final report(s) and all data, information, documents, graphic displays and other items that are not proprietary to the Consultant and that are utilized or produced by the Consultant pursuant to the Agreement are to be considered confidential for all purposes.
- 12.2. **No Disclosure of Confidential Materials** - The Consultant shall be responsible for protecting the confidentiality and maintaining the security of SCV Water documents and records in its possession. All Materials shall be deemed confidential and shall remain the property of SCV Water. The Consultant understands the sensitive nature of the above and agrees that neither its officers, partners, employees, agents or Sub-consultants will release, disseminate, or otherwise publish said reports or other such data, information, documents, graphic displays, nor other materials except as provided herein or as authorized, in writing, by SCV Water. The Consultant agrees not to make use of such Materials for any purpose not related to the performance of the Services under the Agreement. The Consultant shall not make written or oral disclosures thereof, other than as necessary for its performance of the Services hereunder, without the prior written approval of SCV Water. Disclosure of confidential Materials shall not be made to any individual, agency, or organization except as provided for in the Agreement or as provided for by law.
- 12.3. **Protections to Ensure Control over Materials** - All confidential Materials saved or stored by the Consultant in an electronic form shall be protected by adequate security measures to ensure that such confidential Materials are safe from theft, loss, destruction, erasure, alteration, and any unauthorized viewing, duplication, or use. Such security measures shall include, but not be limited to, the use of current virus protection software, firewalls, data backup, passwords, and internet controls.

The provisions of this Section survive the termination or completion of the Agreement.

13. OWNERSHIP OF DOCUMENTS AND DISPLAYS

All original written or recorded data, documents, graphic displays, reports or other materials which contain information relating to the Consultant's performance hereunder and which are originated and prepared for SCV Water pursuant to the Agreement shall be "work for hire" and shall be the property of SCV Water. The Consultant hereby assigns all of its right, title and interest therein to SCV Water, including but not limited to any copyright interest. In addition, SCV Water reserves the right to use, duplicate and disclose in whole, or in part, in any manner and for any purpose whatsoever all such data, documents, graphic displays, reports or other materials delivered to SCV Water pursuant to this Agreement and to authorize others to do so.

To the extent that the Consultant utilizes any of its property (including, without limitation, any hardware or software of Consultant or any proprietary or confidential information of Consultant or any trade secrets of Consultant) in performing services hereunder, such property shall remain the property of Consultant, and SCV Water shall acquire no right or interest in such property.

14. ASSIGNMENT PROHIBITED

The Consultant shall not assign, transfer, convey, or otherwise dispose of its rights, title or interest in or to this Agreement or any part thereof without the previous written consent of SCV Water.

15. REPRESENTATIVES OF THE PARTIES AND SERVICE OF NOTICES

15.1. **Designated Representatives** - The SCV Water representative designated below shall be the principal representative of SCV Water for purposes of the Services that are the subject of this Agreement. Consultant shall designate, in writing, Consultant's project engineer and/or project manager for the performance of the Services under this Agreement, which designation shall be subject to SCV Water's reasonable approval.

The representatives of the Parties who are authorized to administer this Agreement and to whom formal notices, demands and communications shall be given are as follows:

SCV Water Representative:

Rochelle Patterson
Director of Finance and Administration
SCV Water
27234 Bouquet Canyon Road
Santa Clarita, CA 91350
(661) 513-1239
RPatterson@scvwa.org

With a copy to:

Barbara Benda
Equation Technologies, Inc.
533 2nd Street
Encinitas, CA 92024
(760) 436-3520
Barbara@equationtech.us

Consultant:

Steve Murphy
Practice Director, Utilities
Emtec Consulting Services, LLC
122 W Market Street, Suite B, Athens, AL 35611

With a copy to:

Emtec Legal and Rick Johnson
Emtec Consulting Services, LLC
122 W Market Street, Suite B, Athens, AL 35611
legal@emtecinc.com

- 15.2. **Notices** - Formal notices, demands and communications to be given hereunder by either Party shall be made in writing and may be effected by personal delivery, commercial overnight delivery, or by electronic mail to the address set out below and shall be deemed communicated as of the date of receipt, provided, however, that electronic mail will not be deemed received until such time as it is confirmed by return electronic mail from the recipient. If the name or address of the person to whom notices, demands or communications shall be given changes, written notice of such change shall be given, in accordance with this section within five (5) working days.

16. MISCELLANEOUS PROVISIONS

- 16.1. Integration – This Agreement represents the complete Agreement of the parties and supersedes any other Agreements between the parties, whether written or oral.
- 16.2. No Waiver – No waiver by either parties of any term or condition of this Agreement shall be a continuing waiver thereof.
- 16.3. Modification – This Agreement only may be amended in writing, signed by all parties.
- 16.4. Attorneys' Fees – In any proceeding to enforce this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs in any amount determined by the court.
- 16.5. Choice of Laws/Venue – This Agreement shall in all respects be governed by the laws of the State of California applicable to Agreement executed and to be wholly performed with the State. Any action regarding this Agreement shall be brought in Los Angeles Superior Court, Central/Downtown Division.
- 16.6. Counterparts – This Agreement may be executed in separate counterparts that, together, shall constitute and be one and the same instrument.
- 16.7. No Presumption Regarding Drafter – The parties to this Agreement acknowledge that its terms and provisions have been negotiated and discussed among them and that it reflects their mutual agreement regarding its subject matter. Therefore, neither party shall be deemed to be the drafter of this Agreement nor shall there be no presumption for or against the drafter in its interpretation or enforcement.

[signature page follows]

Agreement:

IN WITNESS WHEREOF, the Parties have executed this Agreement at the place and as of the date first written above.

Date: _____

AGENCY:
SANTA CLARITA VALLEY WATER AGENCY

By: _____
Name: Matthew G. Stone
Title: General Manager

Date: _____

CONSULTANT:
EMTEC, INC.

By: _____
Name: _____
Title: _____

Attachments: Exhibit A: Scope of Work

Agreement Number: _____
Resolution Number: _____
Budget Code: _____
Account Code: _____
Project Code: _____

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Statement of Work

Client:	Santa Clarita Valley (SCV) Water
Vendor:	Emtec
Project:	Implementation of Oracle Cloud ERP, HCM and EPM Software
Project Start Date:	April 2020
Project Estimated Go-Live Date:	April 2021
Project End of Post Go-Live Support:	July 2021
Project Duration (Months):	Fifteen (15) Months
Project Post Go-Live Support Duration (Months):	Four (4) Months



PROPRIETARY & CONFIDENTIAL

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1 DOCUMENT CONTROL

This section should contain version information on all attachments as well as within this document. As updated versions of this are created, the 'Draft watermark should include the version number of the document.

VERSION	DESCRIPTION OF CHANGE	DATE	AUTHOR
0.0	Initial Draft		AAC
1.0 – 6.0	Various changes and updates to align approaches and facilitate review		Emtec/AAC/Equation Tech
7.0	Incorporation of deliverables in Section 4 and building out of detailed phase requirements in Section 6. Sections 5 and 7 ready for “final” review and close out. Copy to Glen Price for the first time for legal review and alignment with MSA	1/28/20	Murphy
7.1	Section 6 and Section 8 are complete with content from Emtec and ready for review by SCVW	1/29/20	Murphy
8.0	Revisions and updates to Section 3, Section 4, Section 9 and Section 10.	2/6/20	Murphy
9.0	Clean up and validation of items in all Sections.	2/19/20	Murphy, Burles, Aguer, Grass, Benda
10.0	Clean up and edits following validation of Version 9	2/21/20	Murphy
11.0	Section 6.2, 6.3 rewrite, deletion of existing Milestone Payment Table and replacement with new table that shows project activities by product, and additional content to Section 4.2	3/01/20	Benda,
12.0	Final draft from SCV Water, and ready for review by Emtec	3/03/20	Benda, Aguer, Grass. Burles
12.1	Emtec edits and updates to final draft	3/04/20	Murphy
12.2	SCV review/acceptance of Emtec edits; reformatting of level 3 headers for consistency. Draft pending final edits to post go-live support, timeline and cost.	3/04/20	Benda, Aguer, Grass. Burles
13.0	Final updates based on call on 3/6/20	03/06/20	Murphy, Benda, Grass, Burles, Garcia, Schueneman
13.1	Final acceptance of changes, and replacement of “client” with SCV Water and “vendor” with Emtec.	03/06/20	Benda

2 PROJECT SUMMARY

Emtec Consulting Services, LLC (Emtec or Vendor) is pleased to present this Statement of Work (SOW) for the implementation of Oracle's Cloud ERP (Enterprise Resource Planning – collectively this refers to the Oracle Financials, Supply Chain, and Projects applications), HCM (Human Capital Management – refers to the Oracle Human Resource application), and EPM (Enterprise Planning Module – refers to the Enterprise Planning and Budgeting Cloud Service application (aka EPBCS) software for Santa Clarita Valley Water (SCV Water or Client).

This SOW provides SCV Water with a combined approach for all three tracks (ERP, HCM, and EPM) implemented in a collaborative, well-planned, and phased manner which will allow SCV Water to take advantage of global design and leverage software-enabled efficiencies.

The project will occur in phases with the core components of HCM and the financial modules being implemented first beginning in March 2020 with a go-live date of March 31, 2021. EPM will follow, starting in July 2020 and going live in February 2021. Optionally, the Payroll, Full HCM and time-keeping modules, may be deployed according to an appropriate timeline that supports a go-live of January 1, 2022.

As the Primary implementor of these solutions, Emtec provides SCV Water with a single point of contact for all implementation issues and will serve as a conduit to our software partner, Oracle, for resolving software related issues. Emtec will deliver the project in accordance with its implementation methodology as proposed and discussed in detail in its formal response to SCV Water's RFP1920-FMIS-15633 and clarified in this SOW. In the event of an explicit conflict between the RFP and SOW, the SOW will take precedent.

The parties, including their representatives, understand the project scope and timeline and agree to communicate and adhere to that scope and timeline, thus setting the proper expectation with the project team, stakeholders and management. Changes to scope and/or schedule will be addressed based on the terms of the master agreement and this SOW.

2.1 BUSINESS OBJECTIVES

The implementation of the proposed solution is intended to transform SCV Water's business processes and enable efficient and scalable business management. SCV Water requires the proposed solution to provide the following high-level outcomes:

- Unite the organization on one modern FMIS platform
- Enable the adoption of efficient business processes across the organization
- Provide a modern technological platform that can easily integrate with ancillary solutions
- Provide easy access to information for end users, executives, and financial reporting
- Create one source of the truth to eliminate dual data entry and multiple, manual processes
- Achieve a high level of automation including integrated work-flows, approval processes, and the ability to print and export information in a variety of user-friendly formats
- Provide end users the capability to perform their tasks from one intelligently designed screen
- Provide robust searching capabilities
- Integrate documents throughout the system so that they can be easily referenced by a variety of users
- Create checks and balances throughout the system and across workflows for both data integrity and adherence to business processes
- Required core HCM functionality to ensure basic HR and onboarding necessary to support FMIS project.

3 SCOPE

The project scope is comprised of the components defined in this section plus any related professional services described throughout this SOW including delivery of Emtec’s positive responses to the functional requirements included in our response to the RFP and later amended to include HCM (herein referred to as “the functional requirements”) which are incorporated into this SOW as Attachment 7 and Attachment 8 respectively.

The SCV Water’s Client Functional Matrix in conjunction with this SOW will be used as the basis to guide the design, configuration, development, testing and training activities for the System. Please refer to the attachment section of this document for a copy of the final Functional Matrix. As part of the global design activities, Emtec will map the functional matrix to their global design workshops. During these workshops, a requirements traceability matrix will be created, and the SCV Water’s client functional matrix will be mapped to the traceability matrix in order to ensure that all of the individual requirements are represented in the global design by SCV Water.

The solution design documents and requirements traceability matrix that are produced as a result of the Global Design phase will be signed off on by both parties. Any material changes to scope, either to add or reduce functionality or effort, identified during Global Design will be addressed by the parties in a collaborative manner and in accordance with the terms of the agreements to determine the impact on the project pricing and timelines.

3.1 PROJECT SCOPE

Functional / Modules

The following items, as well as those items positively identified by Emtec in the functional matrix, are considered in-scope for this project, any other obligations or Services requested shall be handled via the Change Control Process:

3.1.1 SOLUTION MODULES

1. **Core Business and Legacy Systems**
 - a. Implementation of Oracle ERP, HCM and EPM modules as described below
 - b. Migration from SunGard HTE, and Sage 300 for financial functions and PayChex for core HR functionality required to implement the financial solution.
2. **General Ledger**
 - a. Configuration of General Ledger module for standard functionality
 - b. Chart of Accounts – Emtec to lead discovery and requirement sessions to design a new Customer Chart of Accounts structure.
 - c. Balancing Segments based on the Entity/Funds – up to 15 and based in the USA
 - d. Up to 10 allocations - Emtec to provide training for SCV Water users to complete incremental allocations. It is mutually recognized that allocations will require additional discovery and design sessions to fully validate allocation requirements
 - e. Single Primary Ledger, Fiscal and Calendar Year for Payroll reporting purposes only, and Single Currency
 - f. Secondary Ledger utilizing same Calendars, Chart of Accounts, and USD currency as the Primary Ledger for alternate accounting treatment/reporting
 - g. Journal Entries and approvals – manual & spreadsheet uploads that will be approved by configured workflow
 - h. Attach documents to Journal Entries
 - i. Track Interfund/Intercompany transactions
 - j. Reports – delivered standard Oracle reports

- 3. Budgetary Control and Encumbrance Accounting**
 - a. Configuration of Oracle Budgetary Control and Encumbrance Accounting.
 - b. Enable Encumbrance accounting in GL Journal and Requisitions/Purchasing
 - c. Creation of up to five (5) Control Budgets. Customer will be trained on Control Budget creation/management for additional Control Budgets.
 - d. Creation of up to four (4) budgetary control calendars (Annual, Monthly, etc.).
 - e. Import of budgetary control amounts utilizing Oracle spreadsheet templates
 - f. Reports – delivered Oracle Encumbrance and Budgetary Control reports, info lets, and inquiries

- 4. Accounts Payable**
 - a. Configuration of Oracle Cloud Accounts Payable Module for standard functionality
 - b. Configuration of Automated Invoice Processing Cloud for image scanning
 - c. Invoice Entry and Approvals – Manual & spreadsheet
 - d. Vendor Data Management – creation & maintenance of vendor records
 - e. Vendor Payments – Checks, ACH, Wire
 - f. Establish payment batch approval process for checks
 - g. 1 Check Layout and 1 associated Positive Pay file
 - h. Reports – delivered standard Oracle reports

- 5. Accounts Receivable**
 - a. Configuration of Oracle Cloud Accounts Receivable Module for standard functionality
 - b. Customer Management
 - c. Miscellaneous Customer Invoicing not related to CIS
 - d. Attach documents to a customer file
 - e. Cash Receipts\Project Deposits
 - f. Workflow and Approvals
 - g. Invoices originating in Projects would be approved via the invoice approval process within the Projects module
 - h. Standard Revenue Recognition

- 6. Fixed Assets**
 - a. Configuration of Fixed Asset module for standard functionality
 - b. Asset Creation – Manual and Spreadsheet
 - c. Asset Maintenance – i.e. Adjustments, Retirements, Reinstatements, Transfers, Disposals, Contributed Capital
 - d. Utilize Oracle seeded depreciation methods
 - e. Asset Books - One Corporate
 - f. Asset Approvals through security
 - g. Reports – delivered standard Oracle reports

- 7. Cash Management**
 - a. Configuration of Cash Management module for standard functionality
 - b. Bank Setup – up to 12 bank accounts
 - c. Reconciliation of bank Accounts: Manual and Auto
 - d. Reports – delivered standard Oracle reports

- 8. Expenses**
 - a. Configuration of the Expense module for standard functionality
 - b. Expense Management/Oversight (Approvals & Auditing)
 - c. Expense Entry via forms application or mobile application
 - d. Up to 3 level Expense Report approvals
 - e. Configuration of 5 receipt/notification rules for receipt audit
 - f. Expense reports will be entered and paid in USD

- g. Configuration of up to 30 Expense Types (Hotel, Car Rental, Train, etc.)
- h. Configuration of up to two (2) Expense Templates.
- i. Configuration of standard PCard functionality through Wells Fargo Bank
- j. Reimbursement through Payables via ACH and Checks
- k. Reports – delivered Oracle reports

9. Procurement, Procurement Contracts and Self Service

- a. Configuration of the Purchasing module for standard functionality
- b. Requisition & Purchase Orders – manual creation and approval, auto-create from requisitions
Procurement contracts – creation & maintenance
- c. Requisition Approvals (Supervisory hierarchy approvals sourced from Oracle HCM)
- d. Purchase Order Approvals (Supervisory hierarchy approvals sourced from Oracle HCM)
- e. Purchase Order (Change Order) Approvals (Supervisory hierarchy approvals sourced from Oracle HCM)
- f. Purchase Order transmission to Vendors via email (RICEW object for PO format)
- g. External Punchout configuration for up to 3 vendors
- h. Supplier Master configuration
- i. Configuration of Receipt Accounting (Subledger Accounting) up to 3 Account Rules
- j. Configuration of Blanket Purchase Agreements
- k. Procurement Contracts – Creation & maintenance, standard functionality
- l. Procurement Contracts – Terms & Conditions Library configuration
- m. Supplier Management
 - i. Registration and Approvals
 - ii. Self-Service Functions
- n. Reports – delivered standard Oracle reports

10. Project Financial Management

- a. Configuration of the Projects Financial Management for standard functionality
- b. Configuration of Grant Management for standard functionality
- c. Reports – delivered standard Oracle reports

11. Inventory Management

- a. Configuration of the Inventory module for standard functionality
 - i. Inventory Items
 - ii. Inventory Locations – to include bin locations
 - 1. The use of stock locators is part of the scope and can be defined as part of the inventory organizational structures. Note that Changing these locators downstream can be done but there could be some additional data management work to transfer/realign the on-hand balances to fit any adjusted stock locator scheme
 - iii. Standard Inventory transactions
 - iv. Costing
- b. Reports – delivered standard Oracle reports

12. Human Capital Management

- a. Standard, Out-of-the-box Functionality for US with language package.
- b. Currency: US Dollar
- c. Single Employee Person Record tracking and transactions for hire to retire employment cycle
- d. Core configuration to support the organizational structure and workforce records
- e. Workforce Structures (Legislative Data Group – US and CA, Legal Entities, Legislative Data Group – US and CA only)
- f. Legal Entities – 2
- g. Business Units – 2
- h. Positions

- i. Departments
- j. Locations
- k. Jobs
- l. Grades & Grade Rates
- m. Salary Basis (4) and Payroll DefinitionW4
- n. Action & Action Reasons – Seeded out of the box
- o. Configuration of up to twenty (10) custom descriptive fields (DFF) across all countries to track customer specific information not found in Cloud HCM
- p. Employee and Manager Self Service
- q. Single (1) Out-of-the-Box Workflow Automation with notification and up to two (2) levels of approval configured; otherwise, out-of-the-box auto-approval functionality
- r. Up to 5 Simple personalization's to be determined later (i.e. site-branding, global change of 'Worker' to 'Teammate'). Emtec will train Customer on how to make additional changes. Up to five not exceeding 10 hours.

13. Security

Customer will leverage Oracle seeded roles and data access.

14. Planning & Budgeting

Application Configuration

- a. Configure standard Financials and Workforce modules in EPBCS environment. SCV Water will obtain Oracle environments with associated licenses and provide administrator access accounts to Emtec at project start
- b. Configure application to support planning for Capital Projects and for Funds
- c. Configure application to support workflow assignments and approvals for budgeting and forecasting processes
- d. Configure application to support 5 to 10 Scenarios for budgeting and forecasting purposes
- e. Configure application metadata and load shared metadata hierarchies provided by SCV Water at project start; metadata will include 6-10 dimensions aligned with the Chart of Accounts; up to 3 custom dimensions will be included
- f. Metadata hierarchies within standard dimensions (e.g. Account) will be based on pre-configured rollups with Client members embedded into existing structures; Currency conversions are not required
- g. Workforce planning will be configured for up to 500 positions or employees; Workforce calculations will support US-based taxes and labor practices
- h. Configure data load integration from Oracle Cloud Financials (metadata and Actuals) using Oracle Data Management
- i. Configure drill back from EPBCS into Oracle Cloud Financials for Actuals; this requires that users have an Oracle Cloud Financials license with at least "read-only" privileges
- j. Configure data load integration from payroll application (employees/positions and payroll); SCV Water is responsible for providing data extracts from external applications (e.g. Payroll) in the format specified by Emtec
- k. Configure standard Narrative Reporting functionality to support budget and audited financials documents
- l. Deploy applicable pre-configured business rules; all fiscal planning and reporting will be on a fiscal year basis
- m. Configure application security model by role, based on up to 3 dimensions
- n. Configure application backup & archive; SCV Water will configure a physical or virtual server within their firewall for archival of backups (requires bidirectional internet access using port 443) and automate archival processes

Build and Deployment

- a. Build custom metadata hierarchies
- b. Adapt standard forms to SCV Water metadata; no custom forms will be required
- c. Build up to 5 customized labor planning calculations
- d. Build up to 5 allocation rule calculations to distribute expenses for overhead cost centers across revenue centers
- e. Build up to 5 additional custom calculations and account formulae
- f. Adapt pre-configured EPBCS Financial Statements for Income Statement, Balance Sheet and Cash Flow to SCV Water metadata
- g. Build 3-5 additional reports as provided by SCV Water in Smart View or Oracle Financial Reporting; Emtec will support SCV Water in the development of any additional reports required
- h. Variance reporting will be based in EPBCS; budgets and forecasts will not be required to be exported to other applications
- i. Configure task lists with linear structure for user and approver assignments
- j. Emtec will load 2 periods of historical Actuals data; Emtec will support SCV Water in the loading of historical Actuals for the current year-to-date and one prior year
- k. Emtec will support SCV Water in converting the current year budget and forecasts for loading into EPBCS; no historical budget or forecast data is required
- l. Emtec will conduct unit testing and will support SCV Water in integration testing, data validation, user acceptance testing and deployment activities; SCV Water will be responsible for all scheduling of automated processes

3.1.2 GENERAL LEDGER ACCOUNT STRUCTURE

It is the intent of the SCV Water to maximize use of the Vendor General Ledger module; however, SCV Water reserves the right to retain portions of the current general ledger formats to ensure compliance with local, state, and federal requirements. Expected changes include consistency across all operating environments and expected changes required to utilize other portions of the Vendor solution including by not limited to other Financial modules, Work and Asset Management (WAMS), and the Customer Information System (CIS).

3.1.3 HISTORICAL 1099 DATA

Historical 1099 Data is not in scope for this project.

3.1.4 BANK ACCOUNTS

- a. Banks
 - o Internal to SCV Water – Single Bank (Wells Fargo N. A.)
 - o External (Supplier) – All US based Banks and Bank Branches will be imported to facilitate configuration of Supplier bank accounts and Employee Payroll bank accounts for electronic payments
- b. Bank Accounts
 - o Up to 15 Bank Accounts

3.1.5 CHECK FORMATS

- a. One check format utilizing the standard Oracle Cloud check payment template for blank check stock to include MICR alignment utilizing basic industry standard MICR alignment tools.

- b. Emtec will configure Accounts Payable to transmit to the customer’s network MICR printer. The MICR printer must be compatible with Oracle Cloud technology configuration and transmission requirements for successful transmission to be accomplished.

3.1.6 ELECTRONIC FORMATS

Emtec will work with the SCV Water to establish the ACH submission formats and test file transmissions to the bank for one (1) bank account using ACH electronic payments.

3.1.7 TAX ENTITIES

Emtec will work with the SCV Water to establish the appropriate tax configuration information for up to 5 Tax Entities and 10 Funds, all based in the United States. Additional configurations will be done by SCV Water based on the work done to do the included entity and Fund configurations.

3.1.8 SUPPLIER PORTAL & QUALIFICATION MANAGEMENT

Procurement Punchouts will be provided for the following suppliers:

- Office Depot
- Lowes
- Amazon

3.1.9 WORKFLOWS

Emtec to utilize standard Oracle Cloud workflow configuration for hierarchy-based and dollar threshold-based approval workflows. Emtec will provide guidance on developing an optimal solution constrained to a sustainable/ manageable number of rules, conditions and exceptions.

The following workflows are considered in scope:

Workflow	Configuration
AP Invoice Approval	Oracle Cloud Delivered WF to be used. Up to 3 levels, all entities will use the same workflow
Journal Approvals	Oracle Cloud Delivered WF to be used. Up to 2 levels, all entities will use the same workflow
Requisition Approval	Oracle Cloud Delivered WF to be used. Up to 3 levels based on \$\$ amount, all entities will use the same workflow
HR Transactions (Hire, Terminate, Raise, etc.)	Oracle Cloud Delivered WF to be used. Up to 3 levels, single global workflow utilized by all HCM organizations.
Expense Report Approval	Oracle Cloud Delivered WF to be used. Up to 3 levels based on \$\$ amount, all entities will use the same workflow
PO Approval	Oracle Cloud Delivered WF to be used. Up to 3 levels based on \$\$ amount, all entities will use the same workflow
AR Credit Memo Approval	Oracle Cloud Delivered WF to be used for credit memos. Single level approval, all entities will use the same workflow.

Workflow	Configuration
Project Status Change	Notify project manager to approve or reject the changes made to the project status
Project Invoice Approval	Notify billing specialist that an invoice is submitted for approval, can also notify the project manager to approve or reject
Project Financial Plan Version Approval	Notify the project member and team members when a financial plan is submitted for approval but only the project manager can approve or reject
Project Expenditure Item Adjustment	Notify designated approvers, up to two levels, to approve or reject the expenditure item adjustment request
Procurement Contracts Approval	Oracle Cloud Delivered WF to be used. Up to 2 levels, all entities will use the same workflow
Projects Invoice Drafts	Approval of Draft Invoices in Projects before the invoice data is interfaced via AutoInvoice to AR to generate customer invoice

Additionally, requested workflows identified in the functional matrix which are not standard Oracle-delivered workflows will be addressed as part of the Discovery and Design phases of the project and may include security and or business process solutions.

3.1.10 ORGANIZATIONAL CHANGE MANAGEMENT

Emtec will work with SCV Water to develop an organizational change management plan for the SCV Water to execute. Our methodology includes a structured approach that can be used to help transition organizations through change. The technical solution is only part of the overall equation. How a company deals with change organizationally can determine the overall success. When this is combined with an understanding of individual change management, these tools provide an overall framework for managing the people side of the equation. Organizational change management processes include techniques for creating a high level strategy (readiness assessments), engaging senior managers as leaders of change (executive sponsorship), building awareness of the business requirements for change (communication plan), developing skills and knowledge to support the change (training), assisting the employees move through the transition (coaching and mentoring), and methods to maintain change (tools for measurement, rewards, incentives, and reinforcement).

3.1.11 TRAINING

Emtec’s focus for training is called “Train the Trainer”. The solution, and project plan involves dedicated time allocated, where users designated by Customer as Leads, SMEs, and Functional experts will have time-on-keyboard using the ERP and EPM solutions on Oracle Cloud. This approach is to gradually transition knowledge and ownership over the life of the project to Customer employees. These employees will then be responsible for providing training to the other end users of the applications that covers both the use of the applications as well as business specific scenarios.

The pace at which this transition occurs will depend on the level of availability, involvement, and initiative taken in project activities as well as the alignment and push by Customer leadership toward becoming the owner of the new modules, functionality, processes, and technologies.

Emtec will provide a set of standardized Cloud training documents (generic in nature, not tailored to specific Customers) during the project. These documents serve as excellent reference materials for end-users as they walk through the process of familiarizing themselves with the navigation, screens, functionality, and processes in the new system. The generic training materials can be used as a starting point for developing new business specific training materials and job aides for end users.

Emtec has also been successful at recording knowledge transfer sessions that are done with the Leads and SME's during the course of the project and providing those recordings to the Customer for continued use as reference materials and for training other end users going forward.

Emtec will also bring other types of training materials to the table as the project progresses including Oracle White Papers and information on Oracle webinars and education classes that would be beneficial.

There will also be some specific training for IT resources that need more knowledge around system integrations, technology, and systems architecture type topics and details.

For ePBCS, there will be an introductory 2-hour class for SmartView reporting tool early in the project and then a more detailed, customized SmartView training class later in the project that will last about 8 hours. For the Financial Reporting Web Studio reporting tool, Emtec will provide one 4 to 6-hour training session using the MD-50 and MD-70 documents for any custom reports built during project as the discussion points. This is not meant to be a training class on how to develop reports from scratch in FR Web Studio type of class.

Training Coordination

Emtec will assist Customer with training coordination and planning as needed but will not take ownership for training end users that are not part of the implementation project team.

Training Material Development

The training content and material will be created by Customer project team in order to incorporate business specific scenarios to make it relevant to the end user audience.

Emtec can assist Customer with development of training materials as needed and requested.

Training Courses

Oracle Education has training courses, both onsite and via WebEx sessions, for all of the Oracle Cloud applications. Emtec can develop and provide more specific training when requested but that would be a separate scope of work and not included in this SOW.

Training Delivery

Knowledge transfer will be conducted by Emtec throughout the project lifecycle to the Customer project team members. End user training will be driven and delivered by the Customer project team members.

Training Evaluation and Follow Up

Emtec is open to having Customer give an evaluation of the training provided to the project team during the course of the project and addressing any subject areas that were perceived as deficient. The goal is to ensure the core team has all the knowledge needed to use the Cloud applications to run the business effectively and efficiently.

3.2 CUSTOMIZATIONS

The list of modifications, interfaces, and reports considered to be in Scope is as follows:

3.2.1 INTERFACES

Emtec will lead the process of developing interfaces from definition through specification. Emtec will work with Customer to determine the definition of the interface, how the interface will interact and operate between Oracle and the existing system, how the interface will be built (method/tools) and how the interface will be managed and supported on a go forward basis. As part of this exercise, Emtec will perform the following activities with SCV Water (there may be additional steps depending upon SCV Water and the interface requirements):

- Analyze the involved systems and capabilities or limitations in relation to importing and exporting data
- Determine the master data management strategy (where information originates, where master information will reside and what data is required to provide closed loop transaction flows)
- Review existing and future anticipated data volume
- Determine interface frequency (real time, near time, hourly, daily, etc.)
- Determine what data transformation needs to occur as part of the integration between the systems
- Determine error handling and auditing routines and reports
- Determine what method of integration will be utilized and determine if an ETL tool/middleware program will be used to build the integration
- Formally document the integration using an MD50 (Functional Specification Definition) and MD70 (Technical Specification Definition)

Build

- Collaboratively build the integration between Oracle and the third-party systems providing knowledge transfer as part of this build effort.

Test

- Thoroughly test the integration between the two systems incorporating error handling, auditing mechanisms, and stress testing (volume)
- Resolve any issues that arise as a result of the testing
- Thoroughly re-test

Interface Documentation

All interfaces will include the following deliverable documents that are part of the interface approach described above:

- MD50s (Functional Specifications) for each integration
- MD70s (Technical Spec) for each integration
- Documentation outlining the integration overview found below will be provided by Emtec and reviewed/approved by the Customer

The following interfaces are in scope:

Main Application	Interface Description	Inbound, Outbound or Both to ERP	Frequency
PayChex	General payroll information for G/L and labor allocations for project accounting including staff, dollar, and hourly allocations	• Inbound	Daily
Wells Fargo – Check Print	Check Print - Wells Fargo (1 Operating Account)	• Outbound	As Needed
Wells Fargo – Automated Check Clearing	Automated Check Clearing - Wells Fargo	• Inbound	Daily
Wells Fargo – ACH	ACH – Wells Fargo	• Outbound	Daily
Positive Pay	Positive Pay	• Outbound	Daily/Weekly as needed
Enquesta	GL JE load from Enquesta	• Inbound	Daily
OpenGov	GL Data to OpenGov	• Outbound	Monthly

3.2.2 REPORTS

Emtec approaches reporting from a solution-centric perspective; we work with our Customers to help define the use cases for each report, identify critical data elements and functionality, and then make recommendations on how best to address these reporting requirements. This includes Customer project resources and functional users, ensuring all critical reports are identified for the project. The key deliverable for this activity is a comprehensive reporting requirement document that addresses both functional and technical requirements, as well as providing recommendations for which tool would best meet the needs of the report. The overall reporting approach includes the Oracle FRS, BI, OTBI, and Smart View reporting tools that will be part of the overall solution.

To ensure SCV Water is knowledgeable on the development of future reports, Emtec has developed a set of standardized training materials, essentially “how to” documents, as well as more specific materials that target the modules being deployed. 80 hours has been included in the project plan to train SCV Water’s resources on out of the box subject areas and content leveraging these tools.

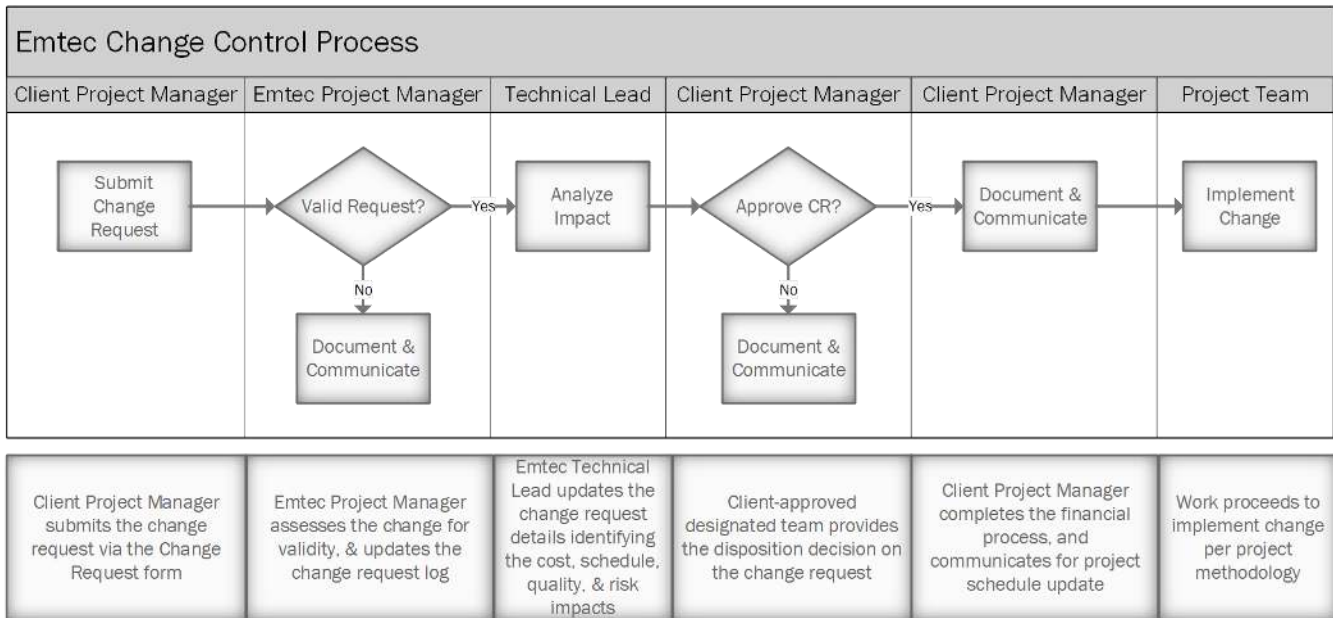
Additionally, there are 790 hours included in the project scope and pricing for analysis for Customer’s additional reporting needs. Any additional reporting required that is outside of the scope mentioned above will be subject to the change control process stated in later sections of this document.

3.2.3 MODIFICATIONS AND ENHANCEMENTS

There are no modifications or enhancements included in the scope of this statement of work. Any enhancements identified during the project will be subject to the change control process described later in this document.

3.3 CHANGE CONTROL

Below is a graphical depiction of the change control process to be used throughout the project:



Emtec’s ATMOS tool will be utilized for submitting and tracking change requests. After any request for a Change Order is made, the parties will have five (5) business days or any additional, mutually agreed upon period of time

to consider the request (the "Change Order Review Period"). The Change Order Review Period will commence the day the Change Order request is received in writing by the party being asked for the Change Order. During the Change Order Review Period, all parties will provide timely information and supporting material as input as input to the requested Change Order, regardless of which party initiated the Change Order, including but not limited to any additional fees that would be incurred, the impacts on the relevant Deliverables, and any alteration of the Project Schedule that would result if the Change Order were agreed to. Emtec will also, during the Change Order Review Period, provide a time and materials or a Fixed Price cost based on SCV Water's desired pricing model.

Change Order requests not approved or rejected by the non-requesting party before the expiration of the Change Order Review Period shall be deemed rejected.

Any Change Order that will alter either the overall scope, schedule, or cost of the Project must be approved by SCV Water's Executive Sponsor and Emtec's Executive Sponsor. Any other Change Order may be approved by SCV Water's Project Manager and Emtec's Vice President of Professional Services.

Emtec will agree to any Change Order requested by SCV Water, provided the parties are able to agree upon any changed terms, additional fees and modification to the Project Schedule that would result from the Change Order.

If both SCV Water and Emtec agree to the change, all relevant terms shall be documented in the Change Order. Any charges not already specified in the Statement of Work or which are different than those in this Statement of Work will be noted in the Change Order. Any additional services performed by Emtec as a result of a Change Order will require the payment to Emtec of additional fees as agreed.

If agreement on a requested Change Order does not occur by the end of the Change Order Review Period, either party may initiate the conflict resolution process set forth in this Statement of Work regarding the requested Change Order, unless the change solely regards a Deliverable that was completed and accepted before the request for the Change Order was made.

Any Deliverables that have already been completed and accepted by SCV Water that are subsequently altered as a result of a Change Order must be appropriately revised, pursuant to the Change Order, with the change number and date noted. An updated version of such a Deliverable will then be signed and stored with the project documentation.

Additional services will be made available as upon request and mutual approval utilizing the rate structure included in Attachment 3 Pricing (Cost Matrix), plus any travel related costs.

Services or functionality that is de-scoped will be removed from the project through a formal change order with the cost of the reduced scope being similarly removed.

Change Order Requests will be tracked online within Atmos and reviewed weekly as part of the Project Management Meetings.

There will be a true up exercise at the end of analysis phase. In case there is scope removal/exclusion of any requirement and its associated sub requirements as a whole that will result in removal of any customization/interface in scope as defined herein, the unutilized hours will move to bucket or hours to be utilized later. Similarly, in case, there are new requirements as approved by SCV Water or there is scope addition to our current understanding / agreement regarding the customization or interfaces in scope, a new change order will be processed.

Any hours included in the final pricing for customizations (modifications, extensions, interfaces) that are deemed not needed shall be moved to the "Bucket of Hours" (Scope Customization section) and held in reserve to be used at a later date for any new or existing requirements or services needed to complete the project, or removed from the project entirely on mutual agreement of the parties. If moved, a zero-dollar change order will be

employed to document the hours to be banked. A second Change Order will be processed at the time a new requirement is agreed to, to deduct hours from the banked "Bucket of Hours." Change Orders for new requirements (e.g., reports, Modifications, products, portals, additional services) will be monetary in nature, using the Emtec Rate, once the pool of banked hours is exhausted.

If banked hours in the "Bucket of Hours" are not used during the scheduled implementation timeline, both Emtec and SCV Water will work in good faith to use the unused hours within the four (4) month post Go-Live support period. SCV Water will have the ability to use the unused report hours for other related implementation items. Identified hours not used by the time of project closure will be shifted to a post go-live managed services agreement with a caveat that the time must be used within three (3) months, thus providing SCV Water with a period of seven (7) months following go-live to use the hours.

3.4 DATA CONVERSION

3.4.1 GENERAL CONVERSION OVERVIEW

Customer will be primarily responsible to extract, clean, validate, populate data templates and reconcile all conversion data. Additionally, Customer will be responsible for all historical data mapping. Emtec will advise and assist in all aspects of the above tasks as shown in the table below:

Conversion Task	Responsible	Assists	Comments
Data Extraction	SCV Water	Emtec	Data is extracted from existing SCVWA systems and should be performed by SCVWA staff. Emtec will provide guidance and assistance as needed.
Data Cleansing	SCV Water	Emtec	Customers know their data better than any consultant and are responsible for cleansing data prior to conversion. Emtec will advise on how to effectively go about data cleansing and provide additional insights based on our experiences as appropriate.
Data Validation	SCV Water	Emtec	Data validation is collaborative in that Emtec will provide "base level" validation in the form of record counts, etc., and also spot check some records, however, the core validation must be performed by those who know the data best. Emtec will also work with SCVWA to develop a validation strategy and routines.
Populate Data Templates	SCV Water	Emtec	SCV Water is responsible for populating the templates. Emtec will provide advisory insight and guidance based on our experience and also provide accelerators in the form of templates we've used in the past to the extent they are applicable to the SCVWA project.
Reconcile Conversion Data	SCV Water	Emtec	SCV Water is responsible for data reconciliation because they know the data better than any consultant would. Emtec will provide advisory insight and guidance based on our experience as appropriate.

Once data has been cleaned and validated, conversion will be accomplished utilizing standard File-Based Data Import (FBDI) for Oracle Financials Cloud. Emtec will be responsible for loading the data via FBDI based on the

Customer populated templates. Sample conversion data must be provided by Customer before the design phase is complete to ensure conversion process definition can be completed within the agreed upon timeline.

Conversion routines will be run as often as is required to get the data correct in the system with the target of having the full set of data converted in time for CRP2 with the understanding that something less than 100% at that stage may be mutually agreed to as part of the data conversion strategy or subsequently as part of the project discussions based on needs or issues at the time. Emtec’s conversion process begins with a small sample of data to begin working out issues associated with the data coming in and increase volume with each subsequent conversion.

3.4.2 DATA ELEMENTS INCLUDED IN CONVERSION SCOPE

The following are included in scope:

- Data elements identified within this scope of work will be converted from the Legacy systems.
- Emtec and SCV Water will jointly define the extract formats into which SCV Water will load the data extracted from the Legacy Systems. It is assumed that data will be extracted from the legacy system without the need for transformation unless mutually agreed upon by SCV Water and Emtec.
- SCV Water will provide Emtec with read access to the most current version of all existing documentation pertaining to the Legacy Systems, access to the Legacy Data, and/or read-only access to Legacy Systems.
- Legacy data (from any source) that is too inconsistent to convert will be addressed in the Conversion Specification regarding the alternative method to bring it into the System.
- SCV Water is responsible for data reconciliation between the Legacy (source) Systems and the extract file(s) that feed into the data conversion process.

3.4.3 DATA TYPES FROM LEGACY TO BE CONVERTED

Data	Current Systems	Notes
G/L	Sungard Sage300	4 Different G/L structures shall be merged into 1 new structure.
A/P	Sungard Sage300	Vendor Master File Open Transactions will be converted if warranted. Historical Transactions will not be converted.
Misc. A/R	NA	SCV Water will do manual entry of Misc. A/R for open items and customers
Inventory	Excel	Items will be converted at average price Suppliers will be converted. SCV Water is creating a new master inventory list and will do manual counts prior to cutover.
Purchasing	NA	SCV Water to manually enter open P/O’s from Aestiva.
Fixed Assets	Sungard Access Database	Fixed Assets
Projects	Sungard Excel	Open Projects as of 1/2018. Conversion Data to include: Project Number, Contractor Name, Amount Paid to Date, Balance Remaining, Retention Amount. All cost factors will be brought in at a detail level. Data may go back prior to 1/1/2018 for projects. Historical data will not have drill down capability.

3.4.4 DATA TYPES FROM LEGACY REQUIRING MANUAL CONVERSION

The following areas have been identified as requiring manual data conversion:

- Customers
- Open AR Invoices
- Open Purchase Orders
- Open Grants
- Retention
- Contracts

3.4.5 DATA VOLUMES TO BE CONVERTED

In addition to the current year, GL (monthly summary) data will be converted dating back to January 1, 2018 as part of this project. Additionally, open Projects data for the same timeframe will be converted as well.

3.4.6 LEGACY DATA CLEANSING AND TRANSFORMATION

SCV Water is responsible for all data cleansing. Emtec will assist SCV Water with data cleansing through its transformation and load programs where feasible. Emtec will provide exception reports from load testing as part of the conversion process, as specified in the Conversion Specification Deliverable in the Project Deliverables worksheet.

Data transformation will be performed by both the SCV Water and/or Emtec as needed. The owner of specific transformations will be defined in the Data Conversion Plan.

3.4.7 HISTORICAL DATA CONVERSION CAPABILITIES / LIMITATIONS

Potential issues that the parties, and specifically SCVW, need to be mindful of during conversion include but are not limited to:

1. Transactional data cannot be dated prior to any of the metadata components
 - a. Items must exist in inventory prior to using it on a Purchase Order
 - b. Adding an employee supervisor before the start date of the manager
 - c. Supplier/site must exist prior to the date of the AP Invoice
2. Date formatting instructions in each of the FBDI templates must be followed
3. It is strongly suggested that SCVW read and understand the hints on each field so that you know exactly what Oracle expects or requires in any given field

3.5 SYSTEM REQUIREMENTS

The system requirements for the Oracle Cloud Environment will be determined by Oracle as part of their sizing process and with conversations with both Customer and Emtec on expected data and transactional volumes. As the project progresses, Emtec will work with Oracle to upgrade to a larger configuration as the team deems necessary during the testing phases.

There are other requirements that are recommended from Oracle that are under the control of Customer. Those requirements and recommendations are referenced in the table below.

Device Type	Requirements	Optional
Desktop	Minimum native screen resolution of 1280x1024	Supported Browsers Apple Safari 11.x and 10.x Google Chrome 60+ Microsoft Edge 40+ Mozilla Firefox 52+
Tablets	Minimum native screen resolution of 1024x768	Supported Devices Apple Devices: Safari on all iPad models Android Devices: Google Chrome (Current Release)
Mobile Expense Management	N/A	Supported Apple Devices iPhone: iOS 8.x on 4s, 5, 5s & 5c, 6, 6+ iPad: iOS 8.x on all models Supported Android Devices OS 4.0.2 or higher
HCM Cloud Mobile	N/A	Supported Apple Devices iOS 11+ Note: iPhones and iPods are locked to Portrait mode, iPads are locked to Landscape mode Flash based SCORM content will not work on iOS devices because iOS does not support Flash SCORM content referencing online or absolute URLs will not work in offline mode SCORM 2004 not supported on mobile Supported Android Devices Android OS 5.0+. Note: Phones and smaller tablets are locked to Portrait mode, large tablets are locked to Landscape mode SCORM content referencing online or absolute URLs will not work in offline mode SCORM 2004 not supported on mobile

Oracle maintains and publishes the most up to date system requirements here:

<https://www.oracle.com/system-requirements/>

3.5.1 SOFTWARE BILL OF MATERIALS

Please refer to Attachment 10 this document for the list of software to be implemented as part of the scope of this agreement.

3.6 ENVIRONMENT DESCRIPTIONS

The number of Oracle Cloud environments used during an implementation tends to vary depending on our SCV Water’s agreement with Oracle. It is Emtec’s preference to have three (3) environments throughout all Cloud projects. Those environments names and how they are used may change throughout the project.

An instance management plan will be created to define and outline the technical environments that will be licensed with Oracle as part of this project. Oracle pricing has been scoped to include the following environments for both the Financial and HCM modules:

Environment	Description
DEV	This environment is used by the technical team for the development and unit testing of RICEW/CEMLI. After objects have been tested and approved, they are migrated into the other environments for functional testing. This environment should have all the data structures and tool needed for all the development activities and testing.
TEST	This environment will be the first created for Global Design. It will be used to test configurations and changes in a non-change control environment. After Common Design this environment will be refreshed on demand from either CRP, UAT or PROD and will be used to test all changes prior to moving to the formal testing environment to ensure they do not break or degrade the system. This environment should have all the integrations necessary to test full functionality of the system.
PROD/CRP/UAT	This environment is originally used to perform formal unit and integration testing. No changes will be made to this environment without thorough testing in the TEST environment and formal approval and sign-off. This environment should be sized for production type volumes and used to make sure process can function at the volume levels required for go-live. This environment should have all of the integrations necessary to test full functionality of the system at full capacity.

Assumptions:

1. Environment refresh requires advance notice to Oracle, resulting in potential project dependencies and or delays.
2. Environment refresh will be addressed and outlined as part of the Environment Management Plan.

Planning and management of the Oracle Cloud Environments is fundamental to the success of the project. Quarterly upgrades, maintenance activities, patching cadence, Cloning (P2T-Prod to Test and T2T Test to Test environment copy) and environment ‘pod’ usage must be clearly defined and managed throughout the implementation life cycle. Emtec and SCVW will develop an Oracle Cloud Environment Management Plan and Road Map document in the Preparation project phase that will be executed during implementation and post go-live activities.

3.7 FACILITIES AND SPACE REQUIREMENTS

- Conference rooms suitable for up to twelve people will be available to conduct meetings
- Cubicle at SCV Water location(s) and furnishings will be provided by the SCV Water
- Onsite Internet access (preferably wireless), printers, and necessary Project-related equipment.

- Emtec will have the capability to print from their local notebook computers.
- Secure remote VPN access to the SCV Water's network(s).
- VPN access back to Emtec's remote offices.
- The required Software licenses for all Project-related applications excluding those provided by Emtec.
- Building access – there will be times during the project when the Emtec team will need to work early and or late so off-hours access to the project facility is required.
- Projectors and whiteboards provided by SCVW

4 DELIVERABLE SUMMARY

As part of planning, all of the Deliverables in this Statement of Work will be added to the ATMOS Deliverable list. At points in the project, if appropriate, the Deliverable List in ATMOS will be updated to expand the ".x" Deliverables into ".1, .2, .3..." Deliverables, and add the correct name to each Deliverable.

4.1 DELIVERABLE / MILESTONE ACCEPTANCE

All milestones will have both key activities and deliverables tied to them as a means of measuring the milestone in terms of completeness. Key activities and deliverables will also be specifically listed on the project plan to ensure the ability to track each with target dates of completion. All of these key activities and deliverables will also have a formal sign off process created within Emtec’s ATMOS project collaboration web site that will be created for the project. These “sign offs” will serve as the official record of the status of each key activity and/or deliverable and will include a sign off via electronic signature by both Customer and Emtec. Each week the Emtec and Customer project managers will review all key activities and deliverables to obtain the sign off on any that are completed for that week. Once all key activities and deliverables associated with a given milestone are mutually agreed upon as complete and then officially approved by both Emtec and Customer, Emtec will generate the invoice for that milestone and present it Customer for payment according to agreed upon terms.

A screenshot of the acceptance form in ATMOS is shown below:

ID	Project	Title	Description	Status	Approver	Created By	Modified	Created
Project: (15)								
Project: ORACLE FINANCIALS (18)								
Status: Approved (18)								
28	ORACLE FINANCIALS	MILESTONE SIGN-OFF: Project Initiation (project restart)	This sign-off approves the completion of the ERP project initiation activities including: 1) Project Charter creation/approval 2) Project Plan creation/Sponsor review 3) Resource Plan (matrix) / ongoing document updated for monthly forward looking forecast	Approved	LeMoine, Shannon	Lofis, Suzanne	November 2, 2017	November 1, 21
29	ORACLE FINANCIALS	Project Plan Sign-off	This sign-off approves the project plan review during the Project Initiation phase of the project by the Project Sponsor	Approved	LeMoine, Shannon	Lofis, Suzanne	November 2, 2017	November 2, 21
30	ORACLE FINANCIALS	Fixed Asset Security Sign-off	This sign-off is approving the FA Security Matrix reviewed by the FA LIAT team. This will be utilized to configure the Production environment.	Approved	LeMoine, Shannon	Lofis, Suzanne	November 27, 2017	November 16, 21
31	ORACLE FINANCIALS	MD50 SIGNOFF: Fusion to AS400 Interface	This MD50 is the functional design of the Fusion to AS400 interface that will operate in order to allow for the journal entries in Fusion be transmitted to the AS400 for recording in the legacy system until "Go Live" of full functionality of Oracle Fusion.	Approved	LeMoine, Shannon	Hanna, Alex	November 22, 2017	November 21, 21
32	ORACLE FINANCIALS	Expense Report Pilot	This sign-off approves completion of the Expense Report Pilot, inclusive of the following: 1) Execution of Expense Report Entry business use cases by Pilot Team 2) Execution of Expense Report Approval business use cases by Approvers 3) Setup of desired payment method for expense reimbursement	Approved	LeMoine, Shannon	Lofis, Suzanne	January 2, 2018	December 8, 21

4.1.1 KEY ACTIVITY/DELIVERABLES/MILESTONE DISPUTES

Any dispute between the Emtec and Customer’s PM regarding any key activity, deliverable, or milestone that is not resolved within 5 business days will be escalated to the key representatives of the project steering committee (1 representative each from both Emtec and Customer) for resolution. The representatives will be required to resolve the dispute within an additional 5 business days or formally promote the issue to the full steering committee for resolution. The project managers from Emtec and Customer will be required to govern the project’s multiple phases such that no phase shall be able to progress to the next methodology stage (as defined by Emtec’s project methodology) if there are any unresolved, unaccepted, or disputed items related to milestones.

4.2 PM RECURRING KEY ACTIVITIES

The detailed list of PM Recurring Key Activities can be found in Attachment 6 of this document. A summary of the key PM activities includes the following:

4.2.1 PROJECT MANAGEMENT PLANS

The Emtec PM will lead the collaborative creation of all relevant project plans during the first phase of the project (Prepare). This will include the Project Governance Plans, as well as the Microsoft Project Plan.

The Microsoft Project Plan (MPP) will include tasks, milestones, deliverables, due dates, and resources for both the Emtec and SCVWA project teams. The MPP will be baselined at time of creation, and then updated and rebaselined (as necessary) as part of the schedule management tasks below.

The Emtec PM will establish a baseline MPP for reporting purposes, and then will update and rebaseline the MPP as necessary, as part of their ongoing schedule management tasks described below in Section 4.2.2. The MPP will be reviewed weekly with both the Emtec and SCVWA project teams to report progress on tasks, milestones and deliverables.

4.2.2 SCHEDULE MANAGEMENT

The Emtec PM will be responsible for maintaining the overall Project Schedule for all project resources. Schedule management tasks will include maintain the overall deliverables schedule and progress against the schedule, performing critical path analysis, and Report status based on the progress made against the plan.

4.2.3 PROJECT DOCUMENTATION

Emtec will deploy an ATMOS repository as a collaboration site for all project documentation. The SCV Water team and Emtec team will have access to post, read, and update documents on this site

4.2.4 ISSUE, RISK AND DECISION MANAGEMENT PROJECT STATUS REPORTING

Emtec will conduct issue, risk and decision management, along with escalation management processes, to ensure identification, qualification, and disposition of issues and risks in an efficient and timely manner.

Both the Emtec and the SCVWA project teams will contribute to an issue list, risk log, decision log, and project calendar utilizing the ATMOS tool. The ATMOS tool will store these project items in the form of a RAID (Risk, Actions, Issues, Decisions) Log, and the Emtec and SCV PM's will review this information weekly amongst themselves and with the project team to determine actions that need to be taken.

Standard reporting thresholds will be established for both issue/risk classification and escalation, and those thresholds will determine how issues and risks get reported and escalated. Additionally, a detailed Decision Matrix will provide an audit trail that outlines aspects such as decision type and description, decision risk rating, as well as information about the team members who made and/or approved the decision, and the respective dates.

4.2.5 STATUS REPORTS

The Emtec PM will work collaboratively with the SCVWA PM to assess the status of project tasks, deliverables and metrics that will be reported on weekly by the Emtec PM in a formal written status report.

4.2.6 STEERING COMMITTEE MEETINGS

Emtec’s methodology includes attendance at regular Steering committee meetings attended by the various stakeholders. The meetings will be scheduled at least once per month, and include an overview of progress made, any risks if they exist, and any roadblocks that need further attention for speedy resolution. The Emtec PM will work collaboratively with the SCVWA PM to create the Agenda, and the SCVWA PM will create the Steering Committee report and lead the meetings.

4.2.7 REQUIREMENTS TRACEABILITY MANAGEMENT

As part of the initial Discovery phase of the implementation, the Emtec team will lead the project team in establishing a detailed Requirements Traceability Matrix. The matrix will be used throughout the project to ensure that requirements raised by the SCVWA team are responded to via various methods (configurations, reports, interfaces, etc.).

4.2.8 MILESTONE AND DELIVERABLE COMPLETION

The Emtec Project Manager will ensure that the Emtec milestones and deliverables are completed according to the Project Schedule and provided to the SCVWA PM for final review and acceptance upon completion.

4.3 DELIVERABLES

As part of Emtec’s methodology for this project, the following written deliverables are included in the scope of the project. These deliverables are shown here for informational purposes. A full list of the project’s milestones and deliverables are further broken down and defined in in Section 6 and Attachment 10 of this SOW. Emtec and SCVW will both have responsibilities as indicated in the table below and as further defined during project planning.

Deliverable Document	Emtec Responsibility	SCVW Responsibility	Project Phase	Scope/Purpose	Format/Outline
D1 - Business Requirements Survey	Create and Review	Review and Complete Who: Business SME's	Prepare	Survey questions to gather high level business requirements	List of questions
D2 - Project Kickoff Deck	Create and Present	Attend Kickoff Mtg Who: Core project team	Prepare	Overview of SCV Water, project scope, approach, timeline, roles, resources, governance, RICE items, and next steps	PowerPoint Slide Deck
D3 - Project Governance Documents	Create and Review	Review and Feedback Who: PM and Business Leads	Prepare	Establish details of how project will be managed	Multiple planning documents in Excel & Word
D4 - Detailed Project Plan	Create and Review	Review and Update Who: PM and Project Leads	Prepare	Lay out detailed tasks, assignments, and timeline	Detailed tasks in MS Project.
D5 - RICE Specification Documents	Provide Document Template & Explain	Populate RICE Template Who: SME's	Discovery	To gather input on requirements for data conversions and custom reports	Templates in Excel and Word
D6 - Business Use Cases Document	Provide Document Template & Explain	Populate Business Use Cases Who: SME's and Business Leads	Discovery	Template to define use cases for defined business requirements	Template in Excel or Word

D7 - Requirements Traceability Matrix	Create and Review	Review and Feedback Who: PM and Project Leads	Discovery	To list & track all bus requirements defined thru setup and test	Master Requirements list in Excel
D8 - Generic Oracle Test Scripts	Provide for each application in scope	Review & Use to draft SCV Water specific test scripts Who: PM, SME's, End Users	Construct	To define navigation and steps to complete a process or transaction in system	Excel with each test script for an application on a separate worksheet
D9 - Generic Oracle Training Materials	Provide and Review	Review and Feedback Who: PM and Project Leads	Construct	End user Guides on how to use the system to complete their job functions	Typicaly on PowerPoint slides or narrative format in Word
D10 - RICE (Reports, Interfaces, Conversions, Extensions) List	Create	Review and Feedback Who: PM and Project Leads	Design	List of RICE items to build with high level descriptions	Master RICE items list in Excel
D11 - RICE Code Objects	Develop & Unit Test	Review and Feedback Who: PM and IT Leads	Construct	Code objects developed as RICE item components using Oracle tools	Compiled Code objects and source code files (file types as required by Oracle)
D12 - Functional Design Documents	Create and Review	Review, Feedback, Approve with Signoff Who: PM, SME's, Project Leads	Design	Document the functional business requirements and solution design to review and approve before code development	Comprehensive Word Template
D13 - Technical Design Documents	Create and Review	Review, Feedback, Approve with Signoff Who: PM and IT Leads	Construct	Document the technical solution design, the code components, how to run the process, expected results and error handling	Comprehensive Word Template
D14 - Application and Integration Architecture Diagram	Create and Review	Review and Feedback Who: PM, SME's, & IT Leads	Design	Display the systems footprint, integrations and data flows	Visio diagram
D15 - Application Configuration Workbooks	Create and Review	Review and Feedback Who: PM, SME's, Project Leads	Design	Lists all setup & config options and settings used	The different areas of config will be in separate Excel worksheets with the setup options and values used listed
D16 - Entry & Exit Criteria for Testing Iterations	Create and Review	Review and Feedback Who: PM and Project Leads	Construct	List of criteria for Entry and Exit of each Testing Iteration	Simple list of criteria for Entry and for Exit in Word
D17 - Test Plan & Results with Issues & Action Items Log	Create and Explain	Review and Feedback Who: PM, Project Leads, Testers	Construct	Lays out all testing needed and tracks test results	Summary dashboard format on first tab followed by detail test scripts on subsequent tabs in Excel. RAID log is in ATMOS SharePoint site

D18 - Business Specific Test Scripts	Assist	Create and Review Who: PM, Project Leads, End Users / Testers	Construct	To define navigation and steps to complete a process or transaction in system	Excel with each test script for an application on separate worksheet
D19 - Production & Operational Assessment	Create and Review	Review and Feedback Who: PM and Project Leads	Deploy	To review readiness of system and business operations to go-live in Production	Assessment Review in Word document
D20 - Production Cutover Plan	Create and Review	Review and Update Who: PM, Project and IT Leads	Deploy	List of sequential tasks that must be completed to go-live	Ordered list of tasks in Excel with assigned resources, timing, and dependencies
D21 - Production Support Plan	Create and Review	Review and Feedback Who: PM, Project and IT Leads	Deploy	Lay out plan to support the end users after go-live and instruct them how to get help. Should include discussion of disaster contingency planning.	Simple explanation of planned support from Emtec in Word or Excel
D22 - Oracle CEI Survey	Assist as needed	Complete Oracle Survey Who: PM and Project Leads	Deploy	Let Oracle know about your implementation project & SI	Online Survey

Milestone and Deliverable payments will be made in alignment with the Milestone Payment Schedule outlined in Attachment 10 of this SOW.

4.4 PROJECT TOOLS

TOOL NAME	ON-SITE LICENSE / HOSTED	DATA OWNERSHIP	TYPE	PURPOSE	USE BY VENDOR	VENDOR COST PAID BY	USE BY CLIENT	CLIENT COST PAID BY
MS Project 2016	On-site license	Yes	Scheduling Application	Develop and maintain MS Project Schedule	High	Emtec	High	SCV Water
Emtec's ATMOS Project Management System	Hosted by Emtec	Yes	SharePoint application	Communication center for project.	High	NA	High	NA

* For Vendor tools, SCV Water will have access to these tools as long as the Support and Maintenance Agreement are executed by both parties.

In Section 6.4 of its RFP response, which is attached to this SOW as Attachment 2, Emtec provided a listing of the templates and artifacts that are provided, created and maintained as part of our standard project implementation methodology and which are stored within our ATMOS system and accessible throughout the project by the SCVW team. Copies of all documentation created will be provided to SCV Water at the time of project closure.

5 CONFLICT AND ISSUE RESOLUTION

5.1 INITIAL CONFLICT IDENTIFICATION AND RESOLUTION

Risk and Issue management processes along with escalation management ensures identification, qualification and disposition of risks / issues in an efficient and timely manner.

Risk, Actions, Issues and Decisions (RAID) will be managed using a RAID log stored on ATMOS.

When a team member disagrees with, or has a conflict with another team member, the two parties will discuss the issue and seek the resolution that best benefits the project.

If the conflict is an implementation issue (as opposed to a personnel issue), it will be documented in the project's RAID log and managed accordingly. All logged issues are documented so there is a history of the parties involved and the reasons for the conflict and its resolution.

If the individual team members are unable to resolve the conflict the team members will report the issue to their respective Project Team leads. The Project Team leads will then work together to resolve the issue.

If the issue is still not resolved, the team lead will report the issue to the Project Managers. When a dispute is escalated to Emtec and the SCV Water's Project Managers, the formal Conflict Escalation Process begins.

5.2 CONFLICT ESCALATION PROCESS

Step 1 – The initiating party's assigned Project Manager will inform the other party's Project Manager that a dispute exists. The two Project Managers will work together to resolve the issue. If after five (5) business days, or a mutually agreeable timeframe, the matter has not been resolved, the issue will be escalated to Step 2.

Step 2 – The Project Managers will inform the Project Director that a dispute exists. The party that initiated the dispute will clearly document its concern in writing to the other party and outline what its expectations are related to the desired resolution for the outstanding issue. The party identified by the Project Director to resolve the problem will have ten (10) business days, or a mutually agreeable timeframe, to resolve the matter. If the matter has not been resolved after this phase, the issue will be escalated to Step 3.

Step 3 – During this step, the information documented from Step 2 (and any other clarifications from Step 2) will be provided via certified mail to the party required to resolve the issue. The Executive Sponsor empowered to resolve Project issues will represent the SCV Water. The party that initiated the Dispute Resolution Process will allow the other party ten (10) business days, or a mutually agreeable timeframe, to resolve the matter. If at the end of this phase the matter is not resolved, the aggrieved party may seek resolution through other legal means.

6 IMPLEMENTATION AND METHODOLOGY

6.1 PROJECT SCHEDULE

The Gantt chart below depicts the high-level project phases as of the time of this SOW. Timelines and details will be confirmed, or altered as needed, as part of the planning process conducted during the Prepare Phase of the project.

	JAN	FEB	MAR	APR	MAY	JUN	JUL (*)	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL
Global Planning																			
Global Planning			DONE																
ERP & HCM Project Kick-off			DONE																
HCM Project Kick-off			DONE																
Global Chart of Account Design				DONE															
Global Design			DONE																
Business Process Re-engineering																			
Client Business Process Re-Engineering															DONE				
HCM																			
Core HCM & Onboarding						Prototype	CRP1				CRP2			UAT		LIVE		PGLS	
ERP																			
Core Financials						Prototype	CRP1				CRP2			UAT		LIVE		PGLS	
Purchasing Contracts						Prototype	CRP1				CRP2			UAT		LIVE		PGLS	
Purchasing						Prototype	CRP1				CRP2			UAT		LIVE		PGLS	
Inventory						Prototype	CRP1				CRP2			UAT		LIVE		PGLS	
Projects						Prototype	CRP1				CRP2			UAT		LIVE		PGLS	
BUDGETING																			
EPM									CRP1		CRP2			UAT		LIVE		PGLS	

6.1.1 SCHEDULING OBJECTIVES AND ASSUMPTIONS (SO)

As part of the planning process, Emtec and SCVW will work collaboratively to develop a project schedule that supports the delivery of the project within the time and resource constraints identified by the parties throughout the evaluation and negotiation process. The schedule will be in the form of a Microsoft Project Plan and will be produced leveraging Emtec’s initial plan as a starting point as part of the Prepare Phase of the project. The table below details the objectives of the planning scheduling process:

OBJECTIVE #	DESCRIPTION
OVERALL	
SO1	The parties will develop an MS Project Schedule that details, including task names, dependencies, durations, work, assignments, and level delay for all Deliverables regardless of whether resources are from SCV Water, Emtec, or other.
SO2	The parties will work to identify every key activity and deliverable within the schedule with the understanding that key activities may be added at a later date if all parties agree.
SO3	Team leads from SCV Water and Emtec will be consulted on the tasks, dependencies, durations, work, and assignments within their area of responsibility.
SO4	Separate task lists will not be maintained outside of the MS Project Schedule.
SO5	All team members will work only on project tasks assigned in the MS Project Schedule or by their respective Project Manager.

OBJECTIVE #	DESCRIPTION
SO6	At all times the detailed MS Project Schedule will match the approved, published high level schedule that is produced by the parties during the Prepare Phase of the project, adjusted by any approved Change Orders.
SO7	Once approved, the MS Project Schedule will be saved as a baseline. MS Project Level 1-2 target dates cannot change without Change Order.
SO8	A new baseline MS Project Schedule (with successive number) will be saved when any Change Order is approved that affects the MS Project Level 1-2 target dates.
TASKS	
SO9	The approved schedule will have, at a minimum, MS Project Level 1-3 tasks for the duration of the project, and level 4+ tasks for the current and next major (Level 1.0, 2.0, 3.0, 4.0, etc.). All custom code development dates will be provided by individual item.
SO10	Task names should be meaningful on their own, so each can be understood without the context of the summary tasks.
SO11	Tasks should be at the level of what can be accomplished in 10 days. (10-day rule). For instance, if a deliverable spans over several weeks or months, the deliverable will be broken into 10-day tasks with specific results or deliverables every 10 days. This will ensure progress in stages.
SO12	Boilerplate task durations will not be used. For example, every task to Write Functional Specification will not be assigned one one-week task. Instead, some Functional Specifications may be rolled together to create one week of work, while larger ones will be split into multiple tasks to cover the appropriate number of weeks required to complete the specification.
SO13	When a task is split into multiple tasks over multiple weeks, the expectation for completion of each week will be clearly defined. For example: if the task to Write Functional Specification will take three weeks, it will be divided into three week-long tasks, with clear objectives for each week - not simply "Week 1", "Week 2", "Week 3".
SO14	The use of constraints (Start No Earlier Than, Start On, etc.) will be limited to only those tasks with true constraints. Constraints will not be used for leveling.
SO15	Dependencies will not be used for leveling.
SO16	Leveling delay will be used to move tasks to a later time in the project, when needed to level the work.
RESOURCE	
SO17	Resources regularly contributing to the project will be included in the MS Project Schedule, listed by last name, first name.
SO18	Generic resource names ("Developer") may be used for offsite resources and for occasional contributors only.
SO19	A resource will only be listed once, unless they are filling multiple roles on the project.
SO20	Resource calendars will accurately reflect resource availability. The SCV Water's full-time resources will be available 35 hours per week.
SO21	Where possible, tasks assigned to more than one resource should be limited to group tasks (e.g., meetings).
SO22	Full time team members should be utilized at 85-115% on a weekly basis. Allocations outside that range must be leveled.
SO23	At all times, the work (effort) for a task must accurately reflect the work required to complete the task.
MAINTENANCE	
SO24	If appropriate late tasks will be rescheduled into the future and work re-leveled. Depending on severity and impact, late tasks may require an explanation as to why the task was late and a plan explaining how the tasks will be completed in the new timeframe.
SO25	The scheduled work represented in the MS Project Schedule should represent all tasks with resources assigned and the work leveled.
SO26	MS Project Schedule tasks may be added or deleted as needed and work re-leveled.

6.2 HIGH LEVEL IMPLEMENTATION METHODOLOGY

Emtec is a certified Oracle service provider of Oracle OUM methodologies (Oracle Unified Methodology formerly known as AIM). Emtec leverages a hybrid implementation methodology combining the benefits OUM (waterfall based) as well as “Agile” based deployments to allow for a more hands-on, prototype driven implementation.

The table below outlines the six (6) level 1 project phases provided in Emtec’s implementation approach for this project.

Original Contract Project Phases	Emtec Project Phases
1.0 Planning	1. Prepare
2.0 Analysis	2. Discover
3.0 Design, Construction, & Testing	3. Design 4. Construct 5. Validate
4.0 Deployment	6. Deploy
5.0 Post Implementation	7. Post Go-Live Support

6.3 PROJECT PHASES AND ENTRY/EXIT CRITERIA

6.3.1 PREPARE

The prepare phase of the implementation focuses on creating the foundation for the project and getting the SCVWA team ready for the implementation. Core aspects of the Emtec methodology that will be provided during this phase are discussed below, and a detailed listing of the project tasks, activities, milestones and deliverables for the phase are outlined in Attachment 10.

- **Launch Project.** Emtec will conduct a Project Kickoff meeting at the beginning of the project to review the project at a high level including the plan, phases, milestones, activities, responsibilities, and deliverables. This will set the expectations for the project, the team members, ensure everyone is on the same page at the start and get any questions answered.
- **Create Project Plans.** The Emtec Project Manager (PM) will build a detailed project plan that will be shared with Customer and followed throughout the course of the project. Additionally, the Emtec will create Project Governance documents and subplans.
- **Establish Project Infrastructure.** Emtec will establish the online repositories that the Emtec and SCVWA project teams will use to manage project documents. Additionally, Emtec will work with Oracle to establish SCVWA’s cloud environment and Emtec’s master account.
- **Conduct Initial Discovery and Global Design.** Emtec will create the RICE specification templates for the project and review with the project team. Additionally, Emtec will facilitate design discussions and compile the findings into draft design documents for aspects such as the Chart of Accounts Structure, Global Functional and Integration Architecture, Instance Management, Conversion and Testing strategies.
- **Data Conversion Strategy.** Emtec will assist SCVWA in the development of the data conversion strategy leveraging its methodology for conversion as well as standard templates provided by Oracle. The SCVWA team will use this information to draft an initial data conversion strategy which Emtec will review to ensure alignment with future data conversion tasks. Emtec will be available provide additional services, as requested by SCVWA, on a Time and Materials basis through a Change Order process.

- **Use Case and Business Case Scenario Construction.** Emtec will provide SCVWA with a methodology for documenting business use cases and test scenarios and guide the SCVWA team in how to use them to document their business requirements. These documents will help SCVWA to gain a better understanding of their business requirements, to ensure those requirements are being met with the system design, and to create a foundation for developing the test scripts that will be needed to validate the system design meets the business requirements.

6.3.1 PREPARE ENTRY / EXIT CRITERIA	
ENTRY CRITERIA – Phase cannot begin until all are met	EXIT CRITERIA – Phase cannot close until all are met
<ul style="list-style-type: none"> • All Contracts Signed • The SCV Water and Emtec’s PMs available full time 	<ul style="list-style-type: none"> • All Phase Deliverables Complete, Approved, Published

6.3.2 DISCOVERY

The Discovery phase of the implementation focuses on working with the SCVWA team to gather detailed business requirements that will be used to construct the individual system modules being implemented (Core HCM, ERP and EPM). Core aspects of the Emtec methodology that will be provided during this phase are discussed below, and a detailed listing of the project tasks, activities, milestones and deliverables for the phase are outlined in Attachment 10.

- **Product Orientation.** Emtec will provide a complete End-to-End walk-thru of the Oracle Cloud application, in order to acclimate the SCVWA project team to the Oracle application.
- **Requirements Gathering and Analysis.** Emtec will work with the SCVWA team members to define their business and technical requirements for the Cloud applications being implemented. Emtec will review the Requirements and Survey Questionnaire information collected during the Prepare Phase and use that to leverage their understanding of SCVWA’s needs.

Emtec will then use that information to guide the delivery of Requirements Workshop sessions that will explore SCVWA’s functional, security, reporting, data conversion, workflow, interface and extension requirements in detail. The business processes and requirements identified during the Workshop Sessions will be compiled into a draft Requirements Traceability Matrix (RTF) that includes Business Cases/Scenarios specific to SCVWA, as well as a defined list of RICE elements (Reports, Integrations, Conversions and Extensions).

Additionally, to facilitate understanding SCVWA’s reporting needs, Emtec will categorized report development into three separate categories (Group 1, Group 2, or Group 3). These categories will determine the order in which the reports will be developed and delivered, and the results will be documented in a ‘To Be’ Master Report list.

6.3.2 DISCOVERY ENTRY / EXIT CRITERIA	
ENTRY CRITERIA – Phase cannot begin until all are met	EXIT CRITERIA – Phase cannot close until all are met

6.3.2 DISCOVERY ENTRY / EXIT CRITERIA

<ul style="list-style-type: none"> • Completed, approved, and published Deliverables, including the following: <ul style="list-style-type: none"> ○ Initial Functional Requirements ○ Provisioning of Oracle systems requested by SCV Water – Primary Systems ○ Analysis Workshop Schedule ○ Project Team Orientation ○ Project Kickoff Meeting 	<ul style="list-style-type: none"> • Acknowledging that Discovery can and likely will bridge multiple project phases, Design in any area will not proceed without sign-off from SCV Water.
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Due to the implementation of three distinct Oracle modules (Core HCM, EPM, and ERP), Emtec may conduct the Discovery phase for each module separately and iteratively. As such, the Discovery tasks for certain modules may be occurring while other modules have progressed to the Design Phase. In implementing this approach, Emtec acknowledges that they bear the risk that components may be modified or removed from scope.

6.3.3 DESIGN

The Design phase of the implementation focuses on designing the Oracle system according to SCVWA's business and technical requirements. Core aspects of the Emtec methodology that will be provided during this phase are discussed below, and a detailed listing of the project tasks, activities, milestones and deliverables for the phase are outlined in Attachment 10.

- **Design Specifications.** Emtec will hold a series of workshops and review sessions to define and document (in detail) the functional design of the application and the Reports, Interfaces, Configuration, and Extension (RICE) items that will guide system construction. Emtec will compile the findings from the sessions into Functional and Technical specifications, and the final lists of To-Be reports, notices, and business processes will be confirmed. Emtec will then facilitate meetings to review the design of these items.

Emtec will also review SCV's Business Requirements against the Oracle functionality and call out any gaps that need to be addressed, while also working with the SCVWA team to map the SCVWA functional requirements to the results of design workshops, and ensure that all the requirements have been addressed in the design specifications.

- **Business Process Optimization.** Emtec will also review the current business process and discuss and recommend changes that can and should be made to the processes to leverage the application functionality being implemented for SCVWA.

Due to the implementation of three distinct Oracle modules (Core HCM, ERP and EPM), this phase of the project may be conducted iteratively by module. As such, the design tasks for select Oracle modules occur while other modules have entered the Construct Phase. If Emtec chooses to begin designing any components before SCVWA's approval/acceptance of Design deliverables, they bear the risk that the components may be removed from scope.

6.3.3 DESIGN ENTRY / EXIT CRITERIA

ENTRY CRITERIA – Phase cannot begin until all are met	EXIT CRITERIA
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6.3.3 DESIGN ENTRY / EXIT CRITERIA

- | | |
|---|--|
| <ul style="list-style-type: none"> Phase 1 Prepare complete and closed, and Discovery complete and closed to the extent possible to allow Design to begin. | <ul style="list-style-type: none"> Design is a fluid phase that can extend from Design, through Construct and into Validate. Construct will not begin on any item without validation and sign-off from SCV Water. |
|---|--|

6.3.4 CONSTRUCT

The Construct phase of the implementation focuses on configuring the Oracle modules according to the design documentation gathered during the Design phase. Additionally, there is also an emphasis on data conversion and building out the initial integrations.

Core aspects of the Emtec methodology that will be provided during this phase are discussed below, and a detailed listing of the project tasks, activities, milestones and deliverables for the phase are outlined in Attachment 10.

- System Set-Up and Configuration.** Once the system design from the previous phase is reviewed and agreed to, Emtec will setup and configure the Oracle Cloud Application according to SCVWA’s specific business needs. During configuration, Emtec will execute functional unit testing plans to ensure the configuration is working appropriately as a CRP Prototype. During this time Emtec will be continually documenting the set-up and configuration in a Configuration Workbook, and that workbook will be will continually be updated throughout the project.

Additionally, Emtec will also create an architectural diagram for the Oracle configuration, showing how all the components will integrate together.

- RICE-WD Development and Unit Testing.** Following sign-off of the Functional Design (MD-50) Documents, Emtec’s Technical Engineers will develop and unit test RICE elements using the MD-50 Functional specifications. Remediation will be performed for any detected development deficiencies, and Emtec’s Functional consultants will review results and perform further business case testing.

Emtec will also document (in writing) the Technical Specifications for each RICE item being developed (MD-70 Technical Specifications) and perform a walk-thru with the SCVWA team to demonstrate RICE element functionality and testing approach. Emtec will update the MD-50 and MD-70 Specification documents as necessary.

- Functional Testing Design.** Emtec will create and/or provide SCVWA with generic Oracle test scripts for each Oracle Cloud application being implemented. Using these, and the Use Cases and Business Scenarios that SCVWA constructed during the prepare phase, Emtec will work with SCVWA to build Test Plans and establish entry and exit criteria for each cycle of testing.

Additionally, Emtec will work with SCVWA to identify business specific scenarios that can be used to create the Testing Scripts that will be used to validate system functionality, and to identify the data that will be required to make the scripts work.

- Conversion Testing.** In the Discovery Phase, Emtec had provided the Oracle Data Conversion templates and educated SCVWA on how to populate their data into the template. In this phase, Emtec will take data conversion templates that SCVWA has populated with sample data and load it into Oracle. SCVWA will then be able to validate and reconcile the data conversions and resolve any errors that occur. Note: SCVWA will need to ensure that the data supports the functional testing that will be completed during the Conference Room Pilots for this phase.

- **Core Team Training Delivery.** Emtec will train SCVWA’s lead resources for each of the applications. Most of this knowledge will be transferred to SCVWA’s lead resource while working alongside the Emtec resource thru the various phases and activities of the project, and particularly during the execution of functional testing during the Conference Room Pilots. Once trained, the SCVWA lead resources will be responsible for training SCVWA’s end users that will be using each of the applications. Emtec will provide Oracle’s generic training materials to SCVWA and review with the team leads to assist them with training development.
- **Conference Room Pilot 1 (CRP1) Execution.** Emtec will guide the SCVWA team leads in conducting iterative Conference Room Pilots to test the functionality of the Application prototypes. CRP1 will focus on testing the standard Oracle functionality that has been configured for SCVWA. Emtec will guide the SCV core team members in best practices for the testing, and teach them how to test, document results, log issues, etc. Emtec will ensure the test plans are followed, test results are documented, and issues and action items are logged for follow up. Emtec will work with SCVWA and Oracle to resolve the issues and address any action items logged and will update the configuration documentation as necessary.
- **Test Plan and Test Script Finalization.** Emtec will work with the SCVWA team leads to update and finalize the Test Plan and Entry and Exit Criteria for CRP2 UAT, which support integration and end-to-end testing. Emtec will document and communicate Test Plans, Testing Schedules, and the associated Entry & Exit Criteria.
- **Conference Room Pilot 2 (CRP2) Execution.** CRP 2 focuses on testing both the standard Oracle functions as well as the custom RICE items, along with all converted data, to ensure end-to end functionality. Emtec will lead the CRP2 Testing cycle and ensure the test plan is followed, test results are documented, and issues and action items are logged for follow up. Emtec will work with SCVWA and Oracle to resolve the issues and address any action items logged and will update its configuration documentation as necessary. Entry and exit criteria for CRP2 are jointly developed and agreed to as part of the Construct phase. The Entry Document will define scope, test scenarios, test scripts where applicable, data requirements and the dashboard to communicate test scenario execution. The Exit Document will contain a recap of the testing scope and dashboard with a discussion of results, actions, issues and decisions. User Acceptance Testing, which is the core of the Validate Phase, cannot proceed without SCVWA sign off on the CRP2 Exit Document.
- **Documentation Updates.** As Emtec constructs the Training Design focuses on the strategy for application, they will continually update the relevant design documentation, including (but not limited to) the following: Configuration Workbook; Functional and Technical Specifications; Requirements Traceability Matrix; and Business Cases, as necessary.

6.3.4 CONSTRUCT ENTRY / EXIT CRITERIA	
ENTRY CRITERIA – Phase cannot begin until all are met	EXIT CRITERIA – Phase cannot close until all are met
<ul style="list-style-type: none"> • Planning, Analysis complete and closed 	<ul style="list-style-type: none"> • All Phase Deliverables Complete, Approved, Published
<ul style="list-style-type: none"> • Construct on any module or functional area will not proceed without appropriate sign-off. 	<ul style="list-style-type: none"> • Core Configuration Complete and ready for User Acceptance Testing as defined and agreed to in the jointly defined and agreed to test plans which included updated entry/exit criteria. (Reference C4 in the Milestone table)

If Emtec chooses to begin developing or configuring a component before the design for the component is approved, it bears the risk that the design may change and require re-work.

6.3.5 VALIDATE

The Validate phase of the implementation focuses on testing of the Oracle system based on the requirements gathered in previous phases.

Core aspects of the Emtec methodology that will be provided during this phase are discussed below, and a detailed listing of the project tasks, activities, milestones and deliverables for the phase are outlined in Attachment 10.

- **Finalize Test Plans and Validation Scripts (Test Scenarios, Scripts, Data).** Emtec will work with SCVWA to create and communicate the Test Plans, Entry and Exit Criteria, and Schedule for UAT. Emtec will assist SCVWA with updates to test scripts as needed, in order to accommodate the end-to-end testing that will occur as part of UAT.
- **Prepare and Execution of full data conversion load.** Emtec will work with SCVWA to populate the full data set into the Data Conversion template. Emtec will run the data load process until all data is successfully loaded. Emtec will advise SCV Water on any data errors encountered that need to be resolved.
- **End User Training Design and Development.** Emtec will work with SCVWA to design an overall Training strategy for the delivery of end user training and then support SCVWA in the development and finalization of supporting documentation, end-user training materials and end-user guides. SCVWA business leads will prepare to deliver end-user training to staff, as appropriate.
- **Execute User Acceptance Testing (UAT) Test Cycle.** Emtec will support SCVWA in the execution of the UAT Test cycle, which will include testing of all business cases, all RICE items, and all system integrations. Emtec will ensure the test plan is followed, that test results are documented, and that issues and action items are logged for follow-up. Emtec will then work with both SCVWA and Oracle to resolve any issues and address any action items logged.

6.3.5 VALIDATION ENTRY / EXIT CRITERIA	
ENTRY CRITERIA – Phase cannot begin until all are met	EXIT CRITERIA – Phase cannot close until all are met
<ul style="list-style-type: none"> • Functional Test Design Complete. <ul style="list-style-type: none"> • Before Functional Testing begins on any component/module, all associated configuration for that component must be complete; AND the Functional Test cases for that component/module must have been written and approved. • The scheduled execution of tests should end two weeks before the phase end, to allow Emtec and Oracle (as needed) to correct any remaining defects. • 100% Core Configuration is delivered. • Integrations unit tested and delivered • All identified and agreed-to Reports will be delivered and validated for Functional Testing 	<ul style="list-style-type: none"> • All Phase Deliverables Complete, Approved, Published • All Severity 1 and 2 defects corrected, retested, and closed - Project Managers have the ability to evaluate Severity 2 Defects that are open to determine if the project can move forward. If a decision cannot be made this will be escalated to the Project Director. • No more than 100 Severity 3 defects (SCV Water’s choice for remaining defects). • 100% of modifications, interfaces group 1, Reports group 1, and notices (custom code and algorithm) delivered.

HARD GATE BEFORE PROCEEDING TO DEPLOY PHASE

6.3.6 DEPLOY

The Deploy phase of the implementation focuses on the activities to prepare for going live on the Oracle system. This process encompasses the development of a solid production support plan, continues through execution of the cutover plans as part of UAT and includes all final preparations leading up to the Go-Live event.

Core aspects of the Emtec methodology that will be provided during this phase are discussed below, and a detailed listing of the project tasks, activities, milestones and deliverables for the phase are outlined in Attachment 10.

- **Cut-Over Planning.** Emtec will draft a Production Cutover Plan that lists out all the tasks required for Go-Live, in chronological order. The Plan will outline all that tasks that Emtec and SCVWA need to perform in order to prepare the Application for production use, including which resource is responsible for performing the task and any dependencies related to starting the task. The Cutover Plan will be reviewed by SCVWA, and Emtec will add any additional tasks that are needed for completeness. Once complete the Plan will be shared with both the Emtec and the SCVWA project teams.
- **Production Support Planning.** Emtec will draft a plan for how Emtec’s resources are going to support SCVWA’s Production Go-Live, and provide the plan to the SCVWA team to review and make adjustments as needed.
- **End-User Training Delivery.** Emtec will support the SCVWA team leads in providing end-user training, as needed, requested and identified in SCVWA’s End User Training Plan.

Go-Live Readiness. Multiple iterations of testing will be performed on the setup and configuration of the applications to ensure readiness for go-live. Once the Exit Criteria is met for User Acceptance Testing (which is the final iteration of testing), the system is ready for Cutover and Go-Live. At that time Emtec will lead a Production and Operational Readiness Assessment Meeting discussion with the SCVWA team and document its findings. Following this, Emtec will facilitate a meeting with SCVWA’s project and leadership team to make a Go/No-Go decision as to the readiness to go-live.

- **Cut-Over and Go-Live.** Customer and Emtec will jointly determine the schedule for Go-Live, in order to minimize the impact to the business, and then Emtec will execute the Cutover/Transition plan at that time.
- **Production Support Implementation.** Emtec will Provide Production Support for the Oracle Applications as defined and agreed to in the Production Support Plan.

6.3.6 DEPLOY ENTRY / EXIT CRITERIA	
ENTRY CRITERIA – Phase cannot begin until all are met	EXIT CRITERIA – Phase cannot close until all are met
<ul style="list-style-type: none"> • All prior phases completed and closed, with the exception of PM & OCM • All Severity 1 and 2 Defects corrected, retested, and closed. Project Managers have the ability to evaluate Severity 2 Defects that are open to determine if the project can move forward. If a decision cannot be made this will be escalated to the Project Director. • Go / No Go Criteria Met • OCM Communication Input for the Cutover Plan and Checklist • Final Cutover Plan and Checklist • Final Production Support Plan • Go Live Kickoff 	<ul style="list-style-type: none"> • System up and working successfully on Day 1 (batch and online)

6.3.7 POST IMPLEMENTATION

The Post-Implementation phase of the project focuses on Emtec supporting SCVWA’s Oracle users for identified issues (inclusive of application and RICE element issues) for an established period of time, and then closing out the project once that period ends.

Core aspects of the Emtec methodology that will be provided during this phase are discussed below, and a detailed listing of the project tasks, activities, milestones and deliverables for the phase are outlined in Attachment 10.

6.3.7.1 POST GO-LIVE SUPPORT

Following Go-Live, Emtec will execute the Production Support Plan. As a part of that plan, Emtec will provide post Go-Live support for a period of 4-6 weeks after each project phase Go-Live (e.g., HCM Core, ERP Financials, EPM, etc.), and support 1st Financial fiscal close with SCV Water. As per SCVWA’s original RFP and Emtec’s response to that RFP, Emtec will provide a total of four (4) months post-production support to SCVWA.

After that period, ongoing sustaining support can be negotiated and provided through Emtec’s ClearCare Support organization. If the needs of the project change, the support arrangement may be revisited through the change order process at any time after the first month end close and with 30 days’ notice of the requested change.

6.3.7.1 POST-IMPLEMENTATION ENTRY / EXIT CRITERIA	
ENTRY CRITERIA – Phase cannot begin until all are met	EXIT CRITERIA – Phase cannot close until all are met
<ul style="list-style-type: none"> 4.2 Go-Live complete and closed 	<ul style="list-style-type: none"> Daily and monthly financial reconciliations must be accurate. Batch Processing performance targets are met.

6.3.7.2 PROJECT CLOSEDOWN

Following completion of the Post Go-Live Support period, the project will be closed. Emtec will complete all final tasks that are a part of their close-out methodology, such as conducting a final Lessons Learned meeting with the SCVWA team and documenting the results and finalizing any outstanding draft documentation and providing a copy to SCVWA. At that time SCVWA will sign-off on project completion and complete the Oracle CEI survey.

6.3.7.2 PROJECT CLOSEDOWN	
ENTRY CRITERIA – Phase cannot begin until all are met	EXIT CRITERIA – Phase cannot close until all are met
<ul style="list-style-type: none"> All phases complete and closed. 	<ul style="list-style-type: none"> All invoices submitted and paid All Severity 1 and 2 Defects identified during the project have been corrected, retested, and closed. Formal handoff of production support, including outstanding issues, risks, and other concerns, has been made from Emtec to SCV Water’s staff.

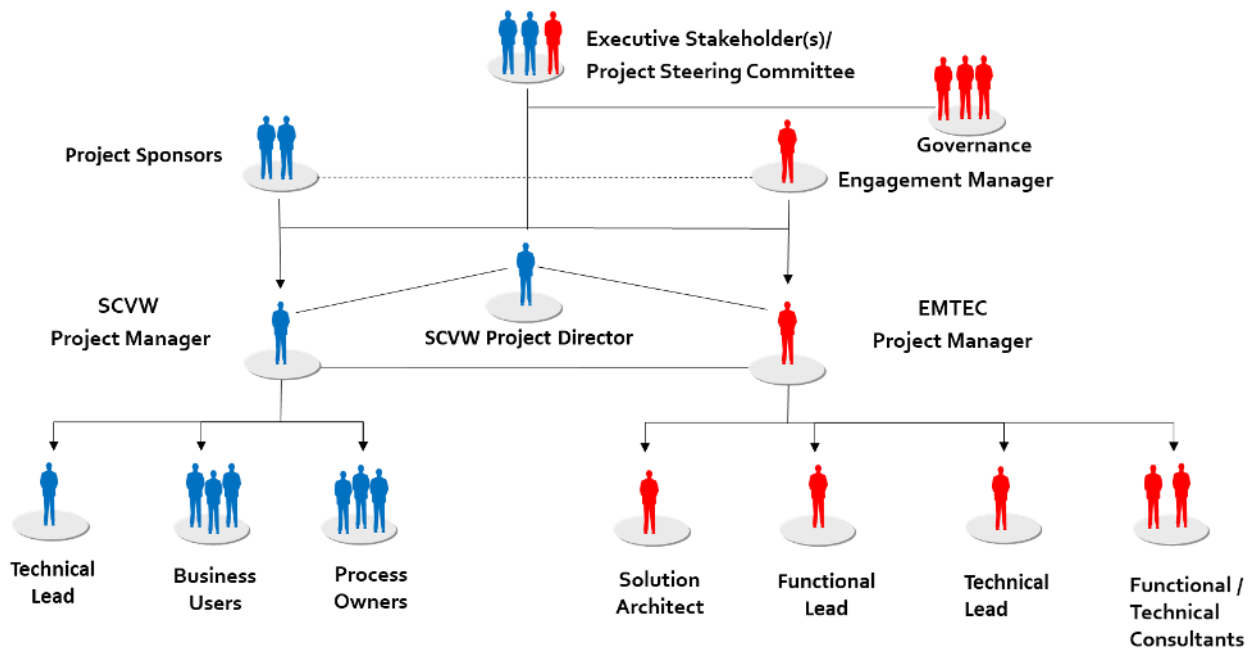
7 ORGANIZATION

The management structure of the project will consist of team members from SCV Water, Emtec and any third-parties hired by the SCV Water or the Emtec. The Emtec Project Team members will report to the Emtec Project Manager and the SCV Water Project Team members will report to the SCV Water Project Manager. Both Project Managers will report up to the SCV Water Project Director.

All project communications with Emtec and SCV Water will be directed to the two Project Managers before any escalations occur in this organization structure.

The purpose of project governance is to ensure transparency to the stakeholders with regards to project progress and to ensure that early visibility is provided for various factors.

Emtec anticipates a project organizational structure such as the one below for this project. A final organizational structure will be defined as part of prepare stage.



7.1 CLIENT ROLES AND RESPONSIBILITIES

The table below shows the key client roles that SCV Water has for this project. The full list of anticipated SCV Water roles is included in Attachment 4 of this SOW and specific named resources for each role will be identified during project planning (Prepare Phase) and incorporated into the project plan at that time.

Role	Description
Executive Steering Committee	A representational group of key stakeholders who are senior managers with the authority to represent their area of expertise. The steering committee monitors the project process, approves changes, helps the team resolve issues and is a champion of the project. The majority of the Steering Committee is SCV Water employees and a few members from Emtec.
Executive Project Sponsor	Represents the project to the executive management and is accounting for ensuring that the project is aligned with the organization's strategy and positioned for successful completion.
Executive Communication & Change Management	Facilitates user adoption by ensuring that employees are aware of changes within the company resulting from the project, and responsible for supporting the people side of change.
Technology Manager	Responsible for securing technical resources and acting as the technology expert for the project.
Operational Project Sponsor	Responsible for securing spending authority, securing resources and acting as a champion for the project.
Operational Project Director	Serves as the operational expert for the project and provides direction and support to the Project Manager and Team Leads, which includes resolving escalated issues, managing decisions and assigning change management activities.
Project Management Oversight	Supports the Project Manager in management of project dynamics and provides periodic updates to the Executive Steering Committee.
Project Manager	Responsible for coordinating SCV Water resources, deliverables and schedule. This person will work closely with the Emtec project manager.
Functional (Operations Team) Leads	Is an expert in their area who and works the project from initiation to implementation. This person will be aligned to an Emtec Functional Lead.
Technical Lead	Responsible for coordinating the technical work with the Emtec Technical Lead.
Communications and Change Management Lead	Responsible for decisions on future process standardization for Customer, configuration option selection, ensuring smooth end-user adoption of the solution through proactive change management.
Subject Matter Experts	Responsible for bringing specialized business expertise to the project based on knowledge, training and experience in specific areas of the organization

7.2 VENDOR ROLES AND RESPONSIBILITIES

The table below shows the key roles that Emtec expects to provide as part of this project. As with the Client roles described above, a complete listing of roles is included in Attachment 5 to this SOW and each role will be validated and assigned a named resource as part of the Prepare Phase of the project:

Role	Description
Executive Oversight/ Engagement Manager	Responsible for aligning the project team to the SCV Water expectations. Participates in Project Steering Committee Meetings.
Governance	A small group of key stakeholders and senior managers with the authority to represent Emtec and make decisions regarding the project on Emtec’s behalf. Responsible for internal oversight of the project and alignment with Emtec’s methodology.
Project Manager	Responsible for detailed project planning and overall coordination of the project, project resources, deliverables and schedule.
Solution Architect	Responsible for overall alignment of the complete solution as designed with the software capabilities and the SCV Waters requirements.
Functional Lead	Responsible for providing subject matter expertise, driving design sessions, configuring the Oracle system, provide training and assist in system testing. Required for each major functional area being delivered.
Functional Analyst	Supports the functional lead and the overall execution of the project.
Offshore Functional Lead	Ensures that development and configuration performed offshore aligns with approved scope and requirements.
Offshore Functional Analyst	Supports the offshore functional lead and works in conjunction with the offshore technical team to ensure approved requirements are coded and configured. Participates in unit testing prior to delivery of requirements.
Technical Lead	Leads all technical activities for the project including but not limited to data conversion, integration and reporting.
Technical Analyst	Responsible for gathering requirements and coordinating tasks for data conversions, integrations and reporting
Offshore Technical Lead	Responsible for managing the offshore development team and ensuring all offshore deliverables are in line with standards and expectations.
Offshore Technical Analyst	Responsible for performing technical driven tasks such as data conversion, integration and reporting.

Note that all vendor roles can participate in the development of training documents throughout the project.

7.3 CONTRACTORS AND SUBCONTRACTORS

Both parties agree to disclose all of its team members who are contractors or sub-contractors in advance of their assignment to the project. Further, each party will take full ownership of all contractors and sub-contractors assigned to the project and their respective scope of work.

8 QUALITY OBJECTIVES AND ASSUMPTIONS (QO)

The quality of the final implementation will be achieved by attention to detail in tracing requirements, validating business processes, developing, reviewing, and testing Deliverables, managing issues, and ensuring adherence to Statements of Work.

OBJECTIVE #	DESCRIPTION
FUNCTIONAL REQUIREMENTS	
QO1	Once agreed-to, baseline version of the functional requirements will be kept in ATMOS, accessible for review by the entire team, and updated by only the Project Managers, after obtaining approval for the updates. This copy will be the master gold copy and will contain all traceability information and project decisions.
QO2	Requirements will not be physically deleted from the list. During the project, a limited number of requirements may be excluded from the scope of the project by SCV Water. These will be indicated as "waived".
QO3	Adding, changing, or waiving a requirement requires a Change Order. Multiple changes can be grouped under a single Change Order.
QO4	As the project unfolds, each requirement will be tied to an analysis workshop, System functionality, one or more test cases, and a training module.
QO5	Each requirement will be explicitly tested prior to Go-Live. Each requirement must be independently verified. Results will be manually reviewed.
QO6	Before the new System can go live in production, every functional requirement must be addressed as "Passed" (new System meets this requirement) or "Waived" (SCV Water has agreed that this requirement does not need to be passed prior to Go-Live).
BUSINESS PROCESSES	
QO7	One version of the To-Be Processes, Report List, and Notices List will be kept, accessible to the entire team. This copy will be the master gold copy and will contain all traceability information and project decisions.
QO8	The To-Be process should include SCV Water's manual and automated processes, refers to the User Guide for details, and includes System information unique to the process (such as a specific data item to select in an entry field based on this process).
QO9	Once approved, adding, changing, or deleting a To-Be process requires a Change Order.
QO10	As the project unfolds, each process will be tied to an analysis workshop, System functionality and a training module.
QO11	Each process will be tested prior to Go-Live. This will include "Common Path," "Alternate Path," and "Exception Path" processing. Emtec will only provide the "Common Path".
QO12	Before the new System can go live in production, every business process must be addressed as "Passed" (new System successfully automates this process as expected) or "Waived" (SCV Water has agreed that this process can be accepted even though it is not automated as expected).
DELIVERABLES	
QO13	One (1) agreed-to, baseline version of the Deliverable List will be kept, accessible to the entire team, and managed by the Emtec Project Manager. This copy will be the master gold copy and will contain all project deliverables with current status and a notation of who currently has responsibility on the deliverable. This Deliverable List will be the list of record regarding completion and Acceptance for the management of the Statement of Work terms.
QO14	The Ownership and Responsibility Matrix and approved MS Project Schedule should identify the participants in the development, review, and approval for each Deliverable.
QO15	For a document Deliverable, the developer should discuss the contents with reviewers during development to ensure that the developer is on track. Whenever possible this should be a verbal discussion - not a repetitive exchange of a document.
QO16	Deliverables which have not been sufficiently analyzed, or sufficiently tailored for this project, or which contain a significant number of errors or omissions should be immediately rejected.
QO17	After the Walkthrough, if the Deliverable is complete and accurate SCV Water will sign off on the Deliverable. The Deliverable Acceptance will be physically signed and archived with the project documentation. The Deliverable will be published with project documentation.

OBJECTIVE #	DESCRIPTION
QO18	Once approved, a Change Order is required for changes to Deliverables. If appropriate, multiple deliverables may be included in a single Change Order.
QO19	If the reviewer is not able to approve a Deliverable, the reviewer will provide the developer with a description of the deficiencies. If required, the parties will meet again to discuss the deficiency of the Deliverable in detail. Developer will strive to remedy the deficiencies within five (5) business days and the review and Acceptance process will begin again. In the event that identified deficiencies cannot be remedied within five (5) days, the Emtec Project Manager will be notified and will subsequently provide a written explanation of the delay to SCV Water Project Manager, including the anticipated resolution time.
QO20	If the Deliverable is not remedied and or approved as described, then Emtec or SCV Water may use the Conflict Resolution Process as defined in this Statement of Work.
TESTING	
QO21	User Guides and To-Be Business Processes should provide the foundation for test cases. Test cases should not repeat click by click instructions found in those documents, except in the case of unique test requirements.
QO22	The focus of testing is to ensure that the System properly satisfies the documented requirements.
QO23	During testing, any variance between the expected result and actual result may be logged as a Defect.
QO24	There will be one Defect log, accessible to all. No Defects of any type (including Conversion) will be maintained in a separate log.
QO25	To the extent possible, Emtec will analyze each Defect within three business days from the date it was logged with priority given to higher severity defects.
QO26	If the Defect is deemed to be something other than a System Defect - a training issue or incorrect expected result, Emtec will meet with the person reporting the Defect and the SCV Water Functional Lead to confirm and reclassify.
QO27	If the Defect is deemed to be a System Defect, Emtec will provide an estimated completion dates for correction. The estimated completion date for a Severity 3 or 4 Defect may be "TBD".
QO28	If there is a dispute regarding the classification of a Defect type or severity, that dispute may be resolved according to the Conflict Resolution section of this SOW.
QO29	The MS Project Schedule will allow adequate time between testing phases and cycles to allow for correction of the last Defects found prior to the start of the next phase or cycle.
ISSUES	
QR30	One list of concerns, questions, decisions, and follow-up actions will be kept, accessible to the entire team. It will contain all project issues with current status and who currently has responsibility for the issue.
QO31	No additional lists of concerns, questions, decisions, follow-up actions or other issues should be kept outside of the Project's Issue Log.
RISKS	
QO32	One list of project risks will be kept, accessible to the entire team. It will contain all risks with current status, plan for mitigation, and a notation of who currently has responsibility for the risk.
QO33	No additional lists of risks will be kept outside of the Project's Risk Log.
STATEMENTS OF WORK	
QO34	Each vendor working on the project will work under an approved Statement of Work.
QO35	As part of the monthly status reporting process, the Project Management Team may report on compliance with each Statement of Work.

9 PROJECT METRICS

SCVW and Emtec are responsible to maintain data used to create and track the metrics below:

REPORTING SCHEDULE	METRIC	CALCULATION	TOOL	ADMIN
PROJECT PHASE: DISCOVERY				
Weekly	# Requirements planned for workshops	Count requirements in agenda	ATMOS	SCV Water
	# Requirements covered in workshops	Count requirements covered in notes	ATMOS	SCV Water
	# To-Be Business Processes planned	Estimate total # processes planned	ATMOS	SCV Water
	# To-Be Business Processes started, in review, approved	Count total # in each category	ATMOS	SCV Water
	# To-Be Business Processes approved this week	Count total approved this week	ATMOS	SCV Water
End of Discovery Phase	# Requirements covered in workshops	Count requirements in the requirements traceability matrix	ATMOS	Emtec
	# To-Be Business Processes covered in workshops	Count number of processes in the process workbook	ATMOS	Emtec
	# of design documents planned	Count total # of RICEW objects	ATMOS	Emtec
PROJECT PHASE: DESIGN				
Weekly	# Design documents by status (created, in development, ready for review, approved, closed)	Count total # in each category	ATMOS	Emtec
PROJECT PHASE: CONSTRUCT				
Weekly	# of Configurations by status (created, in development, ready for review, approved, closed)	Count number of Configurations by status	ATMOS	Emtec
	# Development items by status (created, in development, ready for review, approved, closed)	Count total # RICEW items by status	ATMOS	Emtec
PROJECT PHASE: CONSTRUCT - VALIDATE				
Weekly Note – the status for each test case is tracked by phase, i.e. CRP1, CRP2, UAT.	# Test Cases by status (pending delivery, untested, passed, failed, ready for retest)	Count number of test cases in each category	ATMOS	Emtec
	# of Defects by status (created, in development, ready for review, approved, closed)	Count total defects by status	ATMOS	Emtec
	# of test cases by assignment	Count test cases, by assigned resource	ATMOS	Emtec
	# of test cases by module	Count test cases by module		Emtec
	# of defects by priority	Count defects, by priority	ATMOS	Emtec
	# of defects by module	Count defects by module	ATMOS	Emtec
	Defect aging	Count the number of days each ticket has been open and group by 0+, 14+, 28+, 42+	ATMOS	Emtec
	# Data Cleansing Items Completed this week by type	Count total # of cleansing items by category completed this week	Client Tool	SCV Water
	# Defects by Severity and total, all conversions	Count all conversion Defects in Defect Log	Testing Tool	SCV Water
# Defects by Severity and total, current conversion	Count all conversion Defects in Defect Log for current conversion	Testing Tool	SCV Water	

REPORTING SCHEDULE	METRIC	CALCULATION	TOOL	ADMIN
	# Defects Open by Severity and total, all conversions	Count all open conversion Defects in Defect Log	Testing Tool	SCV Water
	# Defects Open by Severity and total, current conversion	Count all open conversion Defects in Defect Log for current conversion	Testing Tool	SCV Water
	# Conversion defects opened this week	Count all conversion Defects opened this week in the Defect Log	Testing Tool	SCV Water
	# Conversion defects closed this week	Count all conversion Defects closed this week in the Defect Log	Testing Tool	SCV Water
	Average age of open conversion defects	Determine the number of months open for each open conversion Defect and sum them for all conversion Defects. Average = Sum of open months for all conversion Defects / number of conversion Defects	Testing Tool	SCV Water
PROJECT PHASE: CONSTRUCT / VALIDATE - TEST DESIGN				
Weekly	# Test Cases planned	Estimate total number of test cases planned	Testing Tool	SCV Water
	# Test cases started, in review, approved	Count total # in each category	Testing Tool	SCV Water
	# Test cases approved this week	Count total approved this week	Testing Tool	SCV Water
PROJECT PHASE: VALIDATE - FUNCTIONAL TESTING				
Weekly	# Test Runs Planned	Estimate total number of test runs planned	Testing Tool	SCV Water
	# Test runs started, in progress, and completed	Count total # in each category	Testing Tool	SCV Water
	# Test runs passed this week	Count total approved this week	Testing Tool	SCV Water
	# Defects by Severity and total	Count all Defects in Defect Log	Testing Tool	SCV Water
	# Defects open, by Severity and total	Count all open Defects in Defect Log	Testing Tool	SCV Water
	# Defects opened this week by Severity	Count all Defects in Defect Log with report date this week	Testing Tool	SCV Water
	# Defects closed this week	Count all Defects in Defect Log with closed date this week	Testing Tool	SCV Water
PROJECT PHASE: VALIDATE - INTEGRATION TESTING				
Weekly	# Test Runs Planned	Estimate total number of test runs planned	Testing Tool	SCV Water
	# Test runs started, in progress, and completed	Count total # in each category	Testing Tool	SCV Water
	# Test runs passed this week	Count total approved this week	Testing Tool	SCV Water
	# Defects by Severity and total	Count all Defects in Defect Log	Testing Tool	SCV Water
	# Defects open, by Severity and total	Count all open Defects in Defect Log	Testing Tool	SCV Water
	# Defects opened this week by Severity	Count all Defects in Defect Log with report date this week	Testing Tool	SCV Water
	# Defects closed this week	Count all Defects in Defect Log with closed date this week	Testing Tool	SCV Water
	Average Age of Open Defects	Determine the number of months open for each open Defect and sum them for all Defects. Average = Sum of open months for all Defects / number of Defects	Testing Tool	SCV Water
PROJECT PHASE: CONSTRUCT / VALIDATE - TRAINING DEVELOPMENT				

REPORTING SCHEDULE	METRIC	CALCULATION	TOOL	ADMIN
Weekly	# Training modules planned	Count total number of training modules planned	ATMOS	SCV Water
	# Training modules started, in review, approved	Count total # in each category	ATMOS	SCV Water
	# Training modules approved this week	Count total approved this week	ATMOS	SCV Water
	# of training scripts, by status (not required, incomplete, pending review, complete)	Count total number of training scripts, by status	ATMOS	Emtec
	# Training sessions planned	Count training sessions in the training plan calendar	ATMOS	Emtec
ALL PHASES				
Monthly	Earned Value Index	[percentage of completion from the project plan * total value of the SOW] / total burn for the project from the financial tracker	ATMOS	Emtec
	Project burn rate – labor	Total burned labor cost / total SOW labor value	ATMOS	Emtec
	Project burn rate – expenses	Total burned expense cost / total SOW expense value	ATMOS	Emtec
	Expected burn to complete	Forecasted labor and expenses to complete the project	ATMOS	Emtec
	# Issues Open	Count all open issues in Issue Log (includes new, active, open, pending, and deferred)	ATMOS	SCV Water
	# Issues Closed	Count all closed issues in Issue Log	ATMOS	SCV Water
	# Issues Opened this Month	Count all issues in Issue Log with a Report Date from this month	ATMOS	SCV Water
	# Issues Closed this Month	Count all issues in Issue Log with a Closed Date from this month	ATMOS	SCV Water
	Average Age of Open Issues	Determine the number of months open for each open issue and sum them for all issues. Average = Sum of open months for all issues / number of issues (Note: "Open" includes new, active, open, pending categories but excludes deferred issues with future target dates.)	ATMOS	SCV Water
	# Deliverables modules planned	Count total number of Deliverables planned	ATMOS	SCV Water
	# Deliverables started, in review, approved	Count total # in each category	ATMOS	SCV Water
	# Deliverables approved this month	Count total approved this week	ATMOS	SCV Water
	Total Modified Schedule Performance Index (MSPI)	Sum of Deliverable values for approved Deliverables / Sum of all Deliverable values	ATMOS	SCV Water
	MSPI for the month	Sum of Deliverable values for Deliverables approved this month / Sum of Deliverable values planned for this month	ATMOS	SCV Water
	# Change Orders Total	Count all Change Orders in Change Log	ATMOS	SCV Water
	# Change Orders Open	Count all open Change Orders in Change Log	ATMOS	SCV Water
	# Change Orders approved and rejected	Count all closed Change Orders in Change Log	ATMOS	SCV Water
	# Change Orders Opened this Month	Count all Change Orders in Change Log with a Request Date from this month	ATMOS	SCV Water

REPORTING SCHEDULE	METRIC	CALCULATION	TOOL	ADMIN
	# Change Orders approved and rejected this month	Count all Change Orders in Change Log with a Closed Date from this month	ATMOS	SCV Water
	Average Age of Open Change Orders	Determine the number of months open for each open Change Orders and sum them for all changes. Average = Sum of open months for all Change Orders / number of changes	ATMOS	SCV Water
	# OCM Communications	Count OCM communications	ATMOS	SCV Water
	Various metrics from OCM Surveys		ATMOS	SCV Water
	# Client staff days planned for the month	Refer to the Client Staffing by Month in this SOW	ATMOS	SCV Water
	Actual # Client staff days applied to the project	Tracked in staff log	ATMOS	SCV Water
	# Vendor onsite days planned for the month	Refer to the Vendor Onsite Staffing by Month in this SOW	ATMOS	SCV Water
	Actual # Vendor onsite days	Tracked in staff log	ATMOS	SCV Water

10 FINANCIALS

10.1 PRICING

Please refer to Attachment 3 and Attachment 10 of this SOW for detailed pricing information.

10.2 MILESTONE PAYMENTS (MP)

Emtec will provide the Services outlined in this SOW on a fixed price basis EXCLUSIVE of expenses. The project cost is \$2,818,000, Emtec shall invoice Customer upon the completion of the defined milestones as listed in the Milestone Payment Schedule in Attachment 10.

In the event SCVWA opts to begin work on a time and materials basis prior to the official approval of this SOW and commencement of services hereunder, any fees invoiced by Emtec under a separate SOW and purchase order will be subtracted from the second milestone billing as identified in Attachment 10.

10.3 FINANCIAL CONTROLS

10.3.1 EARNED VALUE MANAGEMENT

This project will be billed based on milestones which are tied to accepted deliverables and will include a 10% holdback on all invoices, hence, the inclusion of an earned value calculation for billing purposes is not appropriate or necessary. Emtec does however use a modified earned value calculation on a weekly basis to manage our own internal project metrics. These calculations are summarized as part of our weekly and monthly project status reporting.

At the onset of the project, two key parameters are established – Estimated budget and resource hours. This is aligned with the overall project MS Project schedule which identifies the tasks where these resources will be consumed. During the course of project execution, resources track the time that they spend towards a task and project progress made, thus providing data points to calculate the cost performance index which is defined as Earned Value divided by Actual cost. In other words, it answers the question how much money should have been spent vs how much money was actually spent. Ideal ratio for CPI is 1.0. If the value is less than 1.0 it signifies that the project is consuming the budget at a pace higher than budgeted pace and possibly requires course correction. This index can also be used to calculate the cost is likely to consume at completion.

The budget vs actual data is shared with SCV Water on a weekly basis through the ATMOS platform. Any variances are discussed and corrective actions taken on a periodic basis. An example of the tool is shown below:

	Budget - cumulative	90	274	489	944	1381	1727	2071.5	2540.5	2991.5	3464	3926	4446	4995	5622	6149.5	6668.5	7159.5	7519	8029	8478	8915	9282	
	Actual - cumulative	95.5	183.5	316	479.25	580.8	728.8	737.25	750.75	750.75	750.8	750.75	750.75	750.75	750.75	750.75	750.75	750.75	750.8	750.8	750.75	750.75	750.75	
	Budget - weekly	90	184	215	455	436.5	346	345	469	451	472	462	520	549	627	528	519	491	359	510	449	437	367	
	Actual - weekly	96	88	133	163	102	148	9	14															
		upto 5/9	5/9	5/16	5/23	5/30	6/6	6/13	6/20	6/27	7/4	7/11	7/18	7/25	8/1	8/8	8/15	8/22	8/29	9/5	9/12	9/19	9/26	
Resource Role	Total H	W0	W1	W2	W3	W4	W5	W6	W7	W8	W9	W10	W11	W12	W13	W14	W15	W16	W17	W18	W19	W20	W21	
	Actual	0																						
Finance/Expense Analyst	Budget	184				32	16					16	16								40	32		
	Actual	48				32	16																	
Technical Lead	Budget	225							15	20	20	20	15	10	5	20	10	10	10	10	5	15	15	5
	Actual	8		2	1	4	1																	
Interface and Gen Developer	Budget	74.5		2	1		1.5			10					10	10	5	5	5	5	5	5	5	
	Actual	0																						
Reports Developer	Budget	342							20	40	40	20						5	10	5	54	53	53	40
	Actual	0																						
Project Lead	Budget	588	28	35	16	24	28	28	24	24	8	35	35	32	12	12	12	16	16	16	16	16	16	
	Actual	86				30	24	32																
Finance/Expense Analyst	Budget	593			1	32	24	24	12	24	24	24	24	12	12	12	12	24	24	8	16	20	12	12
	Actual	10.5			1	1			8.5															
Conversion - Functional Resource	Budget	120								24	24							24	24	24				
	Actual	0																						
Customer Success Manager	Budget	864	40	40	32	32	32	32	30	28	28	24	24	24	24	24	24	25	24	24	24	24	24	
	Actual	200.5	52.5	26	30	26	28	24.5		13.5														
Conversion - Functional Resource	Budget	95								15	15	5	5	5							15	15	5	5
	Actual	0																						
Report Functional Specs	Budget	224								40	40					80	64							
	Actual	0																						
Projects Analyst	Budget	1208			40	40	24	16	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	
	Actual	40						40																
Gen Deveopment	Budget	80											20						5		45	10		
	Actual	0																						

10.3.2 SCHEDULE PERFORMANCE MANAGEMENT

Using MS Project and the deliverable-based Schedule Performance Index (SPI) Emtec will provide full transparency and near real-time visibility to all project stakeholders with regards to project performance. The project schedule is stored at Project Intelligence Center for centralized visibility. The performance thresholds are established collaboratively during the project initiation phase. As a default, following industry best practices thresholds are built in and shown in the table below:

SPI Range	Status Color	Additional Comments
≥ 0.85	Green	If the task is not scheduled to start, the status will reflect green
0.85 - 0.70	Yellow	Additional information is required with regards to issues that are impacting the milestones
< 0.70	Red	If finish date is missed, then the status is red

10.3.3 PROJECT MANAGEMENT

Payment for Project Management (PM) services is incorporated into the Milestone Payments established for project deliverables, and as such subject to retainage. If Emtec fails to provide, or if SCVWA does not accept, any of the PM Key Activities outlined in this SOW, SCVWA will notify Emtec in writing of the items that need to be resolved, and may choose to delay final acceptance or withhold outstanding Milestone Payments until the

deliverables are produced to the satisfaction of SCVWA. SCVWA and Emtec may mutually agree that select PM Deliverables can be delayed or foregone, upon written approval of the SCVWA Business Sponsor, and subsequent documentation in the ATMOS decision log by the SCVWA PM. If there is a pattern of Emtec failing to provide, or SCVWA not accepting, Emtec's PM deliverables, either PM may utilize the issue escalation processes to request that a Project Manager be removed from the Project. If the issue is unable to be resolved by the SCVWA and Emtec Sponsors, the issue will be elevated to the Project's Steering Committee for decision and resolution, which may include forfeiture of the percentage of retainage related to the PM key activities which were not satisfactorily performed, or request for PM substitution.

10.3.4 RETAINAGE

Emtec will bill SCVWA for milestones and deliverables as set-forth in Attachment 10 of this SOW (Milestone Payments). SCVWA will withhold a retainage amount of ten percent (10%) of all invoiced project milestones and deliverables, pending final acceptance of all deliverables and project closure. In the event of premature contract termination, the SCVWA Business Sponsor will work with Emtec Project Leadership to negotiate a final solution.

Items exclusive of retainage include the following: 1) Any work performed on a Time and Materials basis; and 2) expenses, including travel and per diem.

10.3.5 TRAVEL

This SOW has a not-to-exceed amount of \$439,450 for travel. Emtec resources will submit monthly invoices for reimbursement, which include an itemization of all claimed travel, living and per diem expenses. Receipts will need to be provided for all expenses except per diem. These expenses will not be subject to retainage, and the not-to-exceed amount may be increased through an approved written change order which will not be unreasonably withheld. In the event that travel restrictions related to the not-to-exceed amount put project timelines at risk, Emtec will initiate the issue resolution process immediately so as to raise awareness of the concerns early enough to mitigate the risk.

10.3.5.1 ASSUMPTIONS

- Emtec project team members will be on-site as required by the agreed-to project plan. Travel plans will be collaboratively reviewed several weeks in advance to reconfirm needs prior to booking any travel.
- The Emtec Project Manager is anticipated to be on-site at least three (3) weeks per month based on SCV Water's approval throughout the project and four (4) weeks per month, the month prior to go-live, based on the approved travel plan and SCV Water's approval.
- Key Emtec Consultants such as the functional, technical and conversion Leads will be on-site as needed and identified in the Vendor Staffing Matrix and approved project plan throughout the project based on SCV Water's approval.
- Emtec Team members will travel to the SCV Water site on Monday morning and be on-site Monday afternoon, all-day Tuesday, Wednesday, and Thursday before departing Thursday evening (expected on-site for 30-34 hours per week). Alternately, depending on city of origination and project schedule, Emtec Team Members may arrive on Monday and be on-site all day on Tuesday, Wednesday and Thursday and half a day Friday before departing Friday afternoon. Final logistics around the on-site schedule will be confirmed during the Prepare Phase of the project. Exceptions can be made to this schedule on a person-by-person basis or by exception, provided that the SCV Water Project Manager approves these requests no less than one week in advance.
- Emtec Team members will not travel on-site during work-weeks when SC Water has two days or more of Holidays scheduled, unless the go-live is scheduled for that time. If a one-day Holiday is scheduled, the Emtec team members will travel on-site as mutually agreed by the SCV Water Project Manager, and Emtec Project Manager.

- Changes to these assumptions must be mutually agreed upon in writing by the SCV Water Project Director/Project Manager, and Emtec Project Manager/Project Director.

10.3.5.2 TRAVEL AND LIVING EXPENSES

Expenses are actual costs incurred and require receipts. Allowed expenses are discussed below.

- **Air Travel.** Air travel on assignments should be at the lowest possible cost coach or economy fare available that permits travel at reasonable times and with reasonable itineraries. Airfare and associated taxes are expensed to SCV Water account.
- **Hotels.** Emtec will select business class hotels in the vicinity of the SCV Water’s offices or other SCV Water approved location. Generally, Hampton Inn, Courtyard, Fairfield, Marriott, Hilton, and Double Tree are chosen. Emtec will endeavor to negotiate the best available rates.
- **Phone Calls.** SCV Water will be charged for phone calls and the associated taxes.
- **Auto.** SCV Water will be charged for rental expenses and the associated taxes.
- **Fuel.** SCV Water will be charged for fuel and the associated taxes.
- **Long-Term Parking.** SCV Water will be charged for long-term parking and tolls and the associated taxes.
- **Mileage.** If employees drive their own car (in lieu of a rental car), charges will be based on IRS standard mileage rate.

10.3.5.3 PER DIEM EXPENSES

Emtec will bill per diem expenses for meals and incidental expenses while traveling to the SCV Water site or other SCV Water approved travel.

#	Item	Description	Method
1.	Meals	While Emtec employees are away from their home offices, traveling on SCV Water business related to the project, a daily meal per diem is charged to SCV Water’s project.	\$50.00 / day
2.	Incidental Allowance	Emtec employees may incur additional non-meal related costs for personal expenses while away from their home offices for SCV Water project related travel. Emtec has a fixed daily incidental allowance of \$10.00 per day out of town. This allowance is intended to cover minor costs such as laundry, personal items of necessity, short-term parking meters and other personal travel related expenses that are incurred in the course of out of town travel.	\$10.00 / Day

11 DEFINITIONS

Throughout this Statement of Work, the following words and expressions shall have the definitions set forth below. Terms that are not expressly defined below or elsewhere in this Statement of Work shall have the meanings ascribed to them in the Master Agreement.

TERM	DEFINITION
Acceptance or Accepted	The process of Acceptance of Deliverables, phases and the overall project as outlined within the Deliverable Acceptance section.
Alternate Path Testing	Scenario tests which execute optional but valid sequences of activities.
American Disabilities Act (ADA)	Department of Justice standards requiring that all electronic and information technology to be accessible to people with disabilities.
Batch Job Scheduler / Execution	This means the System workflows driven by job scheduler: Billing process (meter reading, billing validation, pre-billing exception process, calculation, e-bill calculation, bill printing), back office processes (general ledger, trial balance) and collection processes (notices, delinquencies, penalties, credit fund transfers, installments or promise to pay, shut-offs).
Vendor Rate	Hourly rate that will be charged by the Emtec for additional services for the duration of this project.
Bucket of Hours	This set of hours is for time and materials work that may be required as part of the project. At the start of the project the initial established hours have been established in the Scope Customization section under the "Bucket of Hours" section.
Change Control Process / Change Order	The process that will be used throughout the Project for changing the scope of this Statement of Work.
Client	References all business units of SCV Water's authorized agents.
Client's Function(al) Matrix	Documents or worksheets that contains the SCV Water's functional Software requirements to be delivered as part of the System.
Client Project Manager(s)	References the SCV Water Project Manager(s) and/or contracted Project Manager(s) working on SCV Water's behalf.
Co-Responsibility	This term is used when SCV Water and Emtec equally share responsibility for a Deliverable.
Code Freeze	At a mutually agreed upon time, it will become necessary to stop making significant changes to the System. This is necessary to ensure that SCV Water has a stable System to conduct the final cycle of Integration Testing. This time period is called a Code Freeze. SCV Water may choose to allow for patches past this timeframe.
Common Path Testing	Default scenario test featuring no exceptional or error conditions. Carries out the most common sequence of activities executed.
Configuration	Process of performing table updates and algorithm changes to the System in order to have the System perform the requirements set forth in this Statement of Work. Configuration does not require programmatic Software changes.
Conversion Validation / Confirmation Balancing Process	A component of the Data Conversion process, used to ensure the data from the Legacy System to the System has been completed accurately.
Core Configuration	Core Configuration includes: Services, Customer/Location Classifications, Metering Configuration, AR & GL Configuration, Basic Collection Streams, Most Rates, Service Requests/Orders, Billing global parameters, and MAR. Core Configuration does NOT include: Mods, Interfaces, Client custom reports, Custom issue types, Custom workflow and Custom portals.
Core Team	The Core Team consists of part and full-time functional and technical resources dedicated by SCV Water for this Project. The team may also include part and full-time resources from other third-party consultant and service providers.
Cutover	The Cutover includes all activities required in this Statement of Work to transition the new System from testing System to production processing within the new System. Cutover activities will include ensuring security is set, user profile established, pending data in the Legacy System is closed out, if required data is converted manually, System

TERM	DEFINITION
	access to End-Users is rolled out, and other automated or manual activities are completed as required.
Data Cleansing	Data cleansing, data cleaning or data scrubbing is the process of detecting and correcting (or removing) corrupt or inaccurate records from a record set, table, or database.
Data Integrity	Data integrity focuses on the accuracy and consistency of the converted data
Data Mapping	The process of assigning source System data elements to target data elements in the System Data Model for purpose of conversion.
Data Quality	Data quality refers to how well the data is 'fit' for its intended uses in operations. In other words, does the converted data function as expected in the new solution?
Data Validation	An independent testing process that compares converted data with legacy data to ascertain that the data is valid and can fulfill the functionality.
Defect	An imperfection or deficiency in a project component where that component does not meet its requirements or specifications and needs to be either repaired or replaced. Defects that were identified and require correction by Emtec and/or SCV Water. The Severity 1, 2 and 3 definitions provide the classification criteria for defects.
Deliverable (DL)	A System component that includes professional services and is prepared specifically for the Project for the delivery of the System.
Environment(s)	Gold (Configuration stages and Functional Testing), Test, Training, Financial, Production
Exception Path Testing	Scenario tests which execute error conditions to ensure no harm is done and the errors are handled properly.
Executive Steering Committee (ESC)	An advisory committee composed of high level stakeholders/executives who provide strategic direction, oversight, and support for the project.
Final Go-Live Acknowledgement	The Project is complete when SCV Water has accepted, in writing, all Deliverables as required by this Statement of Work and Emtec has successfully completed all work described in this Statement of Work.
Financial Management Information System (FMIS)	Financial Management Information Systems combine a number of functions to assist with the management of income, expenses, and assets. These functions include general ledger, accounts payable, accounts receivables, asset management, collection management, employee expense management, reporting and analytics, revenue management and risk management.
Fixed Price	The total cost for implementation services to be paid to Emtec. These costs cannot increase as long as the scope, duration and resources correspond to all of the items in this Statement of Work do not change. Only through a Change Order will the cost be increased.
Functional Test	Test of the System features or functions of the current phase. Functional Tests will be performed for all base System features to be used by SCV Water, as well as Configurations, Group 1 Interfaces and Modifications, reports, and dashboards. This test will confirm that the System meets the requirements set forth in the Client's Functional Matrix.
Go-Live	The point in time when SCV Water begins to use the System to process customer transactions for day to day operations.
Integration Test	By using business processes, an Integration Test determines whether all System features, functions, Configurations, Modifications, Interfaces, reports and custom code work together with all associated System reports, screens, transactions, Interfaces and whether the foregoing are integrated with the manual business processes. Integration Testing must test all scenarios covering different types of customers, accounts, locations, user categories, dates, etc. Integration Testing is structured in nature and has expected results that are predefined.
Integration Test Schedule	A worksheet that identifies responsibilities, documents all date- driven transactions, accounting periods, account numbers, financial transactions and expected results for testing purposes.
Interface	Passing of data between two separate and distinct Systems; can be accomplished via real time or in batch mode.
Issue Log	Any item that requires additional research for a decision to be made. Items will be logged, assignments made, and estimated completions dates assigned.

TERM	DEFINITION
Knowledge Transfer Process	The practical process of transferring knowledge from one part of the organization to another (or all other) part(s) of the organization. Knowledge transfer seeks to organize, create, capture or distribute knowledge and ensure its availability for future users.
Legacy System	References SCV Water's financial information systems that are being replaced by the System.
Milestone Payment (MP)	A milestone payment is a percentage of the total contract price that is paid at key points during the project.
Miscellaneous Accounts Receivable (MAR)	Miscellaneous accounts receivable used for billing non-utility customers.
Mock Go-Live	A Mock Go-Live will consist of a test of all activities (automated and manual) to be completed as part of Cutover to production process. This is staged in the similar manner as the pre Go-Live steps and procedures including full data conversions and validation. The purpose of this test is to ensure that all Go-Live activities have been defined and estimates identified for the time and resources required to implement them.
Modification / Extension	As part of the scope of this project, Emtec may deem it necessary to make programmatic changes to Software. These programmatic changes require code to be changed and compiled to executable programs. These changes require the expertise of a programmer who is proficient in specific programming languages required for Oracle System. These changes may be required for screens, Interfaces, data conversions, reports, letters, etc. Modifications may be called Extensions in some instances.
Onboarding	The process of orienting Project Team members to processes/procedures that the Project Team is following.
OCM / Organizational Change Management	The activities, events, processes and procedures that are employed for handling transformation from one customer information System Environment to another. This relates primarily to people and the SCV Water's business processes.
Percent Complete	0% = Not Started 25% = Resource Just Assigned 50% = Started 75% = Output Under Review & Close to Completion 100% = Complete and Signed-Off
Performance Test(ing)	Testing the System to ensure it meets the performance criteria set forth in this Statement of Work.
Planned Schedule	Total elapsed duration for 24 months, consisting of 20 months of planning and implementation, and an additional 4 months for post Go-Live support.
Project	SCV Water has embarked on this FMIS replacement project for the purpose of replacing the SCV Water's current legacy system with Oracle Core HCM, EPM, and ERP product from Oracle, as implemented by Emtec ("Vendor").
Project Phase (PH)	Project phases are broken into two (2) levels. Level 1 is the primary project phase while Level 2 defines groups of activities and deliverables within the primary phase.
Production Ready	When the software is compliant with the SCV Water defined requirements. When the SCV Water has tested the code and has provided approval that the requirements have been satisfied. The software has undergone performance, load testing to ensure that it can successfully handle large number of users and the performance is as per SOW. The code is ready now to be used in actual production environment (ready to be released live to users).
Project Management Team	The Emtec Project Manager(s), Third-Party Project Manager(s), the SCV Water's Project Manager(s), and the SCV Water's Project Director comprise the Project Management Team.
Project Schedule / MS Project Schedule	This Microsoft Project document describes in detail, work activities, milestones, Deliverables, and assignments that are required to deliver the System.
Quality Assurance	The process of verifying that the proper processes and procedures have been adhered to in the delivery of the System from a methodology as well as Project management perspective.
Roll Back Plan	Cutover planning includes risk and contingency planning. A component of the contingency planning will include processes and procedures in the event that SCV Water needs to roll back to Legacy System after the Go-Live.

TERM	DEFINITION
Severity 1	This classification designates a programmatic or Configuration defect that renders a component of the System unusable or inoperable. Severity 1 defects have any of the following characteristics: (i) this defect is a loss of the capability of the System to perform a function; (ii) a workaround does not exist and testing this function cannot be performed until the problem has been corrected. Severity 1 defects include those errors that (i) impact the SCV Water's ability to perform financial reporting, customer billing; and (ii) customers facing errors that impact the SCV Water's ability to deliver accurate and professionally presented information to its customers or any other core business functions.
Severity 2	This programmatic or Configuration defect renders a key component of the System unusable or inoperable. This error is a loss of the capability of the System to perform an important business function. Severity 2 defects occur when a workaround does not exist, or the workaround is so difficult that if the System were in production, this defect would result in a serious impact to SCV Water's business.
Severity 3	This classification designates a programmatic or Configuration defect that significantly limits the System's ability to conform to the documented capabilities including but not limited to the application, the application modules, the System and its features. This limitation stops the user from performing the normal use of the System; however, a mutually agreed upon workaround does exist. Testing can continue on a module of the System with a workaround.
Severity 4	These program or Configuration errors limit the capability of the application or function but are cosmetic or minor in nature. There is a practical work-around or the defect does not impact the SCV Water's operation of the System in any significant respect.
Software	The specific name of the Software being implemented as part of this agreement.
SOW	Statement of Work is the business agreement that describes the Deliverables and responsibilities of the parties involved in the project.
System / Solution	The Software program(s) and module(s) that are part of the scope of this agreement. It is Emtec's responsibility to implement these Software products that encompass the overall scope as part of this agreement.
Test Case	A set of conditions or variables that allow a tester to determine whether the system being tested is working as expected and satisfies associated requirements.
Test Conversion(s)	An execution of the conversion processes and programs for the entire data set To-Be converted. All Conversion Validation is executed.
Test Plan	A document that outlines a strategy or approach for testing. A Project Test Plan would describe the schedule, platforms, staffing, requirements, tools, testing stages, and defect tracking for all Project testing. Test Plans for specific tests details groups of Test Scripts to be used and include key set-up issues, dependencies, schedules, platforms, and data requirements.
Test Script	A document that describes what steps and actions are required to test a particular feature or function. This document also describes the specified expected results.
To-Be Business Process Description	A Document that describes the steps, people, and resources involved in completing specific business activities. Documents how the process will be executed in the future Project Environments.
Vendor	References the name of Emtec, and any third party not specifically identified under this SOW (hardware etc.)
Vendor Master Service Agreement	This refers to the master agreement between the SCV Water and Emtec, called Software Implementation Services Agreement.
Walkthrough	A meeting to review the Deliverable as per the Deliverable Acceptance process outlined on the Deliverable Acceptance section.
Work Breakdown Structure (WBS)	The Project Management Body of Knowledge (PMBOK) defines the work breakdown structure as a "deliverable oriented hierarchical decomposition of the work to be executed by the project team". The WBS helps organize the work into manageable sections.

12 ATTACHMENTS

Attachment 1 – RFP (Furnished upon request)

Attachment 2 – EMTEC RESPONSE TO RFP

Attachment 3 – PRICING (COST MATRIX)

Attachment 4 – CLIENT STAFFING MATRIX

Attachment 5 – VENDOR STAFFING MATRIX

Attachment 6 – PM RECURRING KEY ACTIVITIES

Attachment 7 – FINAL FUNCTIONAL MATRIX - FINANCIALS (Furnished upon request)

Attachment 8 – FINAL FUNCTIONAL MATRIX - HCM (Furnished upon request)

Attachment 9 – CHANGE REQUEST TEMPLATE (Furnished upon request)

Attachment 10 – MILESTONE PAYMENT TABLE

Attachment 11 – SOFTWARE BILL OF MATERIALS



A.0

Response Template

Financial Management Information System & Implementation
Services

RFP1920-FMIS-15633



Instructions: How to Complete the RFP Response

By completing this document, the Vendor acknowledges they have read the RFP and associated attachments, and Vendor understands SCVWA's requirements. In addition, Vendor acknowledges they have had an opportunity to ask the necessary questions needed to complete this response.

SCVWA's methodology is to identify, process, and select the Vendor finalist through an open and competitive solicitation process. This methodology establishes the framework for the selection while allowing the SCVWA Core Team to gather facts, make decisions, and ultimately select the Vendor finalist. The first steps to becoming a short-listed Vendor are to accurately and factually complete the RFP documents.

The Vendor **MUST** use this Response Template for inserting answers. Vendors **MUST NOT** change the numbering schema. Vendors must include the original questions. **DO NOT** embed any attachments as part of this response. Multiple Response Attachments (A-N) are required as indicated at the end of this document to provide a complete proposal.

General Guidelines

RFP Response Guidelines can be found in Section 3.0 of the RFP. The following items are provided as additional helpful information to assist with the planning effort required in completing the RFP response:

- Vendors are highly encouraged to include screen shots of the proposed solutions. The captures should be of material size to assist with viewing.
- All areas of the responses should contain as little technical or corporate jargon as possible. Don't assume the Core Team understands your "System speak-ese." Concise and complete answers may be scored higher than verbose answers.
- Avoid "Yes or No" or canned answers. The general format of the RFP Response Template is essay-type answers.
- At any stage Vendors may be asked to demonstrate an answer on the Functional Matrix. The Functional Matrix is also subjected to traceability throughout the project.
- Run spell/grammar check, double check that no internal highlighting remains, track changes are off, ensure all functional matrix items are complete, all pricing is accurate and adds correctly on the summary sheet, etc.
- Questions concerning the project must be emailed to cschueneman@teamaac.com by the deadline as indicated in the RFP.

**** End of Instructions ****

1.0 Executive Summary

The Vendor shall provide an Executive Summary that functions as a stand-alone document which should effectively and succinctly summarize the entire Proposal. This summary must list and describe each potential Third-party or other project partner the Vendor plans to utilize to deliver the product(s) and/or services outlined in the Proposal.

The Executive Summary should:

- Contain a brief description of the major contents of the Proposal, including an overview of the Vendor's response to SCVWA's current and anticipated needs.
- Communicate the proposed solution's primary benefits to SCVWA.
- Describe the product(s) and/or services proposed.
- Cover the main features and benefits in non-technical terms.

EMTEC RESPONSE:

Thank you for the opportunity to respond to your Request for Proposal: Financial Management Systems and Implementation Services. As the implementer, Emtec is the primary bidder in this response and we are pleased to respond to your request along with our software partner Oracle.

Emtec, Inc. was formed in 1994. Over the course of our 24 plus years, we have provided a diverse array of services across multiple industries, including both the municipal and utility markets. Along the way, we've accumulated over 1,000 clients and driven more than 2,500 projects to a successful conclusion. Emtec Global Services, LLC was formed as a subsidiary in July 2006 and has since grown through a number of acquisitions, one of which resulted in the 2014 formation of Emtec Consulting Services, LLC. In April of 2015, Emtec Consulting Services acquired Lucidity Consulting, LLC to further strengthen the Utility Practice.

As a Platinum Oracle Partner, we are one of the few vendors in the utility market that can offer our customer's a comprehensive solution that addresses the entire spectrum of applications and technology that you may require as you continue down the path of consolidating your various operating companies, at a price point that is affordable; thus making Emtec and Oracle the ideal long-term partners for SCVWA. At this particular point in time, we're responding to your needs for a new financial management system, but thanks to our deep ties and long history with Oracle, we collectively stand ready and fully capable of working with you as your needs change and develop over time, which of course they will. Following deployment of the new FMIS, you may well opt to pursue advanced reporting options through a business intelligence or analytics solution – we can help you with that. A logical next step for a utility following an FMIS implementation is to look at work and asset management options – and yes, we can help with that too. In fact, the integration between your work and asset solution and your FMIS is critical to the long-term realization of the business objectives you hope to achieve and engaging the same trusted partners for both of those projects can go a long way toward ensuring that success. Lastly, Emtec also offers a long-term support and solution sustainment option which we have branded as ClearCARE®. As you deploy your new solutions, one of the challenges you will face is determining what role you want your IT staff to play in the long-term, day to day sustainment of these investments. Leveraging our vast experience, we will work with you to determine the right mix

of resourcing to balance the common support-related issues of tactical versus strategic all with a goal of ensuring the agency is positioned to achieve its goals.

Our Proposal

To meet the business objectives described in the RFP, we are proposing to implement multiple applications within the Oracle Cloud Solution suite including:

- *Oracle Cloud ERP* – which provides a full suite of financial functionality,
- *Oracle Enterprise Performance Management Cloud*, which enables organizations of all sizes to quickly adopt public sector best practices for planning and budgeting,
- Oracle Procurement Cloud for purchasing, contract and supplier management,
- Oracle Supply Chain Cloud for Inventory and maintenance management.

Oracle Cloud applications provide all the capabilities that customers such as SCVWA expect out of a SaaS application including lower TCO, with no hardware to purchase or software to manage and automatic upgrades and rapid feature advancement. Operational tasks such as installation, patching, ongoing maintenance, updates, monitoring, and backup and recovery are managed by Oracle Cloud Operations and those costs are all included as part of the subscription costs.

The core tenets of the Oracle Cloud solutions that are most relevant to SCVWA and your goals now and in the future are:

- Advanced User Interfaces – making adoption and usability much simpler for your staff
- Embedded reporting and analytics
- Built on open standards
- Efficient and secure infrastructure, and
- Customer-driven

Each of which is discussed in more detail within our proposal.

Implementation and Pricing

Emtec is proposing a project timeline of approximately 11 months followed by the 4 months of support requested in the RFP. Based on the timelines as we know them, this would mean a single go-live on the new solution in early February, 2021. Yes, this project can be implemented faster, but we want to be respectful and mindful of your resource constraints. It can also be implemented slower as well, but any time a project is drawn out longer than necessary, that creates other issues that are undesirable such as unnecessary costs for our customers. After reviewing your goals, objectives and constraints and taking into account your target go-live date of before the end of March 2021, and factoring for the time for SCVWA to select a partner and negotiate a contract, we're confident that starting in March of 2020 and concluding in early February of 2021 is not only reasonable but fully achievable.

In line with your request for a fixed price implementation, we are proposing an implementation price, inclusive of travel and expenses, of \$2,242,279. This price is of course in addition to the software pricing which is fully detailed in Attachment C.

In Summary

Emtec understands that SCVWA is seeking a long-term strategic partner to guide you on a path of consolidation followed by growth, sustainability and prosperity. Through our partnership with Oracle, we have helped customers just like you achieve those goals for over 24 years. The Oracle cloud solution is the top tier FMIS application available and because it's built and maintained on the very latest technology stack, the Agency will be well positioned for years to come on a foundation you can count on as your goals and needs change over time.

From an implementation and support perspective, Emtec has built its reputation in the market over the years, not only by implementing world class software, on time and on budget, but also through our customer engagement philosophy of "Client for Life". We aspire to be a trusted partner of Santa Clarita Valley Water Agency long after the successful implementation of your new FMIS and to accomplish that we know we have to perform with your best interests in mind every single day. To that end, we challenge ourselves to be professional, easy to work, and to always keep the big picture in perspective. The reality is that no project that spans almost a year is going to go off without some hiccups along the way, but what makes a project successful is how we collectively handle those issues, work through them, and move forward together.

On behalf of both Emtec and Oracle, we thank you again for the opportunity to participate in your evaluation and we're hopeful that we'll be selected to partner with SCVWA on this endeavor. If selected for this work, you have our commitment that we will leverage the full strength of our organization to the benefit of SCVWA and aspire to earn your trust and loyalty every day as one of our "Clients for Life."

2.0 Vendor Minimum Requirements

Please confirm that you meet or exceed SCVWA's Minimum Requirements as outlined in Section 2.4 of the RFP with an affirmative or negative answer. Information to support these requirements is requested in the document below.

2.0.1 Has a single point of contact been provided for the project and throughout the post-implementation phase?

EMTEC RESPONSE:

Yes. More detail is provided in our response to Section 3.4.

2.0.2 Have all project related legal entanglements, that have occurred within the last two years for the Vendor and all Third-parties, been provided as part of this proposal?

EMTEC RESPONSE:

Yes. Emtec does not have any project related legal entanglements to report. A response from Oracle is provided in response to question 3.2.3 herein.

2.0.3 Vendor must have a proven track record of delivering and implementing FMIS. A proven track record consists of at least one ongoing implementation and three additional completed implementation over the last three years for organizations of similar size and complexity. Additional consideration will be given to Vendors who have worked to consolidate several disparate utilities onto one platform.

EMTEC RESPONSE:

Emtec meets this requirement.

Emtec is a IT consulting company that has proven, industry experience implementing offerings in the FMIS, and WMS software space on multiple platforms, including on-premise, and Cloud.

Emtec also has a strong background with software solutions in various industries, and verticals – and especially with utilities across the country. The consultants in our dedicated Utilities practice have more than 20 years of hands-on experience, and intimate knowledge of the sector.

We have experience with both governmental, and non-governmental regulated utilities (investor-owned utilities) – with more than 10 successfully completed projects in this sector within the last 5 years. We are currently working with a large midwestern gas company to consolidate multiple operating companies onto an Oracle ERP solution and have just kicked off our most recent project which is an Oracle Cloud FMIS implementation for a municipal wastewater company in northern California.

Our service offerings span the entire software lifecycle, from implementation to support and sustainment, and from advisory services, to roadmapping, touching on everything from core solutions such as FMIS to cutting edge reporting and analytics.

We are an Oracle Platinum Partner and have extensive experience implementing and supporting Oracle solutions including the Oracle Utilities Suite, PeopleSoft, Hyperion and Oracle Fusion Cloud products. We practice a “Client for Life” approach that is built upon over 20 years of delivering rapid, meaningful and

lasting business value to the utilities, manufacturing, education, government, and commercial marketplaces.

2.0.4 Are all solution costs, including travel and fees fixed price?

EMTEC RESPONSE:

Yes. The Emtec RFP response is presented on a Fixed Fee basis, and includes software implementation costs, production support costs, and estimated travel expenses.

2.0.5 Are all documents and attachments related to the RFP included as part of the submittal?

EMTEC RESPONSE:

Yes.

2.0.6 Does Vendor meet all applicable California State and federal laws at the time of submission?

EMTEC RESPONSE:

Yes.

3.0 Qualifications and Profile

This section will highlight the Vendor's FMIS experience in work of a similar nature and magnitude to that being proposed to SCVWA. Experience should be associated with projects completed not more than five (5) years prior to the date of this RFP.

If the Primary Vendor responsible for implementing the project intends to use Third-parties to deliver the products or services to be performed, additional information about those entities shall also be provided in Section 3.2 below.

3.1 Primary Vendor Profile

Please provide the following information:

3.1.1 A brief corporate history.

EMTEC RESPONSE:

Emtec, Inc. is a privately held Information Technology consultancy that was founded in in 1994. Over the last 24+ years Emtec has provided a diverse array of services to multiple industries, accumulating over 1,000 clients and over 2,500 successful projects. Emtec Global Services, LLC was formed as a subsidiary in July 2006 and has grown through a number of acquisitions, one of which resulted in the 2014 formation of Emtec Consulting Services, LLC.

Emtec service offerings span the software lifecycle, from implementation to support and sustainment, along with advisory services. We are an Oracle Platinum Partner and have extensive experience

implementing and supporting Oracle solutions including the Oracle Utilities Suite, PeopleSoft, Hyperion and Oracle Fusion Cloud products.

Emtec also features a dedicated practice line devoted to providing enterprise managed services. Branded as ClearCARE®, this practice has been supporting clients for over 10 years and enjoys a 90% customer retention rate, some customers having been under our care for the entire 10 years of the practice. Overall, we think you'll find that our depth and breadth of services are in line with what any Tier 1 provider can offer, but that we are significantly more flexible, much easier to deal with and ultimately our primary concern is YOUR success.

At Emtec our approach is simple: Engage the customer as a partner and bring best in class solutions at a fair price. This sounds easy, but it takes a great deal of focus and hard work across the company to execute that strategy day in and day out. We know that if we are flexible, easy to work with and help our customers succeed, we will be successful, too.

To more fully understand Emtec's recent corporate growth into the organization we are today, please see our response to question 3.1.2 below.

3.1.2 Information regarding mergers or acquisitions that the organization has been involved in within the last five years. Explain the impacts to Vendor's organization.

EMTEC RESPONSE:

Summary

Emtec Consulting Services (ECS) is Emtec's largest business unit and provides consulting, staff augmentation and managed services within the Oracle ecosystem. Specifically, ECS offers Oracle Utilities, Oracle EBS, Cloud, HCM, Analytics, EPM, PeopleSoft consulting and Managed Services. Focus industries include Utilities, Healthcare, Manufacturing, Financial Services and Retail.

Evolution of ECS

In order to paint a comprehensive picture of Emtec today, we need to look back to an acquisition strategy that began in 2011 and continued through 2015:

Dinero Solutions, February 2011: Emtec purchased Dinero Solutions, headquartered in Duluth, Georgia, for its Oracle eBusiness Suite, Utility, and custom development capabilities. The double-digit growth Dinero had experienced over several years fit well with the growth strategy Emtec was executing in the Oracle ERP consulting market. Dinero was a certified Oracle partner, and had demonstrated expertise implementing these solutions in the Utilities, Financial Services, Technology and Retail industries.

Emerging Solutions, August 2011: Emtec acquired Emerging Solutions for its broad capabilities, deep technical expertise, and extensive process knowledge related to Oracle, PeopleSoft and Hyperion, including other capabilities in Salesforce.com and Microsoft products. Emerging was headquartered in Chicago, and consulted for mid-market and Fortune 500 companies in the Midwestern region of the United States. Emerging had an excellent market reputation and was a long-standing Oracle Platinum Partner.

Lucidity, April 2015: Lucidity, an Irving, TX consultancy, was purchased by Emtec for its advisory, integration and managed services capabilities in the Utilities and Manufacturing industries. The acquisition augmented Emtec’s existing capabilities in the Oracle and PeopleSoft applications with specific services and solutions related to customer care and billing, finance operations, human capital management, and work and asset management. Lucidity operated largely in the TOLA and Midwestern regions, and was an Oracle Certified Reseller and Accelerate Partner.

Intelenex, July 2015: Emtec acquired leading Oracle Platinum partner, Intelenex, based in Santa Rosa, CA and Denver, CO. This acquisition enabled Emtec to significantly increase its footprint in delivering cloud-based solutions for mid-market and Fortune 2000 companies, predominantly in the Western region. Intelenex was awarded Oracle Cloud Partner of the Year (2015) for its implementation success with a significant number of clients on Oracle’s cloud products: ERP, HCM, BI and EPM.

Summit Technology, December 2015: Emtec acquired Summit Technology, a consulting and managed services firm based in Athens, AL. Summit enabled Emtec to establish itself more deeply in the Healthcare industry, and augmented capabilities in the managed services, PeopleSoft ERP, and Taleo applications, specifically related to the human capital management functions.

At the time of acquisition, all of these organizations were leading firms in cloud and on-premise Oracle solutions including EBusinessSuite (EBS), PeopleSoft (PS), Human Capital Management (HCM), Financials (ERP), Enterprise Performance Management (EPM), Analytics, and Managed Services. These acquisitions strengthened Emtec’s existing array of outsourcing, maintenance, and Integration Services.

Since 2016, the ECS division of Emtec has not acquired any other companies, and has focused on unifying the consultants who joined Emtec through these acquisitions, with others who have joined Emtec independently. Reinforcement of *Emtec’s Passion: “Relentless focus on talent, excellence and results that position us as a trusted partner in the Oracle ecosystem”* is at the core of our professional culture.

Throughout this acquisition period until present, Emtec has maintained its status as a dominant partner in the Utilities industry, as an Oracle Platinum partner, and as a Customer Excellence Implementer partner.

3.1.3 Implementation-related litigation (pending, active, or resolved) that has been filed against the Vendor within the last two years. Describe the nature of each litigation event and any other pertinent information relating to the litigation event.

EMTEC RESPONSE:

There has not been an implementation-related litigation filed against Emtec within the last two years.

3.1.4 Describe the Vendor’s office locations. Indicate where the proposed staff members are located.

EMTEC RESPONSE:

Emtec has offices in the locations shown below. Due to the distributed nature of our resources, members of our project teams can be located throughout the US, however, we do endeavor to staff our

projects with localized resources whenever possible in order to minimize project-related travel expenses.

Emtec North America Office Locations		
Radnor, PA Headquarters	Chicago, IL	Athens, AL
Jacksonville, FL	Suwanee, GA	Parsippany, NJ
Ottawa, ON	Toronto, ON	

Emtec India Office Locations	
Bangalore	Pune

3.1.5 Describe the Vendor’s involvement, if any, in strategic relationships with other organizations in matters relevant to this proposal (i.e. any white-labeled products).

EMTEC RESPONSE:

Emtec is an Oracle Platinum Partner and Customer Excellence Implementer. Additionally, Emtec manages a successful relationship with Oracle’s Utilities Global Business Unit (UGBU). In 2015, Emtec was named Oracle’s Cloud Implementation Partner of the Year (via the Intelenex acquisition).

3.1.6 Describe the involvement of Vendor’s senior management

- Throughout the implementation phase(s)
- Post go-live

EMTEC RESPONSE:

Emtec’s primary point of contact for the lifecycle of our engagement with the Agency will be Steve Murphy, Practice Director of our Utilities Team. Steve will serve as Emtec’s Executive Sponsor of the implementation and because he also has full responsibility for all of Emtec’s activities within the utility market vertical, he will also continue to be involved in our relationship with you as long as we are partnered together.

In addition to Steve, Mike Garcia will also be intimately involved in the implementation. Mike is the Managing Director of Emtec’s Business Solutions team, the team directly responsible for implementing the proposed Oracle Solution. Mike will be involved on a daily basis to monitor and support the performance of the team, and he will also perform periodic quality assurance checks throughout the project.

Steve and Mike both report to directly to John Senatore who is the Managing Partner for Emtec Consulting Services. John is available to all of our customers as a point of escalation throughout the duration of our partnership and occasionally will perform quality assurance reviews on our projects.

John reports directly to Emtec’s Board of Directors who are also regularly available to our customers to reinforce our “Client for Life” philosophy.

Please see the organizational chart provided in response to question 3.4.2 herein for a graphical depiction of the organization.

3.1.7 Describe the long-term commitment to the FMIS marketplace as it relates to the utility market. This should highlight Vendor’s sustainability in this vertical.

EMTEC RESPONSE:

As noted in our response to questions 3.1.1 and 3.1.2, Emtec has executed a strategy for the past 8 years that is largely built around both our commitment to the ERP market, specifically including FMIS, as well as the utility market. Some of the company’s acquired by Emtec that are referenced in response to question 3.1.2 have roots in ERP and the utility market going as far back as the 1980’s and 1990’s which extends our collective commitment over 30 years.

As an organization, we have specifically and intentionally embarked on a strategy that aligns with our partner Oracle’s vertical approach to industry-specific markets. We are also currently in the process of re-organizing ourselves to more closely align with Oracle and strengthen our place in the utility and cloud FMIS markets.

3.1.8 Provide the following information for **any relevant** FMIS implementation projects completed in the last three years as well as **all** active FMIS implementations and major upgrades:

- Utility Name
- Description of Project including whether an implementation or upgrade
- Contract Date
- Go-Live Date (anticipated or actual)
- # of Change Orders
 - Provide details on change orders that affected contract cost or project schedule.
- Initial Contract Cost
- Total Cost
- Primary team members
 - Highlight team members that are proposed as part of this response

EMTEC RESPONSE:

Both Emtec and Oracle have deep respect for our customer’s privacy. We have provided references as requested in Attachment I of our response, but are not able to provide the additional information requested herein at this time. In the event we progress to a point in the evaluation process where additional references are required, we will be happy to connect the Agency to appropriate points of contact within our customer base who can provide the information requested above. Rest assured we will treat our interaction with the Agency with the same level of confidentiality.

- 3.1.9 List and describe other Utilities that have implemented and currently operate the proposed solutions.

EMTEC RESPONSE:

Both Emtec and Oracle have deep respect for our customer’s privacy. We have provided references as requested in Attachment I of our response, but are not able to provide the additional information requested herein at this time. In the event we progress to a point in the evaluation process where additional references are required, we will be happy to connect the Agency to appropriate points of contact within our customer base who can provide the information requested above. Rest assured we will treat our interaction with the Agency with the same level of confidentiality.

- 3.1.10 Describe how you would provide your most experienced team in the event you win the SCVWA contract and ensure resource availability throughout all phases of the project given the proposed timelines.

EMTEC RESPONSE:

Emtec has over 125 Oracle Cloud consultants available to staff our projects. Our practice management team will review the resources needs for the SCVWA project during the RFP response period and again during the follow up discovery sessions to ensure that we target the most experienced team possible for SCVWA’s needs. We will assign strong resources that have the right Oracle Cloud skills based on the software modules chosen, strong business experience within financials, supply chain, and project portfolio management, and relevant utility industry experience. The typical longer selling cycle of public sector ERP projects such as this one will allow us to plan significantly in advance to identify a core team (Executive Sponsor, Project Manager, and Solution Architect) with the target skills and experiences that will work with SCVWA as further discovery and negotiations progress after the initial RFP review. This will allow SCVWA to have exposure to the core team regularly and ensure that SCVWA has full confidence in the Emtec team presented. As we close out discovery and finalize contracts, we will add the additional resources that bring the full project complement to bear based on skills match, industry experience, geographic fit, and resource availability. Resources will be sourced from our Utility practice, our ERP Practice, our PMO group, and our technical and offshore teams that work closely together on a regular basis to form a strong team to lead SCVWA through a successful implementation.

3.2 Third-party Profile

For any third-party (subcontractors/subconsultants, integrators, or software providers) participating in this response please provide the following information:

- 3.2.1 A brief corporate history.

ORACLE RESPONSE:

Oracle America is a wholly owned subsidiary of Oracle Corporation (Oracle). Founded in June 1977, Oracle provides products and services that address all aspects of corporate information technology (IT) environments. Since 2004, Oracle has invested more than \$58 billion in research and development. Products offered include database and middleware software, application software, cloud infrastructure software and hardware systems along with support and related services.

Oracle is a leader in the core technologies of cloud IT environments, including database and middleware software as well as enterprise applications, virtualization, clustering, large-scale systems management and related infrastructure. Oracle offers a wide range of services in all three primary layers of the cloud: Software as a Service (SaaS), Platform as a Service (PaaS) and Infrastructure as a Service (IaaS). Oracle Cloud offerings are designed to be rapidly deployable to enable customers shorter time to innovation; easily maintainable to reduce integration and testing work; and cost effective by requiring lower upfront customer investment.

With more than 430,000 customers in more than 175 countries, Oracle provides a complete technology stack both in the cloud and in the data center. Oracle's industry-leading cloud-based and on-premises solutions give customers complete deployment flexibility and unmatched benefits including application integration, advanced security, high availability, scalability, energy efficiency, powerful performance, and low total cost of ownership.

Oracle has over 137,000 employees worldwide, all of whom are dedicated to providing a complete business offering that includes integrated, award-winning support services combined with industry-leading products. For more information, visit oracle.com.

3.2.2 Information regarding mergers or acquisitions that the Third-party has been involved in within the last five years. Explain the impacts to Third-party's organization.

ORACLE RESPONSE:

Through our acquisition activities, Oracle seeks to strengthen its product offerings, accelerate innovation, meet customer demand more rapidly, and expand partner opportunities. An integral part of Oracle's Mergers and Acquisitions philosophy is our consistent commitment to customer service and product support while achieving our financial return objectives and creating value for our shareholders. A listing and additional information about acquisitions is available at Oracle Strategic Acquisitions.

<https://www.oracle.com/corporate/acquisitions/>

3.2.3 Has any implementation related litigation (pending, active, or resolved) been filed against the Third-party within the last two years? If yes, describe the nature of each litigation event and any other pertinent information relating to the litigation event.

ORACLE RESPONSE:

Oracle does engage in litigation in the normal course of business. Oracle does not comment on pending claims and/or litigation; however, Oracle is a public company and, as such, reports all litigation and/or legal claims that may have a material, adverse effect on the operation of its business in its Form 10-K filings and any subsequent updates with the Securities and Exchange Commission. Oracle's Form 10-K can be found at the following site: <http://investor.oracle.com/financial-reporting/sec-filings/default.aspx>.

3.2.4 Describe the Third-party's office locations. Indicate where the proposed staff members are located.

ORACLE RESPONSE:

Oracle's closest field office is:

Culver City
5750 Hannum Avenue
Suite 200
Culver City, CA 90230
Phone: +1.310.258.7500
Fax: +1.310.258.7598

Additional locations can be found here:

<https://www.oracle.com/corporate/contact/field-offices.html>

3.2.5 Describe the Third-party's involvement, if any, in strategic relationships with other organizations in matters relevant to this proposal.

ORACLE RESPONSE:

Emtec is an Oracle Platinum Partner and Customer Excellence Implementer. Additionally, Emtec manages a successful relationship with Oracle's Utilities Global Business Unit (UGBU). In 2015, Emtec was named Oracle's Cloud Implementation Partner of the Year (via the Intelenex acquisition).

3.2.6 Describe the involvement of Third-party's senior management

- Through the implementation phase(s)
- Post go-live

ORACLE RESPONSE:

Through the implementation Phase:

Oracle will provide Cloud Priority support that will give SCVWA a named Oracle resource to assist the implementation partner throughout the project, but also provide a direct line within Oracle to any additional channels of support needed, executives, development, support escalation, etc. Dan Morgan Regional Manager for the public Sector practice in the Western United State will act as Executive Sponsor.

Post go-live:

Oracle is providing 24 X 7 platinum support for the duration of the subscription. Dan Morgan will stay on after go live as Executive Sponsor and the Southern California Public Sector Account Executive will be your daily contact.

3.2.7 Describe the long-term commitment to FMIS as it relates to the utility marketplace. This should highlight the Third-party’s sustainability in these verticals.

ORACLE RESPONSE:

Public Sector and Utilities are two of the verticals that Oracle has committed to, supported and invested in for more than 30 years. We continue to invest heavily in the Cloud ERP product suite as well as the features and functionality requested by our Public Sector and Utilities customers.

Research and Development Expenditures - 5 Year History

Oracle invests in research and development to enhance Oracle’s existing portfolio of products and services and to develop new products, features, and services. Provided below is a 5 year history of the research and development expenditures and the percentage of revenues that were invested in research and development for all Oracle products and services.

Fiscal year ended May 31 (US dollars in millions)	2018	2017	2016	2015	2014
Total research and development expenditure	\$6,091	\$6,159	\$5,787	\$5,524	\$5,151
Percentage of total revenues invested	15%	16%	16%	14%	13%

Research and Development Expenditures Chart

Oracle has invested over \$58 billion US dollars in research and development (R&D) since 2004, investing in product innovation and integration with a goal of ensuring that each of Oracle’s products is best-of-breed in the industry.

3.2.8 Provide the following information for **any relevant** FMIS implementation projects completed in the last five years as well as **all** active FMIS implementations and major upgrades:

- Utility Name
- Description of Project including whether an implementation or upgrade
- Contract Date
- Go-Live Date (anticipated or actual)
- # of Change Orders
 - Provide details on change orders that affected contract cost or project schedule.
- Initial Contract Cost
- Total Cost
- Primary team members

ORACLE RESPONSE:

Both Emtec and Oracle have deep respect for our customer’s privacy. We have provided references as requested in Attachment I of our response, but are not able to provide the additional information

requested herein at this time. In the event we progress to a point in the evaluation process where additional references are required, we will be happy to connect the Agency to appropriate points of contact within our customer base who can provide the information requested above. Rest assured we will treat our interaction with the Agency with the same level of confidentiality.

3.2.9 Highlight team members that are proposed as part of this response. List and describe other Utilities that have implemented and currently operate the proposed solution in the municipal marketplace.

ORACLE RESPONSE:

As the implementor, Emtec will provide a team with significant experience and expertise in the proposed FMIS software suite, as well as relevant utility experience. Oracle does not have specific named resources responsible for the implementation but Dan Morgan will remain involved throughout the engagement as noted in our response to question 3.2.6 above.

3.2.10 Describe how you would provide your most experienced team in the event you win the SCVWA's contract and ensure resource availability throughout all phases of the project given the proposed timelines.

ORACLE RESPONSE:

Emtec is responsible for the implementation and has provided a response to this question in response to question 3.1.10 above.

3.2.11 Describe the projects where you have worked with the Primary Vendor.

ORACLE RESPONSE:

Emtec is an Oracle Platinum Partner and has been credited with over 75 Oracle Cloud engagements, many of which have been in the utility market segment.

3.3 Software Account and Support Management

SCVWA is interested in a long-term, successful contractual relationship with the selected software Vendor(s). To that end, provide information that will support the Vendor's desire to establish such a relationship(s).

3.3.1 Describe the designated person(s) that will manage the long-term business relationship with SCVWA. Include the same individuals' information in Attachment N (Résumé).

ORACLE RESPONSE:

Oracle has proposed Cloud priority Support- which includes a named Technical Account Manager (TAM) who will be identified and communicated to SCVWA at the time of provisioning. SCVWA will also have an executive sponsor assigned from the sales organization.

3.3.2 Where do the individual(s) reside within the organizational structure?

ORACLE RESPONSE:

The TAM resides within the Oracle Advanced Customer Support division, the executive sponsor will be Dan Morgan from within the management organization in public sector sales.

3.3.3 When, where, and how do account management personnel become involved with the project?

ORACLE RESPONSE:

The Oracle TAM:

- Provides personal support to you based on a detailed understanding of your SaaS solution and your use of Oracle SaaS.
- Speeds resolution times through proactive management of incident resolutions and escalations, and coordination of a virtual team of Oracle Cloud Operation and Oracle Cloud Support engineers addressing your issues. Keeps your team and senior management updated on the status.
- Assists with complex problems such as Service Requests with multiple related incidents, or to address unique business requirements which need more attention than standard escalation processes or individual issue resolution
- Ensures successful project rollouts such as upgrades, by managing the escalation process of critical incidents to prevent them from affecting your business

The Oracle Technical Account Manager also leads formal quarterly reviews with you to assess performance against recommended standards, discuss your business and technical plans, anticipate and avoid escalations, and offer insight on how to ensure you are receiving the most value from your Oracle SaaS investment.

At each quarterly service review, your Oracle Technical Account Manager compares Oracle's performance against the defined Oracle platinum-level Cloud Support response targets. In addition, you receive detailed support metrics that give you deeper insight into the value you gain from your Oracle SaaS investment.

With Oracle Cloud Priority Support for SaaS, you will also benefit from a preferred relationship with Oracle engineers who offer knowledge sharing and live chats.

FASTER INCIDENT RESOLUTION WITH PRIORITY SERVICE RESPONSE

Oracle Cloud Priority Support for SaaS puts your Service Requests at the top of the queue to get them addressed and resolved quickly.

To provide immediate action and faster recovery from unplanned downtime, Oracle Cloud Priority Support for SaaS includes automatic, 24/7, time-based alerts that notify your Oracle Technical Account Manager of critical issues.

These prioritizations of your Cloud Operation's incidents and Service Requests will help you achieve maximum availability of your Oracle SaaS solution.

BENEFIT FROM OUR EXPERIENCE

With Oracle Cloud Priority Support for SaaS, you will receive unique personal support on top of platinum-level services, to give your most critical SaaS environments the attention they need to deliver the value your business expects. Receive tailored guidance, benefit from faster incident resolution, and gain preferred access to Oracle product knowledge. Keep your SaaS systems running predictably, minimize disruption, and deliver a competitive advantage to your business.

Your Executive sponsor will attend steering committee meetings, and get involved with any business critical issues that need to be escalated, they will also be in the management chain of the Account Executive that will handle any day to day inquiries.

3.3.4 Do the individual(s) have a sales quota?

ORACLE RESPONSE:

The TAM does not, the executive sponsor does.

3.3.5 How many other customers do the individual(s) manage?

ORACLE RESPONSE:

Typically 3-6 accounts but it determined in part by the size of the accounts they have been assigned.

3.3.6 How often will the individual(s) travel to SCVWA?

ORACLE RESPONSE:

The TAMs plan on at least being on site quarterly for reviews, the Executive Sponsor will travel to SCVWA as necessary.

3.3.7 Are travel and on-site visits client-funded? If so, describe the costs associated with on-site visits.

ORACLE RESPONSE:

Travel costs are included.

3.3.8 Describe your methodology for proactively communicating known system deficiencies and errors. How do you ensure these are addressed in a timely manner?

ORACLE RESPONSE:

Information regarding technical issues and user feedback reported by customers that might benefit other customers are documented and stored in the support portal searchable by all customers. Issues may also be published in product newsletters that a customer can request to receive automatically via e-

mail. Oracle takes data security and privacy very seriously and any customer specific confidential data or Personally Identifiable Information (PII) is never published or shared with anyone else.

Oracle provides quarterly updates which provide fixes and / or enhancements to the existing release of the Cloud Applications.

3.3.9 Discuss your overall support structure from a business user's perspective.

ORACLE RESPONSE:

Oracle support for Oracle Cloud Services consists provides diagnoses of problems or issues with the Oracle Cloud Services and reasonable commercial efforts to resolve reported and verifiable errors in the Oracle Cloud Services so that those Oracle Cloud Services perform in all material respects as described in the associated Program Documentation.

Oracle Priority Support delivers an advanced level of IT support that provides faster problem resolution through priority handling of service requests and proactive guidance. You can ensure a more personalized level of support and guidance for that technology with Oracle Priority Support. As a complement to Oracle Premier Support, this annual service from Oracle Advanced Customer Support delivers the personalized support needed to meet the requirements of your business.

Oracle Technical Account Managers help:

- Provide personalized support and guidance to address the technical and business requirements of your mission critical products
- Minimize complexity and reduce resolution times for your implementation, upgrade, and production related service requests
- Accelerate your IT productivity, manage risks, lower operational costs
- Leverage proven incident management practices to optimize product and system availability

Oracle Priority Support offers you a highly integrated service relationship with Oracle that takes support to the next level.

3.3.10 Describe the support facilities available to users of this application given SCVWA geographic location, including the number of staff and hours of operation. If support is in a different time zone, describe how it will accommodate SCVWA support needs.

ORACLE RESPONSE:

Oracle provides essential support services including 24/7 technical assistance, powerful proactive support resources, and product updates. With 50,000+ development engineers and customer support specialists, Oracle delivers complete, dependable, fully-integrated service. Oracle product support is a global organization with 18 major support hubs on five continents. Our extensive reach lets us support customers in 145 countries, in any time zone, in 29 local languages. Additional information can be found at: <http://www.oracle.com/us/support/contact/index.html>.

3.3.11 What online forums or searchable knowledge bases are available for this application?

ORACLE RESPONSE:

Cloud Customer Connect – Oracle's premiere online cloud community – is specifically designed to promote peer-to-peer collaboration and sharing of best practices, enable customers and partners to keep pace with product strategy, and provide a cloud solution feedback channel directly to Oracle development. This enables customers to help themselves—and each other—by leveraging the collective knowledge of Oracle Cloud Applications customers and product experts. Business users benefit by receiving relevant information from fellow community members when they need it. Oracle Customer Connect also allows you to share your own ideas and vote on those from others via the Idea Lab and contribute to Oracle’s product roadmap.



3.3.12 Describe the dedicated group that will be responsible for supporting SCVWA.

ORACLE RESPONSE:

Please see our response to question 3.3.3 above.

3.3.13 Discuss how you will transition from the implementation team to the support team.

ORACLE RESPONSE:

From the Oracle Software side there is no transition, the team and support will still be taking care of all of your software related issues.

3.4 Other Participants Account Management [Optional]

SCVWA is interested in a long-term, successful contractual relationship if applicable with the system integrator and Third-party providers. To that end, provide information that will support the Vendor(s) desire to establish such a relationship.

3.4.1 Describe the designated person(s) that will manage the long-term business relationship with SCVWA's. Include the same individuals' information in Attachment N (Résumé).

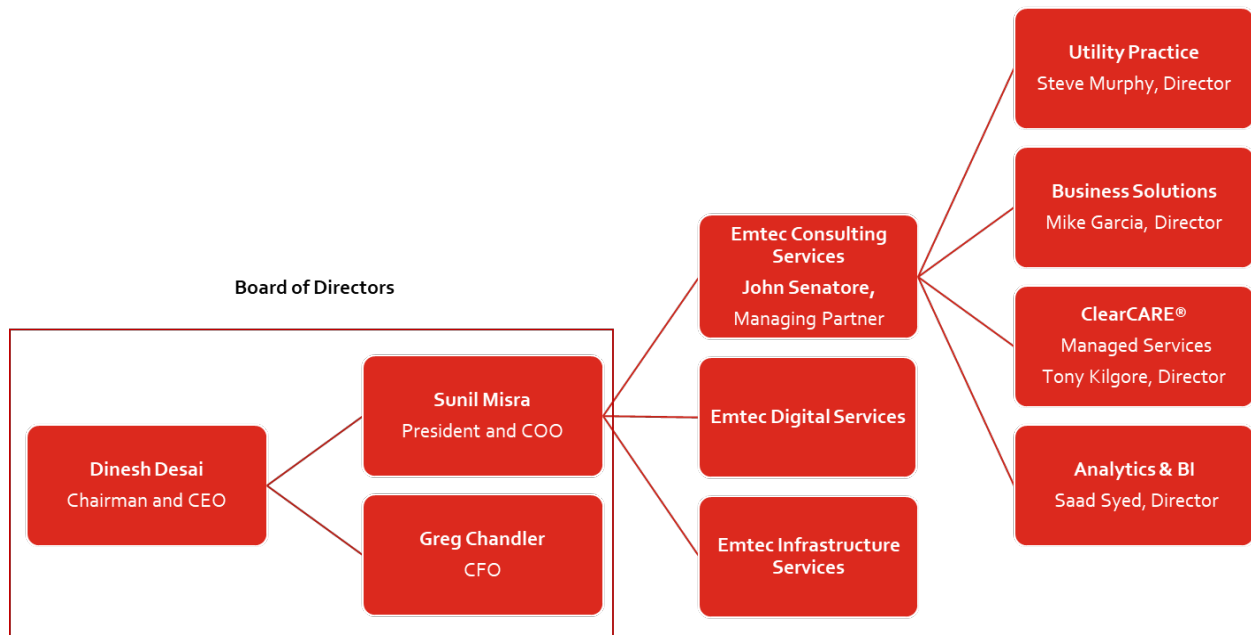
EMTEC RESPONSE:

Steve Murphy, Director of Emtec's Utilities Practice, will serve as the designated point of contact with SCVWA throughout the implementation and continuing through the lifecycle of our partnership with the Agency. Steve has been working in the utility industry for 31 years, including 13 years with various utilities and the last 18 years as a consultant. Steve's resume is included in Attachment N.

3.4.2 Where do the individual(s) reside within the organizational structure?

EMTEC RESPONSE:

Steve reports directly to John Senatore, Managing Partner of Emtec Consulting Services who in turn reports to the Board of Directors. Steve has a direct line of communication into both John and the Board as needed. A graphical depiction of the top level of the organization is shown below:



3.4.3 When, where, and how do account management personnel become involved with the project?

EMTEC RESPONSE:

Steve will be involved with the project on a regular basis including weekly project reviews with the Project Manager and participation in Steering Committee meetings. Steve will also communicate with

project leaders from SCVWA on a more casual basis to ensure your team is comfortable with the direction and progress of the project as well as on an ad hoc basis as a point of escalation whenever necessary.

3.4.4 Do the individual(s) have a sales quota?

EMTEC RESPONSE:

No, Steve does not carry a sales quota. Similarly, Mike Garcia who is Emtec's Director of Business Solutions and who will also be heavily involved in the implementation, also does not carry a sales quota.

3.4.5 How many other customers do the individual(s) manage?

EMTEC RESPONSE:

As director of our Utilities Practice, Steve has ultimate relationship responsibility for all of our customers in the market. Once a customer is live and stable, it's not unusual for the day to day account management to be turned over to one of the experienced account relationship managers on Steve's team to manage the daily interaction with a customer, but at this time Steve remains involved in all of our Utility accounts either directly or as the first point of escalation in the event of any issues. At the time of this response, Steve is directly managing 5 utility relationships while members of his team are managing day to day interaction with approximately 15 other active utility relationships.

Depending on the activity level of the portfolio at any given time, we prefer our account relationship managers to oversee operations of between 5 and 8 customers at a time, including Steve. We work constantly to ensure that each manager has an appropriate mix of highly active and slightly less active customers so that appropriate attention can be paid to the more active accounts.

3.4.6 How often will the individual(s) travel to SCVWA's?

EMTEC RESPONSE:

Steve will be fully involved in the sales process and provided we are fortunate enough to be selected he will also be directly responsible for contract and SOW negotiations. Once the project starts, Steve is expected to travel to SCVWA approximately once a month, typically timed around Steering Committee meetings.

Once you enter post-production support mode, on-site visits will shift to quarterly as we will jointly conduct a quarterly review of our partnership including discussion of the tactical aspects of our interaction as well as your own strategic plan forward to ensure we're constantly aligned.

3.4.7 Are travel and on-site visits client-funded? If so, describe the costs associated with on-site visits.

EMTEC RESPONSE:

Travel and on-site visits that are part of the implementation project schedule are client-funded as part of the fixed price project cost. Once a client enters the post-production phase of their life-cycle, regularly scheduled on-site visits are also client-funded.

At any time during our partnership together, travel and on-site visits that are requested by the client will be client-funded, but visits requested by Emtec may not be. A level of travel for on-site visits will be built into the post-production agreement and no travel that is not already included in our pricing will be billed to SCVWA without prior discussion and acknowledgement.

3.4.8 Describe your methodology for proactively communicating known system deficiencies and errors. How do you ensure these are addressed in a timely manner?

EMTEC RESPONSE:

In Emtec's opinion, our client's success is all about effective communication at every level and at every stage of our lifecycle together, and identification and communication of known deficiencies is obviously a key component of your success. Because we're proposing a SaaS solution through our partner Oracle, many deficiencies will be identified, resolved, patched and incorporated into your environment before you are even aware they exist. It's also important to note that the proposed Oracle solution is mature and stable and that critical system bugs or deficiencies rarely occur. However, because there are exceptions to any rule, we are constantly monitoring Oracle's support site for reported issues or bugs which may cause pain for our clients.

During the project, we'll be working collaboratively with Oracle on a daily basis and we will be constantly monitoring the solution as well as the patch database for issues. Issues that are identified that may impact the project, or your expected business results, will be communicated directly to your team by the project manager as they occur, along with an impact statement. Because the solution is not live yet during this phase, the impact of any issues or bugs is generally minimal and easily managed, however, if there is any chance that the deficiency will impact the project it will be communicated as part of our risk management strategy.

Emtec's support team currently supports approximately 75 clients. To ensure that we're effective in that capacity we monitor the Oracle application and database support logs every day to make sure we're able to proactively communicate issues that might affect our customers following go-live. SCVWA will be handled in exactly this same manner and identified issues that may have an impact on your business will be communicated as they are identified directly to your primary point of contact at which time a discussion of the risk will occur and if necessary a mitigation strategy will be developed and executed.

4.0 Software Summary

- 4.0.1 Provide an overview of the proposed FMIS including information related to the standard and ad-hoc reporting capabilities.

ORACLE RESPONSE:

SOFTWARE-AS-A-SERVICE

Oracle Cloud applications provide capabilities customers expect out of SaaS applications including lower total cost of ownership (TCO), with no hardware to purchase or software to manage and automatic upgrades and rapid feature advancement. Operational tasks such as installation, patches, ongoing maintenance, updates, monitoring, and backup and recovery are managed by Oracle Cloud Operations and those costs are included as part of the subscription costs.

Our Cloud applications have a greater ability to provide value and cost savings than traditional on premise applications.

- **Advanced User Interface** – Oracle’s Cloud based applications include the latest usability features most desired by today’s workers. That includes total mobility, social collaboration, and data visualization tools for analyzing data. Legacy on premise applications are still based on older technology even if they are hosted by the vendor.
- **Reporting and Analytics** - In Oracle Cloud, Business Intelligence analytics are woven into the fabric of your business processes so that you can work naturally and intuitively. The flexible, pre-delivered operational reports use real-time transactional data and let you include your own ad hoc queries. Business analytics are embedded on key pages and in transactional flows throughout Oracle Cloud and are linked directly to transactions and other decision points. Each screen shows additional pieces of relevant information that users can use to make decisions and maximize their productivity. The reporting tools available within Oracle Cloud Applications are designed to offer the best match for any reporting requirements: whether they are transaction-based or balance-based financial reports, whether they are ad hoc inquiries or fixed-format documents, whether they are high-level strategic indicators or focused analysis into operational details. Reporting includes embedded analytics and infolets, the Oracle Transactional Business Intelligence (OTBI) tool, and standard reports.
- **Built on Open Standards** – Oracle uniquely offers its cloud services based on the Oracle Database, Oracle Fusion Middleware, and Oracle Identity Management and Enterprise Management. Leveraging a complete Oracle software stack enables customers to minimize the risk associated with third-party service providers. It also ensures that you have access to an extensive network of firms and individuals with expertise.



- **Efficient and Secure Infrastructure** – The Oracle Cloud Services run on Oracle Engineered Systems, providing customers and partners with a high-performance, reliable, elastic, and secure infrastructure for their critical business applications. By leveraging these proven software and hardware technologies, customers can be assured that they are receiving a platform that delivers extreme performance, redundancy and scalability. While other cloud-based systems are composed of the vendor’s application running on a third-party data infrastructure, Oracle uniquely owns and manages the entire infrastructure of its cloud applications. This means you benefit from a robust, international standards-compliant information security architecture that is tightly woven through every layer of the service, from access management in the application layer down to the embassy-grade physical security in data centers.
- **Customer-driven** – The future direction of Oracle Cloud Services is driven by our customers. One way they do this is to use the Oracle Applications Customer Connect community. It is a private community—exclusive to Oracle applications customers to network and exchange information. This enables customers to help themselves—and each other—by leveraging the collective knowledge of Oracle applications customers and product experts. Business users benefit by receiving relevant information from fellow community members when they need it. Oracle Customer Connect also allows you to share your own ideas and vote on those from others via the Idea Lab and contribute to Oracle’s product roadmap.

Enterprise Resource Planning and Enterprise Performance Management

Oracle’s ERP Cloud streamlines your enterprise business processes with Enterprise Resource Planning (ERP) Cloud. With Oracle Cloud's Financials, Procurement, Project Portfolio Management, and more, you can increase productivity, lower costs, and improve controls. Enterprise Performance Management (EPM) applications, combined with the innovation and simplicity of the cloud, enable companies of any size to drive predictable performance, report with confidence, and connect the entire organization.

APPLICATION SUITE DESCRIPTION	BENEFITS
ORACLE FUSION ERP CLOUD SERVICE AND ORACLE FUSION ERP FOR SELF SERVICE CLOUD SERVICE	
Provides a full suite of financial functionality including: <ul style="list-style-type: none"> • General Ledger • Accounts Payable • Invoice Imaging • Accounts Receivable and Billing • Fixed Asset Management • Cash Management • Project Portfolio Management • Grants Management • Expense Management 	<ul style="list-style-type: none"> • Gain real-time access to live financial data • Comply with global accounting standards and multiple legislative, industry or geographic requirements • Proactively resolve issues to expedite automated processing • Improve decision-making and increase accuracy during transaction entry • Control costs and increase visibility into spending • Improve cash inflows and manage cash positions

	<ul style="list-style-type: none"> Reduce transaction processing costs and data entry errors
ORACLE ENTERPRISE PERFORMANCE MANAGEMENT STANDARD CLOUD SERVICE	
<p>Enterprise Performance Management Cloud enables organizations of all sizes to quickly adopt public sector best practices for planning and budgeting. Enterprise Performance Management Cloud is a market-leading SaaS with flexible deployment options and virtually no learning curve. Key functions include:</p> <ul style="list-style-type: none"> Planning and Budgeting Narrative Reporting for Budget Books and CAFR Operational Budgeting Personnel Budgeting Capital Budgeting Capital Planning 	<ul style="list-style-type: none"> Fully customizable and owned by OMB Office Migrate from disconnected planning tools and spreadsheets Work with latest version of the software Customize solution to your specific business need
ORACLE FUSION PROCUREMENT CLOUD SERVICE AND ORACLE FUSION PROCUREMENT SELF SERVICE CLOUD SERVICE	
<p>Procurement Cloud streamlines your source to pay process through automation and social collaboration, while controlling costs. Key functions are:</p> <ul style="list-style-type: none"> Core Purchasing Contract Management Sourcing Self-Service Requisitioning Supplier Portal Supplier Qualification Management Cloud Services 	<ul style="list-style-type: none"> Lower costs Collaborate for better results Enhance negotiation strategies Streamline supplier negotiation process Drive competitive behavior from suppliers Minimize training and ongoing support Determine best award decisions
ORACLE FUSION SUPPLY CHAIN EXECUTION CLOUD SERVICE	
<p>Oracle Supply Chain Cloud Services delivers the visibility, insights, and capabilities needed to create your own intelligent supply chain. Key functions are:</p> <ul style="list-style-type: none"> Inventory Management Maintenance Management 	<ul style="list-style-type: none"> Manage and execute your production process, both internal and contract manufacturing Increase margin / revenue Reduce inventory Drive down costs Improve on-time deliveries Quick set up enables rapid implementation Reduce cost of ownership

4.0.2 Provide FMIS *utility market* share information related to the proposed primary FMIS products.

ORACLE RESPONSE:

While we do not provide customer count information in detail, our Cloud applications have been selected by over 250 public sector customers (Municipal, K12, Special District) in North America alone. Overall, over 25,000 customers have subscribed to our SaaS applications and we are tracked by Gartner in their leaders quadrant. Some general market share information is provided in analyst reports available at <https://www.oracle.com/corporate/analystrelations/reports/index.html>.

4.0.3 Describe the Vendor's unique business value based on the current software solution and how it relates to future plans.

ORACLE RESPONSE:

Oracle's strategy is to deliver reliable and scalable products and services that are built upon industry standards. These products are engineered to work together or independently, offering customers a choice in how they use Oracle products and services. Maintaining enterprise-grade reliability, security and interoperability, which is important to Oracle's corporate strategy. Oracle also pursues new or emerging growth opportunities in order to maintain technology leadership.

In our continued effort to help drive continuous improvement and innovation and reduce the cost of ownership, Oracle SaaS applications are built on modern best practices. This approach relieves the Agency from the administrative burden of software fixes/upgrades, hardware refresh cycles, backups, disaster recovery, and technical staffing requirements while ensuring access to the latest features and technologies.

Oracle's SaaS offerings are fully powered by Oracle's purpose-built cloud infrastructure and integrated with our leading platform technologies, such as machine learning, workforce bots, autonomous database, embedded analytics, and the Internet of Things. Unlike other cloud solutions, Oracle is not dependent on any other vendors to support the full cloud technology stack, thereby reducing risk, complexity, and cost.

This means One holistic solution: one look and feel, one set of analytics, and one data model. In addition, Oracle's investment in technology innovation enables us to continually re-imagine our customers' business and our own through:

- Applications integrated with social, mobile, and analytic capabilities.
- Innovation resulting from new functionality and new ways to collaborate and share information, both within the enterprise and with partners.
- Collaborative Environment. Social functionality is an integral part of the processes of the software. Capabilities are imbedded where it makes most sense.
- Knowledge Empowerment. Utilize real-time intelligence to inform decision-making.

- Applications continuously updated to improve functionality. Done in the background, transparent to the business. We can start using new features right away to make better, more informed business decisions.
- Flexibility. Easier to get new users up and running, turn on modules or components that were not part of our original deployment, or add another application from our SaaS portfolio
- Lower cost IT model.
- Lower cost business model.

One important note is that cross-industry trends are showing shorter implementation durations for Cloud vs. on-premise deployments. This is validated by external research firms. One report from Nucleus Research (Document R208 - December 2017) is titled “Cloud Now Delivers 3.2 Times more ROI”. Implementation cost is a major factor. The report notes:

- “Speaking with end users, Nucleus found that cloud deployments are faster and require fewer internal resources. The initial implementation tends to be both simple and comparatively lower in cost than traditional on-premise solutions for three main reasons:
- “Without the need to scope, purchase, deploy, and optimize hardware for an application, customers don’t overbuy or spend months on scoping efforts
- “With applications that are largely configured, instead of customized, time to deployment is much more rapid and often requires less specialized (and expensive) resources.
- “The greater usability of modern cloud applications dramatically reduces the time and cost associated with training and adoption.”

4.1 FMIS Solution Look and Feel

Please provide the following required screen shots / examples detailing the FMIS system

4.1.1 Chart of Accounts overview and detail

ORACLE RESPONSE:

Oracle Fusion ERP Cloud’s Chart of Account elements are completely configurable by customers out of the box. The Chart of Accounts can be configured with up to 30 different structural elements with each structural element being configured with a maximum of 25 alpha-numeric characters. The entire coding string cannot exceed 240 characters. The software also supports automated interfund balancing by identifying the COA element(s) that represent the balancing element.

Account/Object Maintenance

Manage Values Save Save and Close Cancel

Value Set Code Progress Account
Description Progress Account

Search

Value
Description

Search Reset

Search Results

Actions View View Format + X Print Freeze Detach Wrap

* Value	Description	Enabled	Start Date	End Date	* Account Type	* Summary	* Allow Posting	* Allow Budgeting	Financial Category	* Third Party Control Acco
10000	Assets	<input checked="" type="checkbox"/>	m/d/yy	m/d/yy	Asset	Yes	No	No		No
11000	Cash including cash equivalents	<input checked="" type="checkbox"/>	m/d/yy	m/d/yy	Asset	Yes	No	No		No
11110	Cash	<input checked="" type="checkbox"/>	m/d/yy	m/d/yy	Asset	No	Yes	Yes	Cash	No
11120	Petty Cash	<input checked="" type="checkbox"/>	m/d/yy	m/d/yy	Asset	No	Yes	Yes	Cash	No
11130	Cash in Bank	<input checked="" type="checkbox"/>	m/d/yy	m/d/yy	Asset	No	Yes	Yes	Cash	No
11140	Cash Clearing	<input checked="" type="checkbox"/>	m/d/yy	m/d/yy	Asset	No	Yes	Yes	Cash	No
11150	On Account Cash	<input checked="" type="checkbox"/>	m/d/yy	m/d/yy	Asset	No	Yes	Yes	Cash	No
11160	Unidentified Cash	<input checked="" type="checkbox"/>	m/d/yy	m/d/yy	Asset	No	Yes	Yes	Cash	No

4.1.2 Miscellaneous accounts receivable entry screen

ORACLE RESPONSE:

Edit Transaction: Invoice 29765 Actions Save Complete and Create Another Delete Cancel

General Information [Show More](#)

Business Unit Progress US Business Unit
Transaction Source Manual
Transaction Type Invoice
Transaction Number 29765
Document Number
Status Incomplete

* Transaction Date 7/29/2019
* Accounting Date 7/29/2019
Salesperson
Invoicing Rule
Attachments None
Notes

* Currency USD - US Dollar
Transaction Total 1,145.00
Lines 1,145.00
Tax 0.00
Freight 0.00
Charges 0.00

Customer * Bill-to Name Dixon Industries
* Bill-to Site Dallas

Ship-to Name Dixon Industries
Ship-to Site 1038

Payment * Payment Terms Net 15
Due Date 8/13/2019

Invoice Details
Invoice Lines Sales Credits

View + X Detach Edit Freight

Line Information Tax Determinants Revenue Scheduling

Line	Item	Description	Line Information				Amount	Details	Tax Classification	Transaction Business C
			Memo Line	UOM	Quantity	Unit Price				
1		Facility Rental	Facility Rental	He	8	50	400.00		Sales Transaction	
2		Class Fee	Class Fee	Ea	2	35	70.00		Sales Transaction	
3		Park Rental	Park Rental	Cay	2	150	300.00		Sales Transaction	

4.1.3 A/P inquiry screen

ORACLE RESPONSE:

Manage Invoices

Search Results

Search: Invoice

Business Unit: Equals Progress US Business Unit

** Invoice Number: Starts with

Invoice Amount: Equals

** Invoice Date: Equals in/yyyy

** Supplier or Party: Equals Lee Suppliers

** Supplier Number: Equals 1252

Supplier Site: Equals

Taxpayer ID: Starts with

** Invoice Group: Starts with

My Group: Equals

Search Reset Save... Add Fields Reorder

Actions View [Icons] Detach Validate Approval Post

Invoice Number	Invoice Date	Creation Date	Supplier or Party	Supplier Site	Unpaid Amount	Invoice Amount	Applied Prepayments	Invoice Type	Notes	Validation Status	Approval Status	Holds	Detail
701331-Inv	8/8/14	8/8/14 3:38 PM	Lee Suppliers	Lee Progress...	298.00 USD	298.00 USD	0.00 USD	Standard		Validated	Not required	0	[Icon]
701334-Inv	8/12/14	8/12/14 2:40 PM	Lee Suppliers	Lee Progress...	0.00 USD	298.00 USD	0.00 USD	Standard		Validated	Not required	0	[Icon]
701341-Inv	8/12/14	8/12/14 8:49 PM	Lee Suppliers	Lee Progress...	745.00 USD	745.00 USD	0.00 USD	Standard		Validated	Not required	0	[Icon]
701342-Inv	8/12/14	8/12/14 8:41 PM	Lee Suppliers	Lee Progress...	745.00 USD	745.00 USD	0.00 USD	Standard		Validated	Not required	0	[Icon]
701357-Inv	9/26/14	9/26/14 5:15 PM	Lee Suppliers	Lee Progress...	0.00 USD	298.00 USD	0.00 USD	Standard		Validated	Not required	0	[Icon]
701361-Inv	7/14/15	7/14/15 4:07 PM	Lee Suppliers	Lee Progress...	0.00 USD	298.00 USD	0.00 USD	Standard		Validated	Not required	0	[Icon]
702796-Inv	9/25/18	9/25/18 6:09 PM	Lee Suppliers	Lee Progress...	0.00 USD	899.00 USD	0.00 USD	Standard		Validated	Not required	0	[Icon]
AUG18P95	8/13/14	8/13/14 8:25 PM	Lee Suppliers	Lee Progress...	1,000.00 USD	1,000.00 USD	0.00 USD	Standard		Validated	Not required	0	[Icon]
JC-22	7/14/19	7/14/19 3:28 PM	Lee Suppliers	Lee Progress...	1,438.20 USD	1,538.00 USD	0.00 USD	Standard		Validated	Workflow appro...	0	[Icon]

4.1.4 Journal entry detail and overview screens

ORACLE RESPONSE:

Journal Inquiry Page

Data Access Set: PS US Close Ledger Set

Manage Journals

Search

** Journal: Starts with

** Journal Batch: Starts with

** Accounting Period: Equals JUL-20

Source: Equals

Category: Equals

** Batch Status: Equals

Search Reset Save... Add Fields Reorder

Actions View [Icons] Detach [Icons] Post Batch Reverse Batch Reverse Journal

Journal	Journal Batch	Accounting Period	Source	Category	Journal Entered Debit	Journal Entered Credit	Batch Status
FY20 Actuals Adjustment	30000079826688 FY20 A	JUL-20	Spreadsheet	Adjustment	2,419,891.03 USD	2,419,891.03 USD	Posted
FY20 Actuals Adjustment	FY20 Actuals Spreadsheet	JUL-20	Spreadsheet	Adjustment	2,419,891.03 USD	2,419,891.03 USD	Posted
JC-11	JC-11	JUL-20	Manual	Accrual	5,000.00 USD	5,000.00 USD	Unposted
JC-21	JC-21	JUL-20	Manual	Accrual	10,000.00 USD	10,000.00 USD	Unposted
JC-22	30000079826688 JC-22	JUL-20	Manual	Accrual	5,000.00 USD	5,000.00 USD	Posted
JC-22	JC-22	JUL-20	Manual	Accrual	5,000.00 USD	5,000.00 USD	Posted

Journal Entry Page

Journal Entry Page

Journal Batch: Manual 443109 29-JUL-2019 20:59:53

Journal: Manual 438324 29-JUL-2019

Line	Account	Currency	Entered (USD) Debit	Entered (USD) Credit	Unit of Measure	Statistical Quantity	Additional Information	Description
1	1001-2019-82210-57700-1000-0000-00000000	USD - US Dollar	1,000.00					
2	1001-2019-82210-57700-1000-0000-000	USD - US Dollar		1,000.00				
Total			1,000.00	1,000.00				

4.1.5 Inventory item entry screen

ORACLE RESPONSE:

Item Maintenance Overview Page

Item: AS25100

Description: T7R External HD (USB 2.0)

Item Class: Storage

Approval Status: Approved

Completeness Score:

Item Status: Active

Lifecycle Phase: Production

User Item Type: Finished Good

Pack Type: Base Unit or Each

Revision: A

Formatted Description: A high performance portable storage solution in a remarkably compact and lightweight contemporary form. Simply plug it into any available USB port on your

Long Description: A high performance portable storage solution in a remarkably compact and lightweight contemporary form. Simply plug it into any available USB port on your computer and instantly add capacity or move files to take on the road. Compact design occupies minimal space and it's USB powered so there are no additional cables to manage and no need for a separate power source. Store, back up and transport your content instantly with plug and play connectivity.

Unit of Measure: Primary Unit of Measure: Ea, Secondary Unit of Measure: Defaulting: Central, Tracking Unit of Measure: Primary, Pricing: Primary, Positive Deviation Factor: 0

Item Maintenance Specifications Tab

The screenshot displays the 'Item Maintenance Specifications Tab' in Oracle. The main content area is titled 'Item Organization: Inventory'. It is divided into several sections:

- Material Control:** Includes dropdowns for 'Inventory Item' (Yes), 'Stocked' (Yes), 'Transaction Enabled' (Yes), and 'Reservable' (Yes). On the right, there are dropdowns for 'Check Material Shortage' (No), 'Revision Control' (No), and 'Bulk Picked' (No).
- LOT:** Includes a 'Control' dropdown (No lot control), and input fields for 'Starting Prefix', 'Starting Number', 'Maturity Days', and 'Hold Days'.
- Lot Expiration:** Includes a 'Control' dropdown (No shelf life control), and input fields for 'Shelf Life Days', 'Reorder Interval', 'Expiration Action', and 'Expiration Action Interval'.
- Child Lot:** Includes a 'Child Lot Enabled' dropdown (No).
- Lot Split or Merge:** Includes a 'Lot Translate Enabled' dropdown (No).

On the left side, there is a navigation menu with sections for 'Item', 'Item Revision', and 'Item Organization', each with sub-links for various attributes and management tasks.

4.1.6 Requisition line item entry screen

ORACLE RESPONSE:

Requisition Shopping Page

The screenshot displays the 'Requisitions' shopping page. At the top, there is a navigation bar with 'More Tasks', 'Manage Requisitions', and 'Shopping Lists'. Below this is a search bar and a 'Requester: Diane Ward' dropdown.

The main content area features a featured product: 'Apple Macbook @Vision Available in 24 countries' with a 'Read More' link and an image of the laptop.

Below the featured product, there are two main sections:

- Recent Requisitions:** A table listing requisitions with columns for requisition number, description, and status.

Requisition Number	Description	Status
815268	14" Laptop 1.83MHz, Windows 10, Office 2016, 5000...	Incomplete
815264	812650FW Laser All-in-One	Pending approval
815263	14" Laptop 1.83MHz, Windows 10, Office 2016, 5000...	Pending approval
815264	Phaser3610	Rejected
815265	Pilot G2 Retractable Premium Gel Ink Roller Ball Pen	Approved
- Recent Purchases:** A section showing a purchase of 'Pilot G2 Retractable Premium Gel Ink Roller Ball' for \$11.99. It includes an image of the product and a price tag.

At the bottom of the page, there is a 'Top Categories' section with various product category icons.

PO Transaction Detail Page

Order Life Cycle: 704041

Sold to Legal Entity: Progress US Legal Entity
 Order: 704041
 Supplier: JSA
 Supplier Site: TSGA-Progress US
 Supplier Contact: Frank Rios
 Ordered: 10,000.00 USD
 Family Status: Unfulfilled

Order Life Cycle

Order	Receipt	Invoice	Delivered	Received
100%	100%	100%	100%	100%

Receipts

Receipt	Receipt Date	Shipment	Ship Date	Packing Slip	Returned	Received	Delivered	Invoice	Open to Invoice
8000	7/20/15 10:50 AM				0.00	10,000.00	10,000.00	0.00	0.00

Invoices

Invoice	Invoice Date	Status	Invoice Total	Paid	Matched Amount	Receipt	Packing Slip
CA199121	8/21/15	Validated	10,000.00	0.00	10,000.00		

4.1.8 Fixed asset entry screen

ORACLE RESPONSE:

Edit Source Line: SK_TEST17

Company: USD

Asset Number: [Blank]
 Description: Fixed Asset Clearing
 Cost: 1,000.00

In Service Date: 7/1/2017
 Asset Type: Capitalization
 Category: VEHICLE-READY
 Property: [Blank]

Book: PROGRESS US
 Fiscal Year: 2016
 Open Period: OCT-16

Descriptive Details

Tag Number: [Blank]
 Serial Number: [Blank]
 Parent Asset Number: [Blank]
 Manufacturer: [Blank]
 Model: [Blank]
 Commitment: [Blank]

Investment Line: [Blank]
 Property Type: Real
 Property Class: [Blank]
 Ownership: Owned
 Bought: New
 In use

Intangible
 In physical inventory
 Attachments: None
 Asset Key: [Blank]
 Regional Information: [Blank]

Assignments

Units	Employee Name	Employee Number	Depreciation Expense Account	Location
1			101-880-0000-6230-000-000-000	
Total				

Financial Details

General | General Information | Regional Information

Salvage Value Type: Percent
 Salvage Value Amount: 100.00
 Salvage Value Percent: 10
 Depreciation Factor: [Blank]
 Depreciation Method: SYL
 Life in Years: 25

Private Date: 5/1/2017
 YTD Depreciation: 0.00
 Depreciation Reserve: 0.00
 Group Asset Number: [Blank]
 Group Asset Description: [Blank]
 Reduction Rate Percent: [Blank]

YTD Book Depreciation: 0.00
 Book Depreciation Reserve: 0.00
 YTD Impairment: [Blank]
 Impairment Reserve: [Blank]
 Net Book Value: 1,000.00
 Accumulated Cost: 900.00

4.1.9 Contract management screen

ORACLE RESPONSE:

Overview Tab

Edit Contract: ProPC3, Version 1: Overview

Overview | Lines | Contract Terms | Fulfillment | Parties | Deliverables | Documents | History | Notes | Social

Last Saved: 8/13/14 2:21 PM

Number: ProPC3
 Name: ProPC3
 Start Date: 8/13/14
 End Date: Enable electronic signature
 Description: Desktop Installation
 Version Description: Initial Version
 Status: Active

User Status: Assignee
 Type: Buy Lines
 Intent: Buy
 Item Master
 Currency: USD - US Dollar
 Amount: 300.00

Terms
 Payment Terms: Carrier
 Freight Terms: FOB

Additional Information
 Reference Number

Lines Tab

Edit Contract: ProPC3, Version 1: Lines

Overview | **Lines** | Contract Terms | Fulfillment | Parties | Deliverables | Documents | History | Notes | Social

Last Saved: 8/13/14 2:21 PM

Number	Type	Name	Description	Start Date	End Date	Line Amount (USD)	Status
1	Free Item	Desktop Installation	Desktop Installation	8/13/14		300.00	Active

Line 1: Details

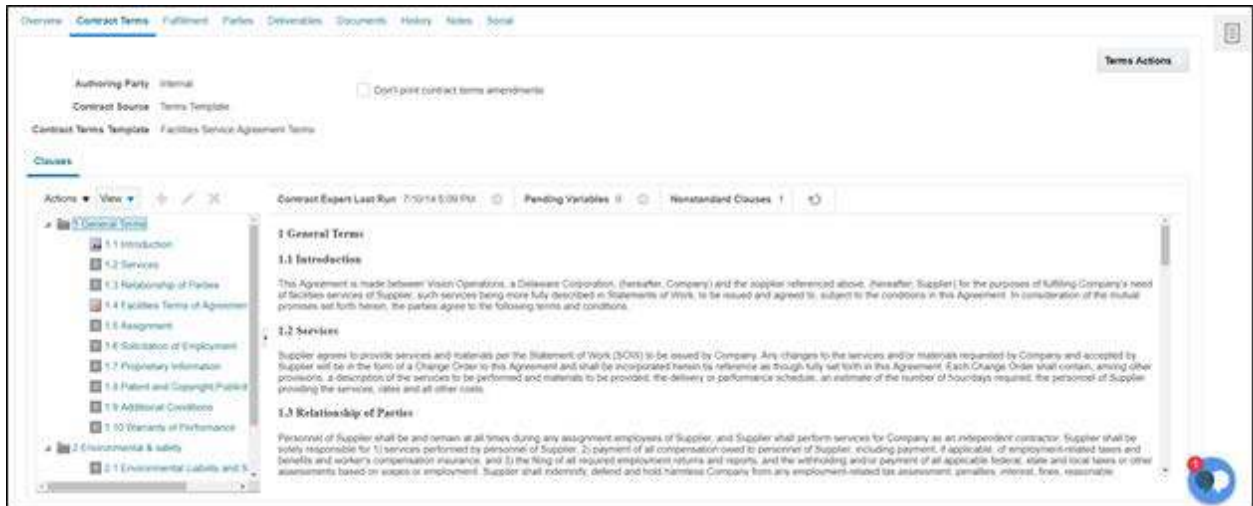
Overview

Number: 1
 Name: Desktop Installation
 Description: Desktop Installation
 Start Date: 8/13/14
 End Date:
 Purchasing Category: 815.33 Desk Supplies
 ... Fixed price
 UOM: IN
 Unit Price: 40 USD
 Line Quantity: 1
 Line Amount: 300.00 USD

Status: Active
 Type: Free Item
 Supplier: Low Supplies
 Supplier Site: Low Progress US
 Need by Date: 8/13/14
 Ship-to Organization:
 Ship-to Location:
 Comments:

Terms
 Payment Terms: Carrier
 Freight Terms: FOB

Terms and Conditions Tab



4.1.10 Project overview/inquiry screen

ORACLE RESPONSE:

Project Listing Inquiry

My Projects

Project Name or Number Show Filters Project Status Approved X Active_1 X Suspended X Active X Team Member Philips, Brock X

View

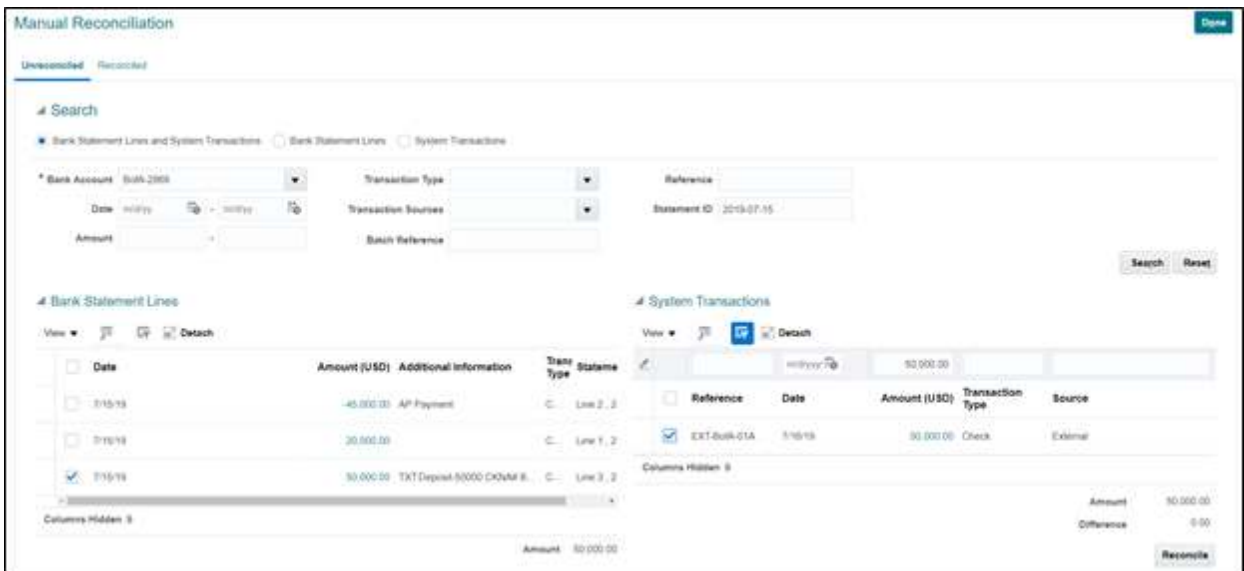
Project Name	Project Number	Overall Health	Project Status	Project Manager	Customer	Start Date	Finish Date	Organization
130th Street Reservoir - Phase II	PRO00005	●	Approved	Philips, Brock	Environmental Protection Agency	5/1/17	3/31/19	Maintenance Pkg US
Cyber Security Project	00009605	▲	Approved	Philips, Brock	Department of Homeland Security	7/1/17	6/30/20	Maintenance Pkg US
Fire Station Construction, Phase IV	00009621	▲	Approved	Philips, Brock	Department of Health and Human Services	3/1/18	5/29/20	Maintenance Pkg US
Green Peace Initiative	PRO00002	●	Approved	Philips, Brock		4/1/16		Maintenance Pkg US
HWY 17 Repairs	MPCP-30001	●	Approved	Philips, Brock		7/1/19		Maintenance Pkg US
Home Health Promotional Activity	00009606	●	Approved	Philips, Brock	Department of Health and Human Services	1/1/18	12/31/20	Maintenance Pkg US
Internal Cost Share - II	PRO00003	●	Active	Philips, Brock		5/1/17	3/31/19	Maintenance Pkg US
JC-SolarAward	JC-SolarAward 1	●	Approved	Philips, Brock	Environmental Protection Agency	7/1/19	7/11/20	Maintenance Pkg US
JainCenter-Solar Park	JCSP-1211	●	Approved	Philips, Brock	Environmental Protection Agency	7/1/19	7/12/20	Maintenance Pkg US
Justice Center	CAP10001	▲	Approved	Philips, Brock	Department of Homeland Security	10/1/17	9/30/20	Maintenance Pkg US
LMD-SolarAward	LMD-SolarAward 10	●	Approved	Philips, Brock	Environmental Protection Agency	7/1/19	7/11/20	Maintenance Pkg US
Public Health Awareness Initiative	00009600	▲	Approved	Philips, Brock	Department of Health and Human Services	5/1/18	12/31/20	Maintenance Pkg US
Street Planning and Construction	CAP1001	●	Approved	Philips, Brock	Tennessee Department of Transportation	5/1/19	4/30/21	Maintenance Pkg US

Project Performance Dashboard



4.1.11 Bank reconciliation screen

ORACLE RESPONSE:



4.1.12 Budget inquiry or entry screen

ORACLE RESPONSE:

Budget Inquiry

Review Budgetary Control Balances

Control Budget: Progress Months

Search

Amount Type: Year to Date | Currency: USD | Account: 5000

Budget Period: JUL-20 | Fund: 1200 | Department: 12000

Funds Available: All amounts

Search | Reset

View: [Icons] | Detail | [Icons] | Transfer Budget

Fund	Department	Account	Year to Date Period	Initial Budget	Budget Adjustments	Total Budget	Pre-encumbrances	Encumbrances	Expenditures	Total Consumption	Funds Available Amount	Funds Available (%)
1200	12000	50100	JUL-20	0.00	0.00	0.00	0.00	23,328.00	0.00	23,328.00	-23,328.00	0.00
1200	12000	53100	JUL-20	5,286.00	0.00	5,286.00	0.00	0.00	1,284.00	1,284.00	3,792.00	75.00
1200	12000	63000	JUL-20	7,672.00	0.00	7,672.00	0.00	0.00	1,318.00	1,318.00	6,754.00	75.00
1200	12000	63300	JUL-20	3,730.00	0.00	3,730.00	0.00	0.00	302.50	302.50	2,737.50	75.00
1200	12000	63400	JUL-20	8,268.00	0.00	8,268.00	0.00	0.00	1,347.00	1,347.00	3,981.00	75.00
1200	12000	63500	JUL-20	9,505.00	0.00	9,505.00	0.00	0.00	2,376.25	2,376.25	7,128.75	75.00
1200	12000	64500	JUL-20	10,196.00	0.00	10,196.00	0.00	0.00	2,529.00	2,529.00	7,877.00	75.00
1200	12000	64200	JUL-20	3,840.00	0.00	3,840.00	0.00	0.00	365.00	365.00	2,955.00	75.00
1200	12000	64300	JUL-20	4,989.00	0.00	4,989.00	0.00	0.00	1,247.25	1,247.25	3,741.75	75.00

Budget Control Dashboard

Budgetary Control Dashboard

Budget Member

Administration Costs - FY Fiscal: 10000

View: [Icons] | Detail | [Icons] | Budget Account Group: Administration Costs | Budget Period: [Icons] | Balance: [Icons] | Period to Date: [Icons]

Fund	Department	Department Description	Account	Account Description	Budget (USD)			Consumption (USD)			Funds Available	
					Initial	Adjustments	Total	Encumbrances	Expenditures	Total	Amount (USD)	Budget (%)
1200	12000	12000-General Account	51000	51000-Personal s...	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1200	12000	12000-General Account	52000	52000-Personal s...	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1200	12000	12000-General Account	53000	53000-Purchase	83,693.00	0.00	83,693.00	0.00	1,807.75	1,807.75	85,585.25	81.67
1200	12000	12000-General Account	54000	54000-Purchase	107,355.00	0.00	107,355.00	0.00	9,347.75	9,347.75	98,007.25	91.43
1200	12000	12000-General Account	55000	55000-Other purc...	12,750.00	0.00	12,750.00	0.00	1,363.25	1,363.25	11,386.75	89.67
1200	12000	12000-General Account	56000	56000-Supplies	45,840.15	0.00	45,840.15	23,328.00	3,614.95	27,142.95	18,697.20	40.78
1200	12000	12000-General Account	57000	57000-Property	52,998.00	0.00	52,998.00	0.00	4,412.75	4,412.75	54,585.25	102.82

Budgetary and Financial Infolets



Sample Budget Dashboard



4.1.13 A view of the proposed dashboards/KPI Views

ORACLE RESPONSE:

Sample Accounting Infolets



Sample Procurement Infolets



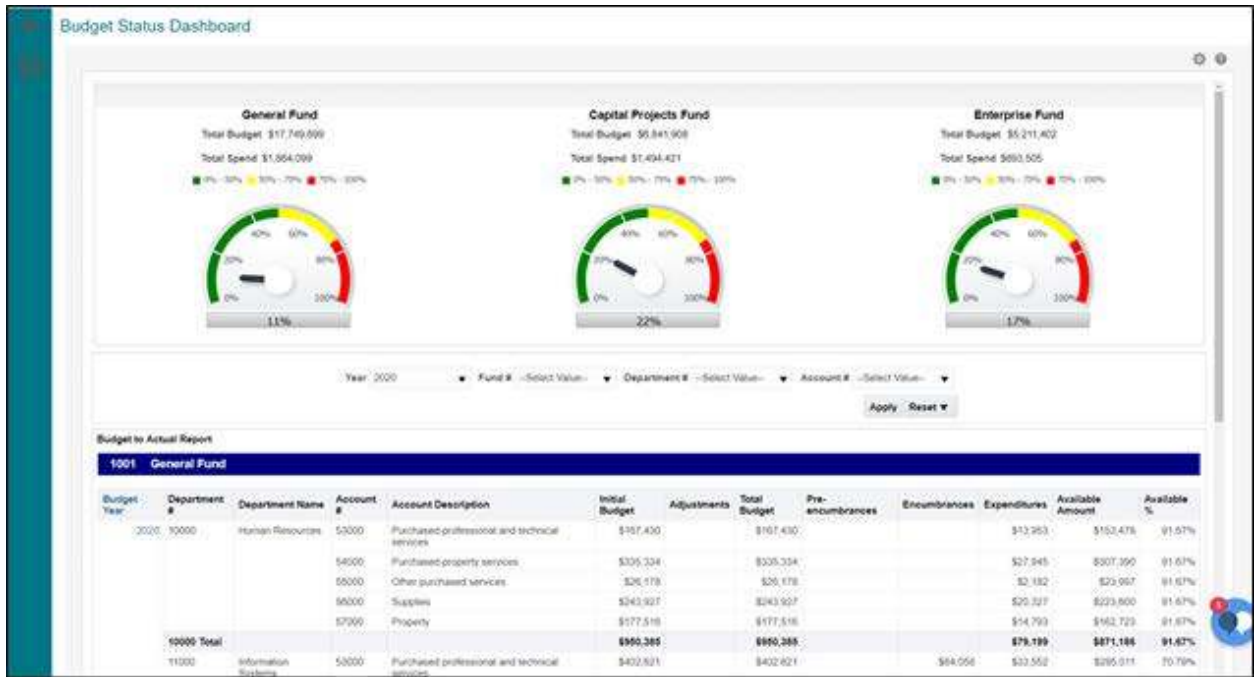
Sample Cash Infolets



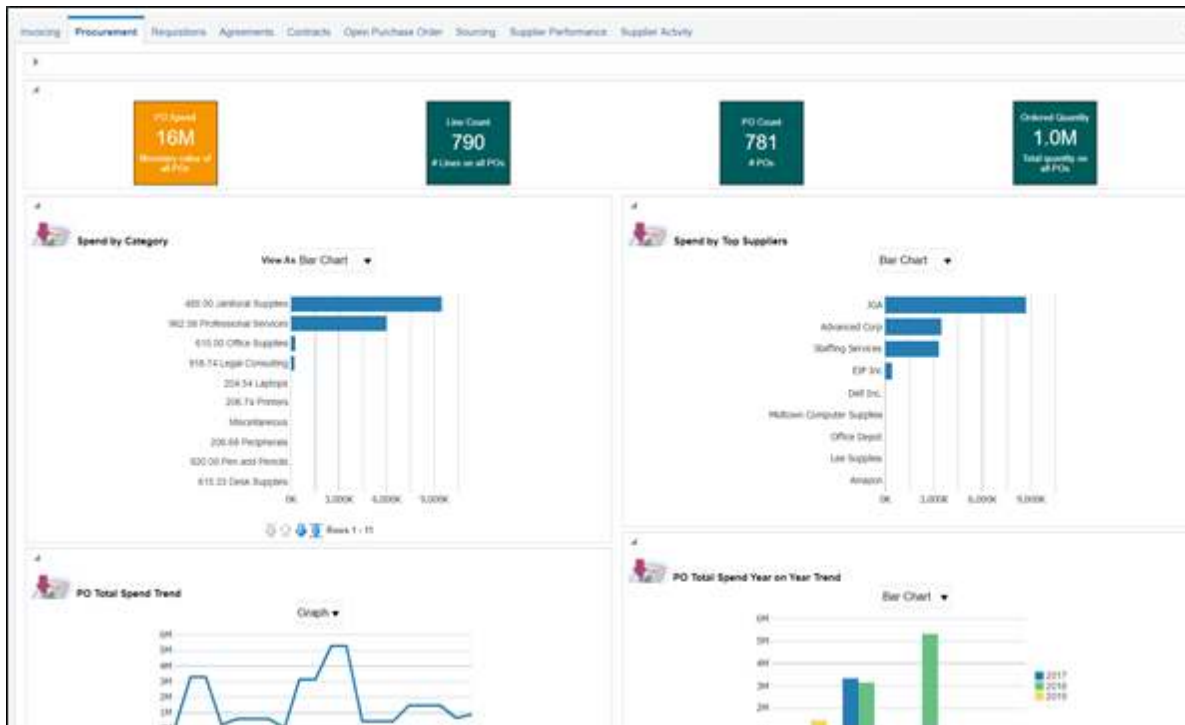
Sample Budget and Spending Infolets



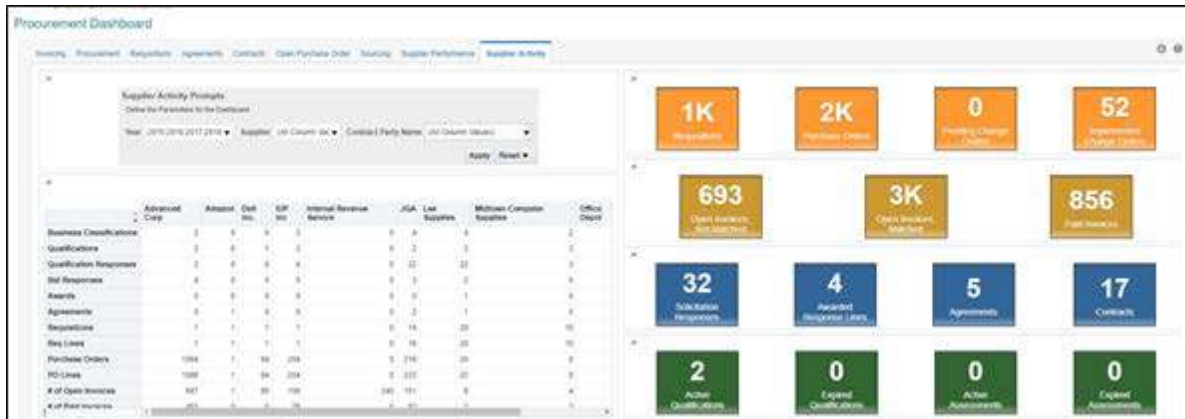
Sample Budget Dashboard



Sample Procurement Spend Dashboard



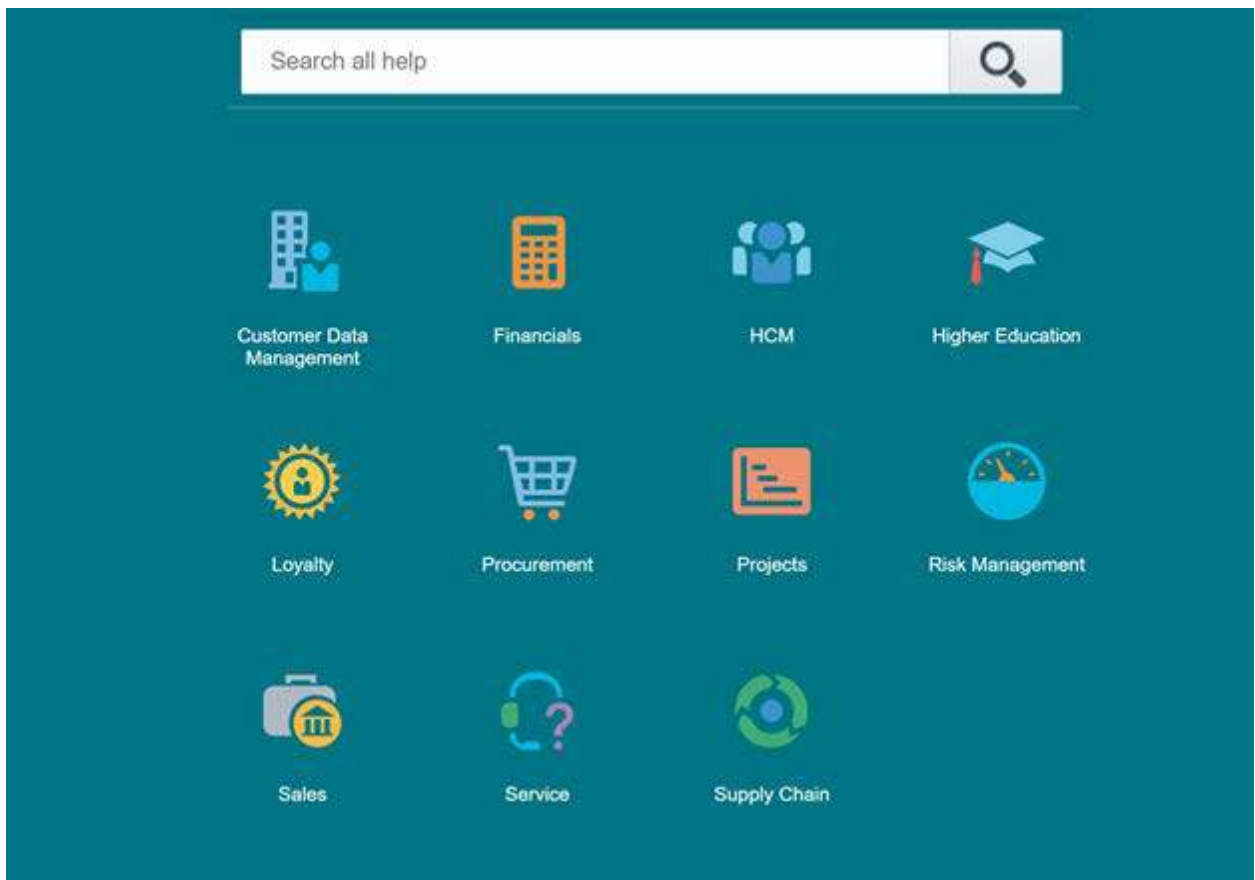
Sample Supplier Activity Dashboard



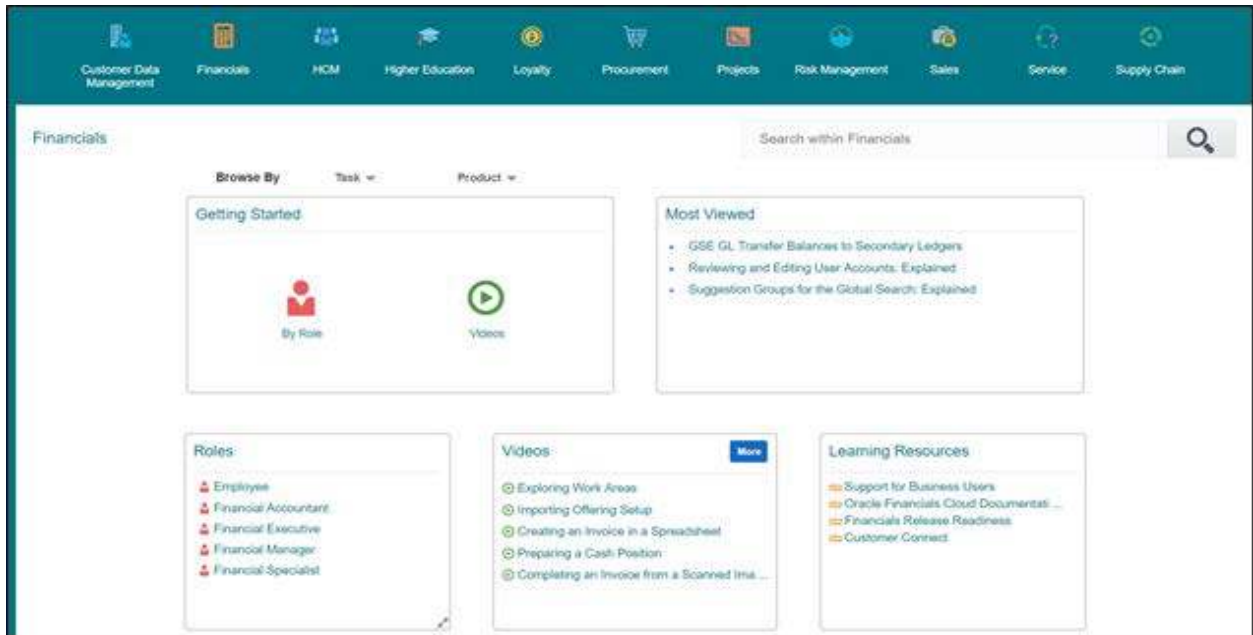
4.1.14 Help documentation and search capabilities

ORACLE RESPONSE:

Help Search Landing Page



Help Topic Area Landing Page



4.2 FMIS Product Research and Development

4.2.1 Provide the functional and technical product roadmap and development plan for the proposed software solution(s) as Attachment K to the Proposal.

ORACLE RESPONSE:

Technology Direction

Oracle is committed to research and development to enhance Oracle's existing portfolio of products and services and to develop new products and services. While Oracle understands and appreciates your interest in Oracle's product paths, Oracle's response is regarding the current, generally available version of the relevant Oracle product(s) only. By so limiting Oracle's response, Oracle can be more confident that, in determining whether to enter into a business relationship with Oracle, you are not relying on the availability of any product features or functionality not currently generally available in the relevant Oracle product(s).

Oracle's long-term direction is continuous development, enhancement and expansion of our Cloud suite of Software as a Service (SaaS), Platform as a Service (PaaS) and Infrastructure as a Service (IaaS) offerings. Our approach is in line with the research firm Gartner that predicts the cloud will become the default option for software deployment by 2020.

Investment themes for Oracle's complete cloud include:

- Complete - Oracle offers the most complete Cloud offerings across applications and platform services of any vendor. This means customers can look to one integrated set of software developed and managed by one vendor, and we'll continue to expand our offerings in every subject area.

For example, Oracle has launched Oracle Public Sector Community Development, enabling local governments to improve quality-of-life for their constituents with faster, more efficient land management. A modern cloud-native application for state and local government agencies, the offering transforms cumbersome permitting and licensing into an end-to-end solution for reliable execution of building regulatory processes that can foster economic growth, while helping deliver public safety and accountability.

- Easy – One overriding development principle is to continuously improve the user experience to allow our customers to achieve better results, faster and provide ubiquitous access across devices.

For example, employees are more productive if they can start their day right. Oracle recently introduced an innovative homepage that gives users the information they need right away and is designed with a newsfeed view. This takes into account an optimized personal experience, with an intuitive navigation within a vertically scrollable layout. It has simplified search and is mobile-responsive

- Innovative – Perhaps the greatest benefit of Cloud software is continuous innovation. Oracle provides updates to your software on a regular basis.

Specifically, Oracle Cloud Applications provide quarterly patch bundles which provide fixes and/or enhancements to the existing release of the Cloud Applications. As new functionality is steadily introduced into your environment; it is done in a non-disruptive way. That is, new functionality is delivered disabled or tuned off. You choose when to enable and begin leveraging as it fits into your schedule. Plus, new feature enablement is as simple as using a wizard-based tool to activate and configure. Overall, this approach is sensitive to your business needs and minimizes any operational disruption, but allows you to benefit from rapid innovation.

We are also beginning to embed advanced technology such as Artificial Intelligence and computer-human interface capabilities (think Siri!). Oracle CX, HCM, ERP and SCM will all be offering out-of-the-box conversational experiences built on the Oracle Digital Assistant over the coming months. Each SaaS pillar is currently working on a set of Digital Assistant Skills that customers will be able to adopt and combine with their own custom built skills and deploy through their own Digital Assistant and channels.

- Personalized – We provide many options to personalize and configure business processes to meet your needs, and we are the only Complete cloud vendor with a Cloud Platform that allows you to extend our applications with your own while maintaining upgrade-safety in the core.
- Advanced Integration – Integration is critical for any organization technology strategy. Our developers continually deliver advanced integration tools embedded with our applications to facilitate integration, like REST and ATOM feeds.

- Advanced Data Visualization - With data and analytics driving virtually everything you do, Oracle Analytics Cloud's latest innovations include data preparation and visualization, machine learning, natural language, big data, Oracle Essbase, and more.
- Ongoing focus on Decision Science and Machine Learning, IoT Apps, and Adaptive Intelligent Apps

As a complete cloud provider with customers who are industry leaders in their own right, Oracle has a deep insight into the technology opportunities of the future—and the likelihood of their adoption. We're inspired by our industry-leading customers, and the trends that affect them. Please refer to the following for additional information: <https://www.oracle.com/assets/oracle-cloud-predictions-2019-5244106.pdf>.

4.2.2 Provide a summary of future product plans that may be pertinent to the SCVWA's project.

ORACLE RESPONSE:

Please refer to the response to question 4.2.1 above.

4.2.3 What is the amount/percentage of client funded research and development for the FMIS application?

ORACLE RESPONSE:

Oracle does not report research and development by solution. Overall, research and development expenditures were \$6.1 billion, \$6.2 billion and \$5.8 billion in fiscal 2018, 2017 and 2016, respectively, or 15% of total revenues in fiscal 2018 and 16% of total revenues in each of fiscal 2017 and 2016.

We develop the substantial majority of our product offerings internally. In addition, we have extended our product offerings and intellectual property through acquisitions of businesses and technologies. We also purchase or license intellectual property rights in certain circumstances. Internal development allows us to maintain technical control over the design and development of our products. We have a number of United States and foreign patents and pending applications that relate to various aspects of our products and technology. While we believe that our patents have value, no single patent is essential to us or to any of our principal businesses.

Rapid technological advances in hardware and software development, evolving standards in computer hardware and software technology, changing customer needs and frequent new product introductions, offerings and enhancements characterize the markets in which we compete. We plan to continue to dedicate a significant amount of resources to research and development efforts to maintain and improve our current product and services offerings.

4.2.4 What amount/percentage of licensing and maintenance is dedicated to research and development for the FMIS application?

ORACLE RESPONSE:

Please refer to the response to question 4.2.3 above.

4.3 FMIS User Conferences and Groups

4.3.1 Does the Vendor sponsor a user conference and/or regional user groups?

ORACLE RESPONSE:

Oracle is dedicated to maximizing collaboration and information exchange between Oracle and their customers. Oracle also promotes the building of relationships between Oracle customers and their peers. To accomplish these goals, Oracle provides a multitude of customer forums and user communities that open the lines of communication and encourage input and the sharing of ideas.

The largest Oracle sponsored user group meeting is the annual Oracle Open World conference held every fall in San Francisco, CA. It attracts over 50,000 customers from all countries and industries. Please see this link for more information. <https://www.oracle.com/openworld/index.html>.

4.3.2 What are the primary types of activities at the user conference?

ORACLE RESPONSE:

Oracle's user groups are independent communities of like-minded customers. These communities provide dynamic forums for customers to share information, experiences, and expertise. User groups allow customers to provide Oracle with critical information about customer needs from business process improvements to technical recommendations and are an essential element of Oracle's commitment to customer satisfaction. User groups also help customers stay informed about Oracle products, services, and solutions via strategic messages and development updates directly from Oracle.

4.3.3 How many and what type of utility companies were represented at the Vendor's last user conference?

ORACLE RESPONSE:

The largest Oracle sponsored user group meeting is the annual Oracle Open World conference held every fall in San Francisco, CA. It attracts over 50,000 customers from all countries and industries.

4.3.4 What conference processes or activities guarantee SCVWA will have influence and feedback into future product functionality and releases?

ORACLE RESPONSE:

Oracle's product roadmap is derived from a variety of influences, such as market changes, compliance and regulatory forces, industry trends, and our customers. Some of the ways system enhancements and future product development functionality are considered and included within releases of Oracle products include input from User Groups, Customer Advisory Boards, Oracle Customer Advisory Panels, Oracle Services, based on feedback to Oracle Consulting Services and Product Support, and Enhancement Requests.

Customer Connect is also one of Oracle's primary vehicles for receiving enhancement requests. Users can propose and even vote on enhancement items. Last calendar year, over 80% of the enhancements

in baseline code came from customer input. Customer Connect also serves as a user forum for the exchange of ideas and even reusable assets like configurations or reports.

4.3.5 Is there an online and/or regional user group community?

ORACLE RESPONSE:

For the most current list of user conferences and events, refer to <https://www.oracle.com/search/events>.

4.3.6 If so, please provide the organizations that participate in the California regional group.

ORACLE RESPONSE:

Oracle's user groups are independent communities of like-minded customers. Oracle does not track organization participation.

5.0 Business Outcomes

Note: The purpose of this section is to highlight how the proposed software solutions will be implemented to address SCVWA's business needs. Responses must highlight the opinions, approaches, and experience of the implementation team/department only. **In the event that the proposed system utilizes a system integrator this section must be answered by the integrator not the software provider.** Vendor must include the cost to implement their proposed answers below in Attachment C – Cost Matrix and explicitly call out if modifications are required.

5.0.1 Provide an overview of your experience implementing the proposed solution.

EMTEC RESPONSE:

Emtec is an Oracle Platinum Partner, and Oracle is our primary software partner. We have been credited with over 75 successful Oracle Cloud engagements and our projects span across virtually all industries, including utilities.

Emtec has implemented the proposed FMIS software solution at customers throughout the United States, with varying levels of complexity, constraints, budget and timelines. Our consultants are skilled in adapting our customer's business requirements to the core strengths and capabilities of the software so that our customers can take full advantage of the best practices and process flows that are inherent in the system.

Emtec brings capability, methodologies and resources to efficiently deliver the right solution for SCVWA. We have established configuration and data conversion templates which will be leveraged during the implementation and our team has developed integrations with numerous systems and deep experience with Cloud security administration and design.

When you combine our experience implementing Oracle's Cloud applications, our ability to design and manage change and commitment to our clients, Emtec significantly differentiates itself from our

competitors. We are confident that we are the right partner for SCVWA since we have been able to successfully deliver on many similar projects.

More specific details about clients who we have worked with on a similar software foot-print can be found in the references section (Attachment I) of the RFP response.

- 5.0.2 Workflow integration and automation is a critical priority for SCVWA. Discuss a project (or several projects) where you have achieved a high level of workflow integration, approval processes, and have eliminated manual processes. In answering this please reflect on the information provided in the RFP as to areas SCVWA is looking to optimize. Please provide several examples and include different areas of the FMIS system in those examples.

EMTEC RESPONSE:

Emtec has highly significant experience, and industry-leading expertise on the various technical aspects of the FMIS software footprint. This is possible through the innate knowledge we possess of the software platform provided by Oracle (honed through literally hundreds of engagements over the years).

The FMIS suite from Oracle Cloud includes a host of standardized functionalities, and out-of-the-box integration capabilities. The software comes with a robust system of approvals, and approval management that allow our customers to exert a degree of fine control over the transactions that need further scrutiny, in a way that does not disrupt smooth operating flows, or create unnecessary bottlenecks.

The software platform comes equipped with a host of REST, and SOAP capabilities that allow it to be hooked into various Oracle-provided (IaaS, PaaS), as well as third party tools (Dell BOOMI, Mulesoft etc.), as standard capability. This allows integrations with various platforms that allows the transmission of data to banks for ACH, Positive Pay, many other banking transactions as well as General Ledger transactions from other 3rd party systems.

Emtec has proven, detailed knowledge of these tools, and has used that to great effect for various customers in the FMIS space. Our resourceful consultants have been able to craft holistic solutions that have enabled our customers to leverage capabilities offered by Oracle Cloud, as well as other software, to allow for a transformative increase in the speed, and efficiency of transaction processing. This has led to significant cost savings, and other beneficial effects for our clients.

Oracle workflows by design Oracle Cloud BPM is built to eliminate manual interaction by workflow end users once configured will automate the process. Local or secure mobile Email with the ability to attach docs for approvers to review, within the UI notification bell where you can click approve / reject or drill back to the source of the approval, and the BPM worklist that give real time breakdown of your tasks. Oracle provides the tools to make the approval processes as automated or manual as the customer would like.

The use of workflows in Oracle Cloud has been enhanced to support information routing and approvals in several areas. These areas include procurement, invoicing, engineering, item creation and others. The robust abilities of these workflows enable the software to further enhance business processes that may be in place outside the software platform. As in past releases, these workflows are able to be configured during the implementation and usually do not require and developer work to implement.

- 5.0.3 Discuss the features in the proposed solution that can be utilized to create data integrity, checks and balances, and adherence to business processes.

EMTEC RESPONSE:

Emtec's software solution based on Oracle's ERP Cloud, and EPM Cloud offerings allows a customer the ability to not only adopt best practices as prescribed by the application, and other customers in the utility industry – but Emtec's experience in implementing this solution, mean that we are best positioned to help guide you along during the implementation. The ERP and EPM Cloud software has been purpose-built to serve the needs of customers in the water utility vertical, and as a result business processes in the modules in scope are designed by Oracle to provide you with the maximum benefit in the areas of transaction automation, and processing efficiencies. Standard business processes like Journal Entry Management, Master Data Management (Items, Vendors, Customers), Transaction Automation in Accounts Payable, Batching of Payments made to vendors, Project Resourcing tools, all work in a manner as to reduce the manual effort required to enter, maintain, and successfully complete their processing.

The entire ERP and EPM solution that Emtec will implement is also housed within an integrated environment where each of the sub-modules (like AP, GL, AR, Projects, Inventory, Procurement etc) are all interlinked through dependent processing. A common example would be the ability of a user to create an AP invoice that is tracked by Project/ Task, which in turn feeds the creation of a CIP Asset (again tracked in PPM via the same Capital Project), which on completion can be capitalized and depreciate per the plan in the FA module. The Capital Project created in PPM in this instance provides a singular view of the entire transaction, all the way from the commitment in the AP module, to the capitalized asset in FA – allowing a Project Manager to collect, and visualize costs in a manner that allows he/ she to make the best decision possible for the organization. Emtec would be happy to talk in greater depth to describe other examples of seamless, native integration between the various modules and how we can bring those best practices in business processes to bear, for SCVW.

- 5.0.4 Discuss how the proposed solution will support project accounting and some of your recommended best practices.

EMTEC RESPONSE:

Emtec's proposed solution based on Oracle's robust ERP Cloud platform, utilizes the Projects Accounts portion of the Projects & Portfolio Management (PPM) suite of tools heavily. The solution from Oracle encompasses a wide variety of user-friendly, and time-saving features – that introduce rigor in project tracking and accounting, and also allow a customer like SCVW to incorporate best-practices that other water utility agencies have adopted to great effect.

Project Accounting is at the core of our solution and based on how other customers have best leveraged the tool, as well as our own expertise in the software these are a set of best practices, we recommend you consider in any implementation:

Project Structure – Project Accounting is best used when the underlying structure of projects, tasks, and expenditures are laid out in a logical, and consistent manner. Having a fine balance between a centralized/ decentralized structure between projects and tasks is a key design decision

Team Structure – The Oracle ERP Cloud PPM tool-suite allows you have a flexible team structure (Project Manager, Individual resources) to mirror real-life engagements. We recommend the use of a resourcing structure that is as close to your individual projects as possible, in order to have all your expenditure tracking information reside in one software in your ecosystem

Tracking – It’s vital to understand the importance of having project tasks, and expenditures at a level that allows data entry to not be cumbersome, but also there be enough data in the system for the Finance team to able to get the right amount of metrics, and reporting to make better decisions

Accounting Detail – We recommend the full use of the tools available in the system (Supporting References, Subledger Accounting, Intercompany, Borrowed/ Lent etc) to take away some of the reporting burden placed on your Chart of Accounts. With our experience of working in the utility industry, and our knowledge of the tools in the Oracle ERP Cloud, we can assist you in ensuring that the COA is designed in such a way that it lets the subledgers (in this case Project Accounting) make full-use of their native capabilities.

- 5.0.5 Discuss how you have utilized the proposed system to achieve seamless integration of workflows to manage the lifecycle of O&M and Capital Projects and highlight specific examples. Discuss your ideas for the SCVWA implementation pertaining to projects

EMTEC RESPONSE:

The ERP and EPM solution that Emtec will implement is housed within an integrated environment where each of the sub-modules (like AP, GL, AR, Projects, Inventory, Procurement etc.) are all interlinked through dependent processing. A common example would be the ability of a user to create an AP invoice that is tracked by Project/ Task, which in turn feeds the creation of a CIP Asset (again tracked in PPM via the same Capital Project), which on completion can be capitalized and depreciate per the plan in the FA module. The Capital Project created in PPM in this instance provides a singular view of the entire transaction, all the way from the commitment in the AP module, to the capitalized asset in FA – allowing a Project Manager to collect and visualize costs in a manner that allows he/ she to make the best decision possible for the organization.

The flow Emtec envisions for SCVWA, using Projects, is:

1. Create the budget for a year – O&M and Capital
2. Receive approval for that budget.
3. Create budget controls as needed (assuming the use of budgetary control).
4. Associate the project and budget, dependent on the final flow design.
5. Generate PO – tied to the project. This creates commitment visible in Projects.
6. Generate Invoice in AP matched to PO. This moves the costs from commitment to actual in Projects.
7. Inventory would post to GL for project related issues and returns.
8. Post AP to GL.
9. Reports and analysis to manage project actuals; reconciliation (CWIP/RWIP), etc.
10. When Capital projects are complete; generate capitalization.
11. Interface assets from Projects to Fixed Assets; run asset tieback.

12. Generate depreciation.
13. Post FA to GL.
14. Reports and analysis to manage Asset reconciliation.

5.0.6 Discuss how you have created robust Key Performance Indicators and Dashboards to assist in the overall management of an organization.

EMTEC RESPONSE:

Emtec has partnered with numerous clients to develop both insightful financial dashboards and impactful key performance indicators. Our approach emphasizes thoroughly defining the functional use case for any KPI/report/dashboard, and then leveraging our technical expertise in the application stack to architect the solution. We strongly believe that our know-how, and real-world experience in building these for numerous customers – can be leveraged to SCVWA’s benefit. We have developed revenue improvement, cost reduction, and process cycle-time improvement KPIs and related dashboards.

A small sample list follows:

Key Performance Indicators

1. *Days Sales Outstanding (DSO)*
2. *% Overdue AR*
3. *% Overdue AP*
4. *Total AP outstanding*
5. *Total AR outstanding*
6. *AR Cycle time*
7. *AP Cycle time*

Dashboards/Reports

- *Balance Sheet (Summary to Detail)*
- *Statement of Cash Flow (Summary to Detail)*
- *Profit & Loss Statement (Summary to Detail)*
- *Trial balance*
- *Journal Entry Details*
- *Bud vs. Actual – GL account/Responsibility report*
- *AP invoices processed report*
- *AP Aging w/invoice & vendor detail*
- *AP Due/Overdue by vendor*
- *AP Holds*
- *All AP Transaction Details*
- *Discounts offered or lost (if used in EBS)*
- *AR Aging w/ invoice & customer detail*
- *AR Due/Overdue by customer*
- *All AR Transactions Details*

Operational Data

Emtec has also worked with both procurement & spend/supply chain and HR data to develop analytical content for users. Our prior experience with both these areas has allowed us to develop a deep functional understanding of the functional reporting needs surrounding them. We would work heavily with business users from your operational teams to define use cases for all KPIs/dashboards ensuring that all developed content has maximum functional benefit.

Sample KPIs

- *Headcount by labor category*
- *Headcount Turnover ratio*
- *Vendor cycle time*
- *% accepted vendor deliveries*
- *% rejected vendor deliveries*
- *Top vendor spend*

Dashboards/Reports

- *Accrual Balance*
- *Accrual KPI*
- *At Risk Top Performers*
- *Contingent Worker Ratio*
- *Employee Accrual*
- *Employee Accrual Balance and Accrual Taken*
- *Employee Accrual Detail*
- *Time & Labor Reports*
- *Monthly Headcount Trend*
- *Employee Benefits - Open Actions*
- *Employee Benefits - Dependent Certifications*
- *Element Entries*
- *Employee Anniversary Reports*
- *Universal Census*
- *Salaries & Grades*

5.0.7 Discuss how the proposed system will support a real time comparison of budgeted vs. actual vs. estimated (what if situations).

EMTEC RESPONSE:

The reporting envisioned for SCVWA will utilize Oracle PBCS, with actuals sourced from Oracle Cloud ERP. Actuals are transferred from Oracle Cloud ERP to PBCS on a scheduled interval, typically daily (nightly) but can be more frequent (though not real-time). Therefore, the comparisons mentioned will be available on lag, probably next day. If Oracle Projects is used at some point, commitments and actuals would be available in the ERP, which would be available real time. "What if" situations are immediately visible after the load from the ERP system and a short recalculation within PBCS.

- 5.0.8 Describe the tools that you plan to utilize to help facilitate the ongoing and long term training of SCVWA employees.

EMTEC RESPONSE:

Successful transfer of ownership of the new Cloud Processes and platform is a critical success factor for the implementation, and it begins on day one of the Discovery Phase. For all key processes within the project scope, Emtec functional leads will perform an end-to-end walk-thru using our internal “demo” Cloud environment. This demo will not reflect SCVWA’s data but will introduce the SCVWA team to the general look and feel of the application user interfaces, key navigation paths, and provide a foundation to build on during the project.

As soon as possible during the Discovery Phase, Emtec will rapidly configure (using our ATMOS toolkit) an initial “test” pod environment (provided by SCVWA as part of Oracle licensing) using SCVWA’s Chart of Accounts and other sample metadata to give the project team and key SCVWA subject-matter experts (SMEs) an environment that looks more like the future state design. This will give the SCVWA core project team members and other select stakeholders an environment that will continue to provide “hands-on” experience with the future state application.

As we progress through various implementation and configuration activities, core SCVWA team members will be introduced to the Oracle Service Request (SR) process... a key element of system ownership. As issues arise during the project, we will mentor the SCVWA core team and future support resources on troubleshooting and SR resolution best practices, including tips and tricks we have learned through our many years implementing Oracle Cloud applications.

Another method we use to ensure knowledge transfer to the designated SCVWA future support staff is to involve them in actual test events with increasing responsibility through the project. For example, for Conference Room Pilot #1, Emtec will lead the sessions, with SCVWA staff providing hands-on support to the participants. For Conference Room Pilot #2 and final User Acceptance Testing prior to go-live, SCVWA team members will lead the sessions, with Emtec core team members providing support. Future state system ownership will continue to be strengthened as SCVWA team members conduct end-user training through our recommended “train-the-trainer” approach. The same approach is taken for technical support users, where participation in interface development, support testing, and data conversion execution is transferred to SCVWA technical staff in a progressive fashion. Test scripts and training documentation are valuable artifacts from the project and serve as training materials for the long-term. These documents are also reusable for testing as Oracle Cloud quarterly updates are applied to SCVWA’s environments.

Giving early access to these “real” environments and transferring ownership over time through multiple test events is a key aspect of our knowledge transfer and will reliably prepare a core group of people within SCVWA to become “experts” throughout the project. A key benefit of this early and continual hands-on exposure to the future state processes is that it will enable SCVWA team members and key SMEs to actively participate in making informed configuration and design decisions that they know will work for SCVWA, as well as identify opportunities for business process simplification aligned to standard Cloud capabilities. We believe this approach to training and knowledge transfer is the best practice for Cloud implementations and ensures that the key subject-matter experts and support personnel are well-trained prior to go-live, and ready to support the system with minimal or no support from Emtec.

As stated in the previous section, we believe that our training and knowledge transfer approach for the core and support teams will enable SCVWA to successfully take over ownership of the Cloud applications and processes by the end of the project, including any post-production support troubleshooting and issue resolution. However, we have allocated hours for our core implementation team to support the SCVWA team as necessary through the production system transition, the first week of production operation, and for the following months' closing process.

On an ongoing basis, Emtec also offers managed services for technical and functional support as an option to our clients. Branded as ClearCARE®, this practice has been supporting clients for over 10 years and enjoys a 90% customer retention rate, some customers having been under our care for the entire 10 years of the practice. ClearCARE could step in the day the project goes live and provide post-implementation services on an ongoing subscription basis through their completely seamless support structure. This support could optionally ramp down over time until it reaches the right point for SCVWA's comfort level. No managed services are included in this proposal, however.

- 5.0.9 Describe your experience unifying multiple systems onto one fully integrated platform and/or describe your experience assisting organizations transition from fragmented processes to industry best practices. Please be specific and reference actual projects.

EMTEC RESPONSE:

Emtec consultants have significant experience unifying multiple systems into an integrated platform and transitioning organizations to industry best practices. The following are some examples of those projects.

Emtec was engaged when Green Mountain Power bought Central Vermont. Emtec migrated Central Vermont from SAP to Green Mountain Power's Oracle environment. Emtec helped integrate Central Vermont's business processes and applications into Green Mountain Power's processes, which were best of breed for Oracle Financials, Supply Chain, Projects and HR.

When Emera Maine acquired Maine Public Service, Emtec migrated Maine Public Service to Emera's Oracle instance. Emtec worked with Maine Public Service to modify their business processes to be consistent with Emera's for Financials, Supply Chain and Projects. Emtec also added Oracle Time and Labor to EBS to facilitate timecard entry and interfacing that data to Projects for labor costing.

Summit Utilities bought Arkansas Oklahoma Gas and 4 other regional utilities. Emtec guided Summit through a reimplemention on Oracle to design and implement a new standard Chart of Accounts Summit wanted for all their consolidated utilities as well as common and best practice business processes for Financials, Supply Chain, Projects and PowerPlan.

Emtec worked with Colonial Pipeline when they created a new business unit for gas mixing. Emtec implemented the new business unit in the existing Oracle system and utilized the best practices supported by the application for Financials, Supply Chain and Projects.

Emtec worked with Spire Energy on a huge enhancement project to their existing Oracle applications. Emtec was focused on designing, building, and implementing the enhancements to the Supply Chain applications but also worked with other consulting firms that were focused on Financials and Projects applications to ensure all new design would work across all applications. Emtec represented the Spire Energy Supply Chain business functions in design meetings with regarding integrations to Maximo,

Hyperion, PowerPlan and Financials. This sweeping project used ePrentise tools to change the Chart of Accounts in the current system in place to avoid having to implement a new system. PowerPlan is used for Fixed Assets. Maximo is used for work order management. Hyperion is used for budgeting and allocations. The project is currently implementing Oracle Time and Labor and Service Procurement. The overarching goals for the project are process modification and reengineering to best-of-breed processes. Emtec is assisting with the conversion of Spire's Southeast utilities from SAP to Oracle.

Finally, Emtec implemented Oracle at Avista Utilities. Emtec handled all integration with CC&B and Maximo into Oracle and helped drive the business toward best practices. Emtec has managed all of their upgrades as well.

- 5.0.10 SCVWA desires to be a best in class agency. Discuss the business processes, features, and functionality that you propose implementing as part of this project that will help SCVWA achieve this goal.

EMTEC RESPONSE:

General Ledger: Emtec will look to design and implement a new COA. Emtec will review processes around Journal Entries and approvals, Financial close processes, push actuals to Hyperion for Budget to Actual reporting, financial reporting and any allocations that are needed.

Accounts Payable: Drive toward best practices including tight integration with SCVWA's bank; push data to the bank and outsource all processing to the bank including ACH payments, wires, Positive Pay and check printing. Review and optimize approval processes and PO matching.

Cash Management: Implement the functionality to auto reconcile the bank accounts as frequently as desired using BAI2 bank account statements provided by the bank, including daily. Implement cash forecasting if desired.

Accounts Receivable: Likely for miscellaneous A/R only, invoices or cash. Processes will be reviewed but those processes are typically minor relative to customer billing, since customer billing is handled outside of Oracle.

Fixed Assets: Emtec will help optimize SCVWA's capitalization process. Areas for review include asset creation, asset integration, asset categorization, location-wise tracking, tax reporting impact and overall reporting. Emtec will also review construction projects are handled.

Purchasing: Use the item master to acquire inventory items. Items that are consumables and services can be ordered without using inventory items unless needed for recurring purchases. May look at service procurement to handle complex purchase orders if required. Will review the use of purchasing contracts to facilitate complex POs, terms, legal inclusion on a PO.

Inventory: Assumption is that materials are kept on site or on trucks, which will require identifying and building a system to manage those sub-inventory locations. Areas for review will include items, cost per item, adjustments to cost with new receipts, integrated to PO, with PO receipts.

5.1 Reporting Drivers

5.1.1 Please list and describe the out-of-the-box reports provided with the system. What technology is used?

EMTEC RESPONSE:

The reporting tools available within Oracle Cloud Applications are designed to offer the best match for any reporting requirements: whether they are transaction-based or balance-based financial reports, whether they are ad hoc inquiries or fixed-format documents, whether they are high-level strategic indicators or focused analysis into operational details.

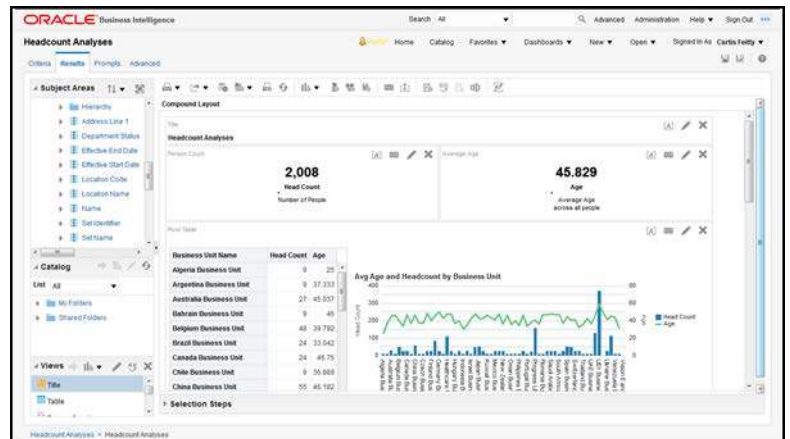
EMBEDDED ANALYTICS AND INFOLETS

Embedded analytics are pervasive throughout Oracle Cloud Applications, delivering targeted operational insight within the context of transactions. These analytics support timely and accurate decision-making with the opportunity to take immediate action. Exception-based reporting, such as transaction status alerts and account monitoring, are also pushed to users through role-based dashboards. Infolets allow users to consume chunks of information from different sources, including BI, social tools, transactions, and more, in an efficient, timely, and engaging way directly from the home page.



ORACLE TRANSACTIONAL BUSINESS INTELLIGENCE

Oracle Transactional Business Intelligence (OTBI) is designed for operational users who want to create their own custom queries, reports, dashboards, charts and graphs to aid daily decision-making. Users can access, analyze and evaluate real-time transaction data in Cloud applications by using a self-service report design tool to build reports on top of customizable analysis structures. As an end-user tool, OTBI reduces reliance on IT for the creation and maintenance of reports, and provides the business with a fast, effective way to answer critical operational business questions. OTBI provides pre-packaged content covering the major processes and transaction attributes, plus pre-built human resource and financial reporting metrics. Reports can include powerful analysis features such as drilldowns, calculations and charts.



Oracle Transactional Business Intelligence (OTBI) analyses may also be the source of data for additional delivery mechanism, including, but not limited to desktop integration, scheduled reports, as well as, pixel-perfect output.

STANDARD REPORTS

Oracle Cloud is delivered with seeded Analytics and Reports. Customer may modify these reports, as well as, create their own. As an end-user tool, Oracle Transactional Business Intelligence (OTBI) reduces reliance on IT for the creation and maintenance of reports, and provides the business with a fast, effective way to answer critical operational business questions. A reporting wizard (BI Composer) is also available to guide casual business users through a few simple steps to run, edit or create reports in Oracle Cloud Applications. Users have the ability to add where clauses, filters, prompts, sorting to any report.

A list of seeded Analytics and Reports is available at: <https://docs.oracle.com/en/cloud/saas/business-intelligence/index.html>.

5.1.2 What type of report writing tool does the system(s) provide/support? Name the tools and versions.

EMTEC RESPONSE:

Oracle realizes that organizations today collect data at unprecedented rates, from a variety of sources, yet everyday employees still struggle to obtain and analyze business-changing information. The delivered transactional reporting and analytics capabilities provide a number of benefits:

- Real-time online reporting tool querying directly from Oracle Cloud application data
- Focused on transactional and operational data such invoices, payments, assets, and personnel information
- Ad hoc reporting tool enabling self-service reporting and analysis
- Easy to create reports and dashboards
- Out of the box reports are available

Oracle Transactional Business Intelligence (OTBI) is designed for operational users who want to create their own custom queries, reports, dashboards, charts and graphs to aid daily decision-making, as described above. Oracle Transactional Business Intelligence (OTBI) analyses may also be the source of data for additional delivery mechanism, including, but not limited to desktop integration, scheduled reports, as well as, pixel-perfect output.

- Desktop Integration
 - Export - OTBI results may be exported to various formats, including Microsoft Office Excel, PowerPoint, and Adobe PDF.

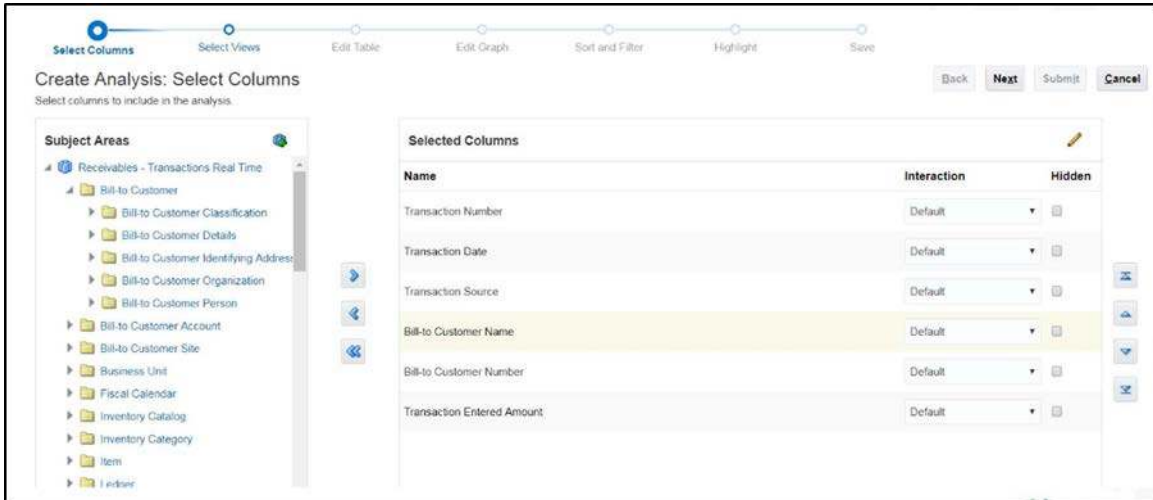
- SmartView - With the SmartView desktop tool, users can create or run OTBI analyses within MS Excel, Word or PowerPoint and save analyses back into the OTBI catalog real-time. Smart View is an Excel-based analysis tool, ideal for financial analysts needing to quickly define financial reports and ad hoc queries within a familiar tool. Unlike traditional offline spreadsheet analysis, Smart View is directly integrated to General Ledger balances in real-time. Pivoting, drag-and-drop and drilldown can be used to manipulate data and perform ad hoc analysis against real-time multi-dimensional account balances. Users can either build queries from scratch or export the contents of a financial report to Excel for further analysis. Reports and queries can be saved offline, then automatically updated with the latest real-time GL data by re-opening the spreadsheet. Although our suggested use case places Smart View as an Excel add-in, Smart View reports and queries can also be enabled in PowerPoint and Word, allowing real-time financial analysis to be embedded into management reporting packs so that the information used to drive decision-making is always accurate and up-to-date.
- Scheduling and Alerts - Oracle Business Intelligence allows user to interact and view reports online, publish to a portal, or schedule and deliver reports to destinations like printers, e-mail, or FTP. A single report can be burst with secure content to multiple output formats and destinations on a scheduled basis. Reports can run based on a schedule that you define. You can schedule Alerts to deliver results to specific recipients or send notifications.
- Formatted Documents - BI Publisher is ideal for high volume, highly-formatted transaction-based reports providing details of current operational data. BI Publisher can be used to produce reports such as invoices, shipping labels, government forms, EFT and EDI files, checks, operational reports and correspondence. BI Publisher is already used to deliver pre-packaged reports in Cloud applications such as payment formats, tax reports and other fixed format, high volume documents. This makes it easy to customize and extend the reporting content already available to suit specific business requirements. End users can easily create report layouts using the BI Publisher Layout Editor directly in a Web browser or with familiar desktop tools such as Microsoft Word or Microsoft Excel.
- Oracle Applications Customer Connect - The ease of use and flexibility of OTBI has spawned a vibrant Oracle Cloud community where reports relevant to Oracle Cloud are actively shared via Oracle Applications Customer Connect. All Cloud customers can peruse the shared reports created by other Cloud customers as well as Oracle Development. Based on their review, they can decide which reports matter most to them and deploy the high impact reports desired to their provisioned environments within a matter of minutes.

In addition, Financial Reporting Center delivers boardroom-quality management reports based on live general ledger balances and hierarchies. In addition to high quality, formatted reports including graphs and charts, Financial Reporting Center also supports detailed and interactive analysis within the report through slicing-and-dicing, expansions and drilldowns, allowing managers and executives to review strategic financial highlights and trends but with the added capability to investigate the details for a comprehensive understanding of financial performance.

5.1.3 Can ad-hoc reports be created by the end user? If so, discuss the types of ad-hoc reports and limitations surrounding ad-hoc reporting detailing the capabilities. Please also provide some screen shots of the report creation screens.

EMTEC RESPONSE:

Yes. As an end-user tool, Oracle Transactional Business Intelligence (OTBI) reduces reliance on IT for the creation and maintenance of reports, and provides the business with a fast, effective way to answer critical operational business questions. A reporting wizard (BI Composer, see below) is also available to guide casual business users through a few simple steps to run, edit or create reports in Oracle Cloud Applications. Users have the ability to add where clauses, filters, prompts, sorting to any report.



5.1.4 Describe querying capability within the system. Can all queries be exported to Excel? If not, which ones cannot?

EMTEC RESPONSE:

Please refer to the responses to questions 5.1.1 – 5.1.3 above describing query tools. Oracle Applications support export of data to a number of different file formats, including Excel from transactional page grids, and Excel, CSV, XML, etc. from Oracle Transactional Business Intelligence (OTBI) analyses.

5.1.5 List the skill set and amount of training required to develop and maintain both traditional reporting and ad-hoc reporting for the system.

EMTEC RESPONSE:

The reporting tools available within Oracle Cloud Applications are designed to offer the best match for any reporting requirements: whether requirements are transaction-based or balance-based financial reports, are ad hoc inquiries or fixed-format documents, or whether they are high-level strategic indicators or focused analysis into operational details Oracle has a tool to fit the need.

The Oracle reporting tools include the following:

- Oracle Standard Reports – Oracle provides a robust set of standard reports across all applications that are a key component of the overall reporting capability. The skill set needed to utilize these reports effectively are skills regarding general computer technology skills, general knowledge of report output formats such as Excel, Word, PDF, RTF, etc. that are prevalent in modern software packages, a general understanding of the standard Oracle reports available within different subject matter areas, and basic Oracle Navigation training that includes the process to run, print, and/or download data generated from standard reports (where available). This base training is provided via a combination of formal navigation training for SCVWA’s core team and as part of weekly knowledge transfer from the Emtec leads to the SCVWA core team project team members as the project is executed. SCVWA end users will receive the necessary training for the use of standard reports as part of the “Train the Trainer” responsibilities that will be owned by the SCVWA trainers.
- Oracle Transactional Business Intelligence (OTBI) – OTBI provides a strong capability for ad hoc query and reporting of transactional data. The OTBI tool provides end-users with comprehensive, and extensive reporting on the data in the system. The tool requires very little formal training, and the user-interface is based on a set of intuitive menus, and drag-and-drop functionality which allows a user without a lot of formal training to see, select, and display the data he/ she wants from the system. Basic knowledge of the application, and it’s flows are required (knowing for instance, knowing that an Accounts Payable transaction can have sales or use tax) which is acquired via a mix of hands-on training in the application, and the knowledge of basic financials processes SCVWA users already possess – as part of the project. Emtec’s methodology includes extensive time for users to hands-on in the system, and we will also be providing some basic training on the use of OTBI reports as part of that process.
- SmartView – Smart View is a general ledger based reporting tool. It utilizes an Microsoft Excel-based plugin that allows a user to connect to the Oracle ERP Cloud’s GL module via a multi-dimensional Essbase cube which contains real-time account balance information. Training on the use of SmartView functionality is a part of the our delivery methodology, and will be provided to a core group of Accounting users at SCVWA (who can then spread the information to a larger group as per “Train the Trainer” responsibilities. SmartView is a tool that allows an accountant or financial planning user to be able to run balance-based financial reports within a matter of minutes. SmartView is also available as part of the Oracle EPM (Planning/ Budgeting module) suite, and uses the same basic methods to access that data as well; so that an end-user can develop, and execute reports that company actuals to budgets (for example) as a snapshot, or over time – all within the comfortable environs of MS Excel. Skills required to use SmartView are basic MS Excel querying, and some basic accounting information, in addition to knowledge of SCVWA’s Chart of Accounts structure. Like any other tool, we recommend that SCVWA’s users, as part of the project, devote some time to apply the training we provide on SmartView themselves, so as to better understand the features provided; with Emtec being able to answer questions you may have. More information on SmartView is available here: <https://www.oracle.com/technetwork/middleware/smart-view-for-office/overview/index.html> and <https://www.oracle.com/technetwork/middleware/smart-view-for-office/tutorials/index.html>

5.1.6 How are custom reports affected by new releases or upgrades of the software or components?

EMTEC RESPONSE:

Custom reports are protected during quarterly updates. Saving content to a pre-defined Custom folder ensures that the content is maintained upon upgrade.

5.1.7 Describe your process of cross-training SCVWA's staff on the reporting tools and unique technologies proposed. What technical documentation of the reporting tools/technologies will be provided?

EMTEC RESPONSE:

Emtec's methodology emphasizes end-user involvement early, and often. This involvement is often in the shape of having the users be in the system with the Emtec team, navigating and completing transactions under our guidance, and supervision. This allows your users to be familiar with the processes, and the user-interface in a manner that lets them take full advantage of the features available. Reporting (executing, and in some case cases, creating reports) is a crucial part of those processes. Starting around CRP2 (second major test cycle), Emtec will begin to instruct your core groups of users (end users will be trained by that core group under "Train The Trainer") on some of the more ad-hoc reporting tools (like OTBI) which would allow your core group of users to being to explore the tool, and build their own reports. As part of the EPM track on the project, the Emtec team would also instruct your core group of users to use the SmartView tool which allows financial reporting to be done complete in MS Excel.

Our approach is unique in that it spreads the load of knowledge transfer throughout the lifecycle of the project; unlike other implementers who would only hold limited, one-time training classes for a small group of users right near the end of an implementation. Our methodology allows SCVWA's users enough time to learn, and experiment on the tools available – that by project go-live they have every chance to be proficient at using the tool, and deriving maximum value out of the investment made by SCVWA.

6.0 Project Implementation Information

This section of the Response Template should be a narrative description that supports the Vendor's implementation methodology and Project Plan. A Gantt chart representation of the implementation plan schedule along with the MS project plan must be provided as an attachment (Attachment M – Implementation Schedule – Project Plan).

A SCVWA-specific Project Plan shall be provided in an electronic version using Microsoft Project. This Project Plan should reflect the implementation methodology described in Vendor's Proposal to this RFP. The Project Plan should outline the activities, project schedule, Vendor resources, SCVWA's resource requirements, interdependencies, and critical milestones for the project. The submitted Project Plan must contain a detailed System Acceptance Plan, including the phase entry and exit criteria that will lead to system final acceptance.

6.1 Implementation Overview

Note: This section is meant to provide a brief introduction and overview to Vendor's implementation. Details should be provided in section 6.6 below.

6.1.1 Explain why the Vendor believes they can provide the best service to SCVWA during implementation, post go-live through post-final acceptance and support services long term.

EMTEC RESPONSE:

Emtec is a market leader in providing Oracle Application services to organizations large and small, domestic and global. We are an Oracle Platinum Partner specializing in Oracle ERP, EPM, HCM, CRM and Business Intelligence applications, we have a dedicated Utilities practice and a business unit solely focused on providing world-class post go-live support and sustainment services.

Our dedicated Utilities practice is staffed with industry veterans with deep expertise, and an innate understanding of the key challenges faced by entities like SCVWA. Our consultants have worked with utilities across the United States, encountering, and solving the various challenges posed by geography, economy, technology and process.

We have deep Oracle Cloud application expertise, and pride ourselves on delivering quality, on-time/on-budget solutions. Working harder, acting with integrity, and transparency, and simply caring more underscores our “Client for Life” approach.

Our experience, expertise, and proven track record of successfully executing projects similar to what we proposed for SCVWA, mean that we are the ideal long-term partner for you as you continue on your journey to merge multiple operating companies into one, and specifically to guide you through the implementation of your new FMIS solution.

6.1.2 Describe the implementation strategy that has been proposed and why

EMTEC RESPONSE:

After a careful, and diligent review of the functional requirements, your goals to combine multiple operating companies while implementing new technology along with the industry best practices the solution supports, and our experience implementing Oracle Cloud solutions utilizing our award industry-leading methodology Emtec is proposing a single phase implementation with a combined plan that incorporates the requirements for Financials, Procurement, Projects & PBCS. This combined approach will provide SCVWA with the most efficient and integrated implementation model that will feature multiple workstreams within the plan that are linked by common designs and key milestones to ensure a fully integrated financial system.

Emtec and SCVWA will commence the implementation with a global design across all functional areas in scope.

Emtec approaches the global design by leveraging standard and leading business practices, inherently supported by the Oracle solution, as the starting point. The design workshops focus the SCVWA team on how the new system will work, which embeds learning and change-management into the early stages of the project. Cross-module dependencies like Organizational Structure, Chart of Accounts, and third-party integrations are examples of topics that will be covered in the global design process. Throughout the design workshops, Emtec will work with SCVWA to identify gaps in the solution where configuration

changes or technical changes will need to be considered to create a complete design. Emtec will utilize our internally configured instance to support the workshops. Using this approach will allow the SCVWA team to visualize a configured system as well as how the setups flow from one module to another. This method has proven to be effective with gaining efficiency when gathering requirements in both time and accuracy.

Other implementation firms may propose that an extensive as-is and gap analysis process be conducted in order to understand the to-be processes that will need to be supported. In Emtec's experience, this is not the most efficient way to achieve a comprehensive design that meets the needs of the business. Generally speaking, the as-is analysis can promote a resistance to change and keep people thinking 'this is the way we've always done it, we need to continue doing things this way.'

Additionally, advantages of the global design approach include early identification of gaps, a cohesive design across all functional areas, and early education of the users embedded into the process. We will address cross-module dependencies like organizational structure and chart of accounts, and how the software will be configured to meet the needs of the business.

Technology, integration, reporting and security will also be addressed during the design sessions. As part of this design process, we will also be advising SCVWA on leading business practices that we have successfully implemented at other water utility agencies and highlight opportunities to optimize various business processes where possible.

Key focus areas of the global design session, which will impact the overall implementation include:

- Focus on process standardization and the adoption of best practices
- Knowledge sharing throughout project lifecycle
- Agile implementation approach
- Development of integrations to third-party systems
- Data conversion and future flexibility
- Standard test scripts and training materials

The Financials, Planning & Budgeting workstreams together encompass multiple Oracle Cloud modules.

- General Ledger (GL)
- Accounts Payable (AP)
- Accounts Receivable (AR)
- Fixed Assets (FA)
- Cash Management (CE)
- Planning & Budgeting Service (PBCS)
- Projects Portfolio Management
- Procurement & Contracts
- Inventory

Our implementation strategy, combined with our methodology will involve integrated, requirements gathering, solution design (and signoff), prototyping, and multiple test cycles of each of those "modules" listed above. This will ensure that SCVWA users can observe first-hand the native integrations, and data

flow among the various modules within the Financials, Procurement, Projects and Planning/ Budgeting workstreams within the Oracle SaaS ecosystem.

Having accurate, and appropriate configurations is important, but equally vital is having the right data to flow through the system. Our implementation strategy consists of multiple iterations of data conversion, validation, and custom development (as required). Emtec has assumed that SCVWA will assist in the extraction, and validation of the data, as well as in data cleaning decisions since it is our belief that you know your data best. However, we will ensure that adequate inputs are provided, to assist you in speedy decision making.

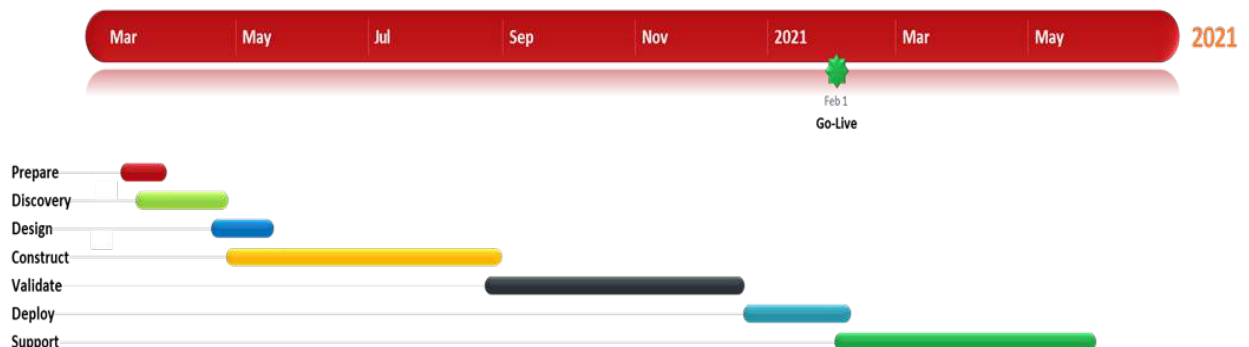
Specific integrations with third-party systems, as well as details of any integrations with the current CIS system will need to be discussed with the Emtec team, and a remediation plan worked out as we work through the detailed requirements, and design phases of the project.

The Conference Room Pilot (CRP) sessions (part of the 'CONSTRUCT' phase in the project timeline) will progressively incorporate custom objects, and SCVWA data (as they are built, and tested). The objectives of those test cycles being not only to test the system with your configurations, but also to gradually expose your SMEs, and Leads to the new software, and have them spend time working on the system hands-on. In our experience, the knowledge gained during those sessions holds every project in good stead, as we make the transition from CRP sessions to the User Acceptance (UAT) phase. A second UAT has been added into the plan based on direction provided in the RFP that will include parallel, integration & load testing.

Specific resources like the Emtec Project Manager, and the SCVWA nominated Project Manager will have responsibilities that include general oversight, communications, administration, reporting results, facilitating knowledge transfer, and other roles – in addition to specific tasks that are called out on the Project Plan. We believe having this strong administrative back-bone is an important factor driving project success.

Per your RFP, we have also provided for a 4-month post go-live support plan in our estimate and working collaboratively with your team – will arrive at a set of mutually acceptable system acceptance criteria (measurable metrics in the system to gauge stability, and operational success).

A high-level timeline is provided here:



6.1.3 Explain the training methodology that will be utilized and the advantages.

EMTEC RESPONSE:

Emtec’s training approach is process and role-based. This enables Emtec to customize a training approach specific to SCVWA’s unique audience that dramatically increases the employees’ ease of learning and speeds the time to competency.

During the Analysis phase of the project as part of the fit gap analysis, the functional architect, functional lead, functional subject matter experts, the SCVWA subject matter experts will perform an assessment based upon SCVWA’s planned FMIS, and WMS needs including customizations (if applicable).

Using this approach Emtec designs a specific curriculum that considers the following work-related aspects:

- A focus on the individual’s role
- A focus on the individual’s tasks in the workflow process
- Inclusion of work and business culture, organization, and management structure

We can break training into the following categories (in close consultation with SCVWA, based on your inputs, and specific needs):

1. Core Team Product Training – Administered by Emtec, this training familiarizes SCVWA project team members with terminology, base system navigation and product features and functionality. This training will enable the project team to be true ambassadors of this project, and the new software.
2. End User Training – This training is geared towards employees who will use the Oracle applications in their everyday jobs.

This exposure, and hands-on education quickly builds confidence in the best practices within the application and increases users’ willingness to participate in constructive dialogue to improve business processes where possible.

This approach to training is the best practice for Cloud implementations, and we have found that this approach to increases user adoption, and eventual success of the project, and a greater return on the investment made by SCVWA

Core Team Product Training:

The Core Team consists of management, functional and technical resources who will participate in the implementation process. The Core Team Product Training is intended to provide a solid understanding of the base functionality of each specific application through an intensive, hands-on workshop. Users will learn the system-wide standards and common building blocks of all the product components. Attendance is strongly suggested for all Core Team members who will be working within each application.

The courses adhere to the following guidelines:

- Delivered closely after the initial phases of the project
- Instructor-led with activities
- On-site at a SCVWA location
- Intended to be delivered to the Core Project Team Members (Senior Manager, Systems Analysts, Subject Matter Specialists, Legacy System Subject Matter Specialists, Information Technology Leads etc.)

End User Training:

Our training approach incorporates a blended learning approach including a combination of process-based visuals, task-specific training, and on-the-job performance assistance

The delivery methods may include a variety of live instruction (classroom, workshop, and webinar), self-paced online modules, post-training coaching, and on-the-job assistance – depending on what is most appropriate for the target audience.

Emtec tailors training material and other forms of learning to SCVWA’s culture. We find that even within the same organization, the types of delivery for those in the “front office” or “back office” and those working in the field usually vary.

Training Audience and Needs Analysis:

Emtec will conduct a training audience analysis to determine the target audience's size and location, and its existing skills, knowledge, and attitudes. This analysis will also address how learners are grouped, the existing capabilities of the learners, and the performance requirements for each group. This information allows Emtec to recommend the appropriate delivery methods, prerequisites, and practice requirements.

Training Curriculum:

Emtec will develop a curriculum design map based on the preceding analysis findings. This design will serve as the primary guiding document for planning training development activities. Once approved, it will be transitioned into being part of the master project plan

Training Logistics Plan:

Emtec will assist in the training logistics planning effort. Training logistics responsibilities may include:

- Materials (print coordination and distribution)
- Classroom (physical space needed, IT requirements coordination, scheduling)
- Instructors (identification, scheduling, contingency planning)
- End user (assignments and registration)

End User Training Content Development

Once the Training Curriculum has been completed, content outlines are identified and course templates are leveraged for content creation. The advantages of using these accelerators will:

1. Significantly reduces the training development time and cost
2. Deliver high quality proven content that has been thoroughly reviewed and tested
3. Available for immediate use for base functionality training
4. A set of templates designed by professional instructional designers for training optimization

Types of Training:

Instructor Led Training:

Emtec will develop instructor-led training (ILT), or classroom training, for audiences who use the system frequently or who have complex skill requirements. ILT is also the recommended solution for smaller audiences where web-based training (WBT) is not an effective training solution.

After further assessing your specific needs, Emtec will work with SCVWA SMEs to develop the required materials for customized process and task-based classroom training. Emtec will place special emphasis on practice exercises during classroom training, and will teach end users how to effectively use post go-live assistance materials. Each class will be role-based to minimize the length of ILT training required for each end user.

Web Based Training (WBT):

Emtec recommends developing web based training in conjunction with classroom training to establish foundational prerequisite understanding. Web based training is well-suited for business process overviews, system basics, and courses with a large audience or short delivery duration time. It may also be suitable content that needs to be frequently repeated for new hires and transfers. Emtec's web based training deliverables will be compliant with the learning management system (LMS) deployment and tracking.

- 6.1.4 Provide a description of the process that will be utilized by the implementation team in developing custom ad-hoc reports. Provide a summary of typical hours required to develop the reports while cross-training the SCVWA team.

EMTEC RESPONSE:

The Oracle Cloud software has a flexible, robust, in-built tool - Oracle Transactional Business Intelligence (OTBI) which is the ad-hoc report writing tool of choice for our customers.

The implementation team will follow a process of rigorous, and detailed requirements gathering (part of our industry-leading project methodology), specification-creation, and use OTBI (and BI Publisher, SmartView etc. where required) to create those reports.

All reports will be unit-tested internally by Emtec resources, and validated based on Santa Clarita data present in the system. Once this is complete, as part of a regularly scheduled Conference Room Pilot (CRP) session, or for critically important reports – separate validation sessions, these reports will be executed and the Santa Clarita team will be asked to validate it. Once we receive feedback, we will either iterate based on changes requested, or processed further for migration to User Acceptance Testing (UAT), or other advanced testing phases.

The engagement with Santa Clarita will include hands-on training for this tool (OTBI), to the users Santa Clarita nominates (specific times are dependent on customer comfort with the tool, nature and complexity of the reports in question, and other subjective factors).

6.1.5 Describe your quality control methodology used throughout the project.

EMTEC RESPONSE:

Quality Assurance is more than just a discrete step in the solution lifecycle at Emtec. It is an integral part of our methodology, our corporate culture and every step of a project's lifecycle.

We are most successful when our clients are successful, satisfied, and realize value from our contributions. We know from experience that a clear focus on the quality of our work helps our clients to meet or exceed their business objectives.

Emtec Quality Assurance/Quality Management Approach

Emtec's Quality Assurance Programs pull from externally recognized industry standards, which provides a level reassurance to our clients and these benefits:

1. Predictability in delivery regardless of where the work is performed (client site, on-shore locations, off-shore locations or a combination)
2. Ability to take advantage of proven practices across industries & leverage those for the client's benefit
3. Ability to compare 'apples to apples' with other service providers
4. A degree of access & understanding of our level of quality that is not easy to achieve with proprietary quality methods alone

Our Quality Management Program encompasses the following activities:

Internal Quality Assurance:

- Verification - Deliverable and process peer reviews as well as process and product quality assurance reviews are regularly conducted.
- Validation - Requirements traceability and prototyping are completed to verify deliverables satisfy scope, requirements and user expectations.
- Testing - Completed during build and testing phases; simulations and pilots during deployment.
- Entry & Exit Criteria - Reviews are completed at the end of each development stage to confirm quality deliverables prior to transition to the next stage

External Quality Assurance:

The QA Process is a formal review by an experienced Emtec Manager. The primary purpose of the review is to verify the work will be delivered correctly, on time and within estimates if appropriate

The process verifies the work is being done the 'Right Way' to achieve the 'Right Results', and emphasizes proactive follow-up and corrective actions with the intent to efficiently and effectively resolve issues, share knowledge and implement improvements

Client Satisfaction:

- The Client Satisfaction process focuses on ensuring that project teams gain insight into the satisfaction of our clients.

- Client Satisfaction Surveys are utilized as an independent, objective measure of Emtec’s performance in managing client satisfaction.

Quality and Process Improvement (QPI):

- The Quality & Process Improvement program focuses on improving delivery capability and reducing execution risk.
- Monthly checkpoints are conducted with team members to verify the use of best practices.

Continuous Process Improvement (CPI)

Emtec has a process called Continuous Improvement Assessment that we strongly recommend Santa Clarita undertake on at least a semi-annual basis. This is an assessment targeted to specific areas of improvement or pain identified by the Santa Clarita team and will produce recommendations specific to your business processes or technology platform. The Continuous Improvement Assessment is performed over a one- or two-day period depending on the complexity of the challenge. The assessment can focus on any SCVWA business process(es) you choose. A formal deliverable will be prepared after an assessment which will provide you with recommendations upon which you can either act on internally or engage Emtec for assistance.

The following objectives are examples of topics often addressed in Continuous Improvement Assessments:

- Best Practices Comparison
- Constraints and Pain Points
- Departmental Interrelationship efficiency
- Waste Reduction
- Capacity Improvement
- Downstream Awareness & Education
- Quality

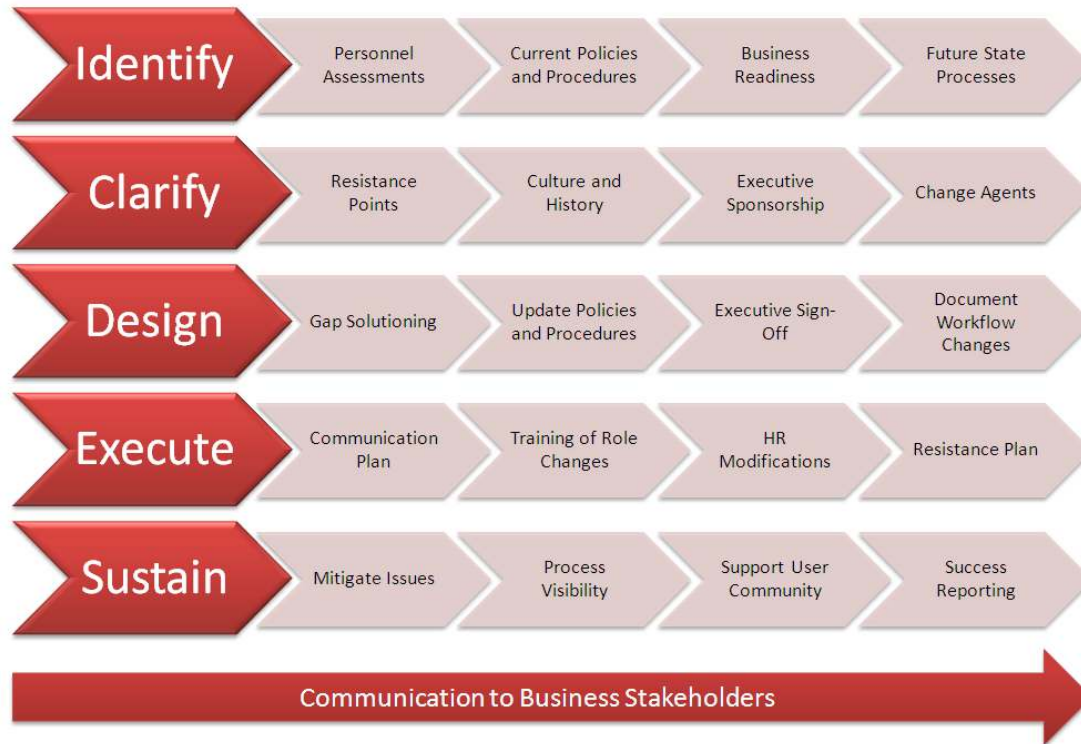
6.1.6 How does the Vendor assist the utility in preparing for and implementing organizational change based on the new software?

EMTEC RESPONSE:

A crucial component of any business transformation is the ability of the people to accept, adopt and support the new system and processes. While managing people’s ability, desire, and willingness to change is ongoing throughout the project, practicing effective change management is never more important than during the Acceptance Phase.

Change management is the utilization of processes, tools, and techniques to manage the people-side of change to achieve the required business outcome. Change management provides a systematic and structured approach to identifying, scoping, and managing all aspects of business change. Change management is key to the project’s success and requires collaborative leadership from both SCVWA and Emtec.

The following diagram illustrates Emtec’s methodology for the five sub-phases of change management.



The organizational change management activities start at the strategic level and then progresses to identification of the human and organizational challenges of the technology implementation in order to design a systematic, time-sensitive, and cost effective yet SCVWA-tailored approach, to lowering risk. In addition to increasing user adoption rates, carefully planning for and managing change in this way allows SCVWA to maintain productivity through the technology transition. This enables the organization to more easily meet deadlines, realize business objectives, and maximize return on investment.

6.2 Project Management

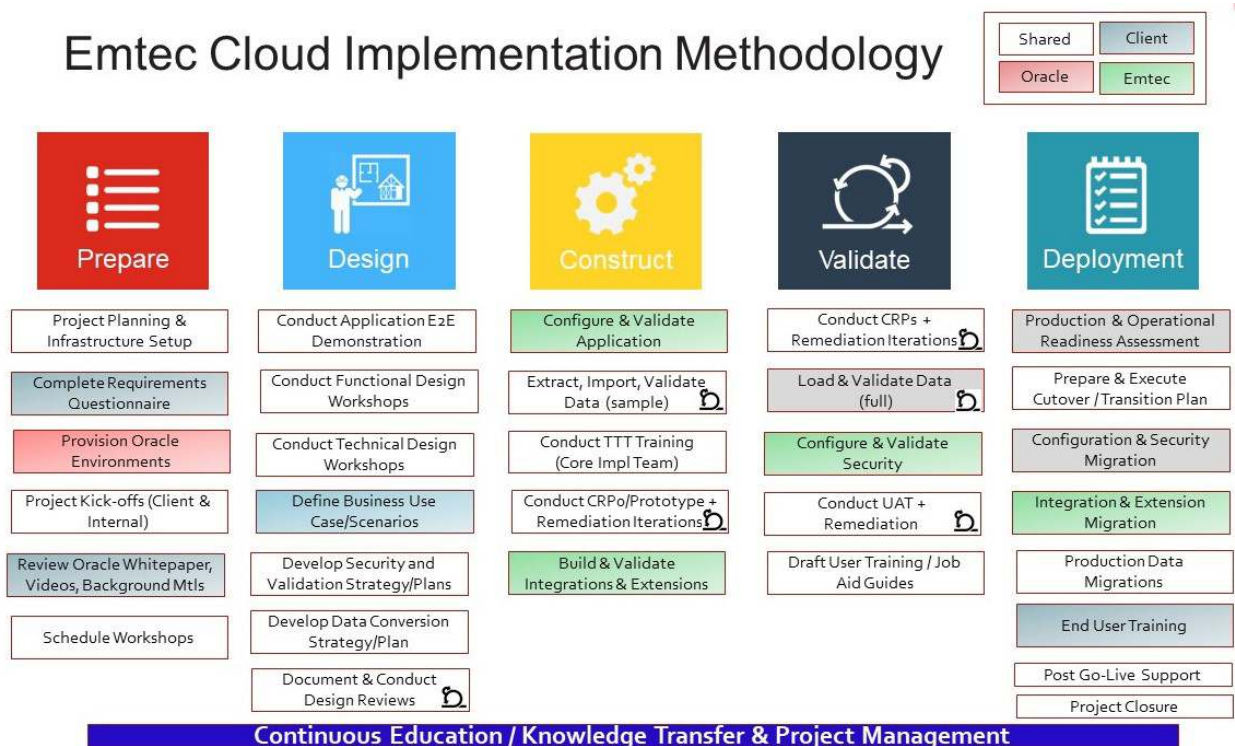
The Vendor, as prime contractor, will be responsible for providing professional project management of the entire project, which includes managing the cost, schedule, quality, and scope. The Vendor's Project Manager (PM) should be 100% assigned to SCVWA. Based on this requirement, provide the following information:

- 6.2.1 Please describe the overall project management methodology. Describe how the project management function will be executed and what to expect from the Project Manager.
- 6.2.2 Describe what makes your project management office unique, different, and competitive.
- 6.2.3 Describe how the Project Manager will manage the scope to ensure the Project remains on time and on budget.
- 6.2.4 Describe the estimated amount of time the Project Manager and other staff resources will be on-site at SCVWA's in support of the project.

- 6.2.5 Describe how the Vendor will communicate the project status to the Project Team and the various levels of SCVWA's management.
- 6.2.6 Describe the process for tracking deficiencies and managing the correction of those deficiencies.
- 6.2.7 SCVWA will contract for a full-time client side project management service. Explain how you have successfully worked with such a structure.
- 6.2.8 Describe the process for conflict resolutions, both internally and externally.
- 6.2.9 Describe how the Vendor identifies business requirements and manages the change of business requirements.

EMTEC RESPONSE: (6.2.1 THROUGH 6.2.9):

Emtec has an industry-leading methodology that we utilize to implement Cloud FMIS, and WMS software implementations. This approach makes the best use of our client's time, and delivers projects with a high degree of quality, to give our customer lasting, efficient software solutions



Emtec's project implementation methodology is also optimized to fit our customers' specific needs. Here is a brief summary of the tasks contained within each step

PREPARE:

- Statement of Work Review and Sales hand-off to Implementation Team
- Establish Governance and supporting Project Infrastructure
- Establish Technical Plan/Strategy
- Formalize project organizational structure with Client and Emtec resources
- Complete Discovery Questionnaires & collection of client background materials
- Provision Oracle Fusion environments and access (Stage and Production)

- Conduct Project Kick-Off

DESIGN:

- Review completed Questionnaires
- Conduct E2E system walk-throughs with client team
- Conduct functional workshop sessions: functional requirements, security, reporting, data conversion, workflow
- Conduct technical requirement sessions (interfaces, extensions)
- Conduct Data Conversion Planning Session
- Draft Business Cases/Scenarios

CONSTRUCT:

- Configure and Validate Application
- Conduct Core Team Training Through Hands-On Time on System
- Conduct Workshops to validate Prototype
- Adjust Prototype design/configuration/business cases as necessary
- Extract, Import and validate sample data conversion
- RICEW Development

VALIDATE:

- Prepare Validation Scripts In Consultation With Customer
- Execute CRP1 – Most business cases, Most RICE Elements, Sample data conversion
- Execute CRP2 (+) - ALL business cases, ALL RICE Elements, Full data conversion
- Execute UAT - ALL business cases, ALL RICE Elements, Full data conversion
- Draft User Documentation

DEPLOYMENT:

- Conduct Production & Operational Readiness Assessment Meeting
- Prepare & Execute Cutover/Transition Plan
- Prepare Production Support Plan
- Deploy Training Plan (End-User) If Customer Chooses This Option
- Conduct Go/No-Go Decision Meeting
- Go-Live
- Execute System Acceptance Strategy
- Project Closure
- (Optional) Extended Post Go-Live Support

Every testing cycle in the VALIDATE phase, especially, is equipped with robust entry and exit criteria – so the vision of “what success looks like” is shared, and accepted through the joint implementation team (SCVWA, and Emtec)

Summary:

Project Planning and Management are integral parts of Emtec's delivery strategy. Additionally, our project governance ensures successful delivery of all our projects. Emtec's Project Management Office

(PMO) oversees the various work streams put in place in accordance with the overall delivery model to optimize communication, staffing and effort. In short to maximize efficiencies – to help drive down total project costs while enabling quality and on-time delivery. We develop an understanding of the complexity of each work stream and establish a baseline to derive a coordinated approach and to tackle inter-project dependencies.

Emtec is comfortable working with different project management structures. We have strong project management practices that allow us to work with a Client Project Manager, or engage our own overall Program Management resource.

In our experience, Emtec has found that projects are much more successful if the Client has a Project Manager engaged (be it directly, or via a third party) who we can collaborate with on a regular basis, and to serve as a conduit for faster decision making.

Our Project Management team blends with our client's project management culture to create a unique and effective governance mechanism for the project.

Our project management strategy is founded on project management principles such as PMBOK. An overview of the guiding principles we follow are:

- View organizations as a complex ecology not complex machines
- Focus on outcomes not activities
- Emphasize collaboration not control
- Balance management, governance and leadership
- Focus on effectiveness, innovation and efficiency
- Maintain full transparency and visibility






An integral part of project planning which is somewhat unique to Emtec is the concept of 'Week Zero' planning. This pre-project planning phase helps ensure that project management governance is established and that the project team can hit the ground running on day one.

Effective and Pro-Active Project Management Approach

Emtec's process is to clearly identify project stakeholders and develop a communication plan that addresses the needs of different stakeholder groups early in the process. This will provide transparency and visibility to project performance.

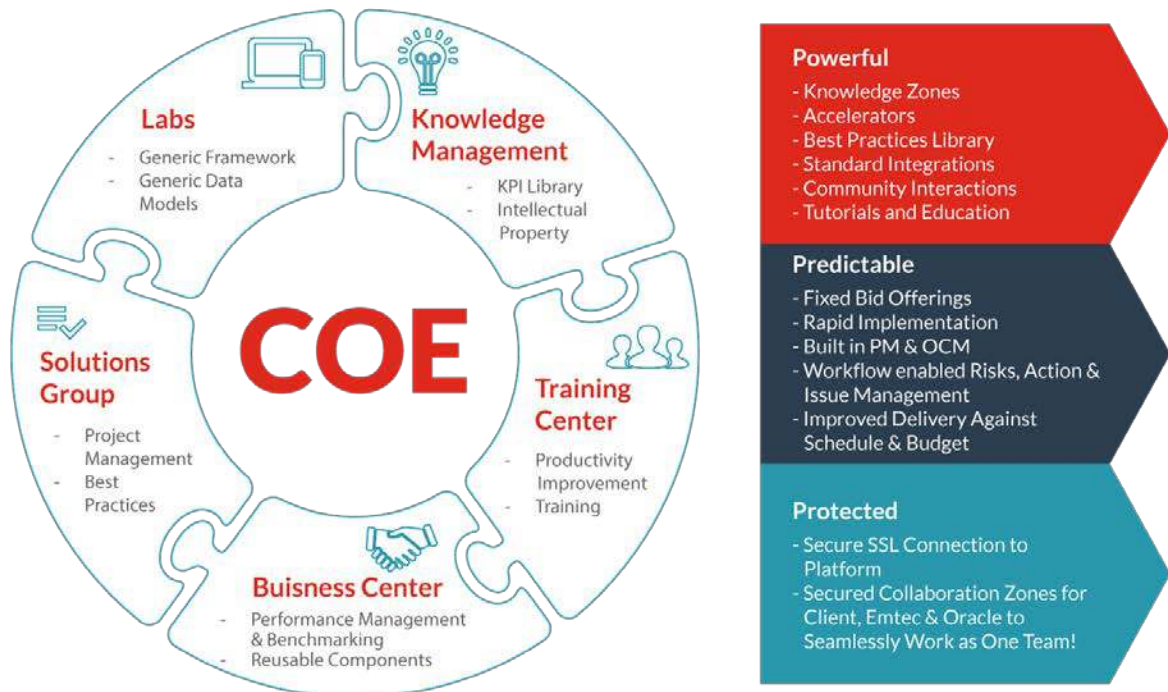
The Emtec project management methodology consists of integrated processes, procedures, templates and checklists to execute projects and engagements for our clients. This enables us to use consistent and repeatable processes to timely deliver predictable and cost-effective solutions to our clients. We collaborate with our clients to align governance practices.

Project management accelerators typically employed by our project managers including Planning, Risk and Issue Management, Communication management etc. are illustrated in the Figure below.

Name		Description
Schedule Management and Cost Management		Our project management philosophy of "planning the work and working the plan" is reflected in our MS Project schedule templates which further extend the Earn Value Management techniques for managing schedule & cost and is flexible to incorporate client specific threshold levels of performance for status reporting.
Risk and Issue Management		Proactive identification, qualification, and disposition of risks and issues, drives the team to stay focused and collaborate with clients to remove the bottlenecks early on. Our Risk, Actions, Issues and Decision (RAID) log template provides graphical representation of areas needing attention on a real-time basis.
Communications Management		Our project and program status reports are integrated with the project schedule and risk management tools and are designed to effectively communicate the overall status in a consolidated, transparent and timely fashion, while allowing insights into critical risks and issues associated with the project.
Change Control Management		Change control management strives to ensure that the project's scope is delivered with quality and within pre-agreed timelines, and cost through the use of the Change Request (CR) Log tool.
Resource Management		Ensuring resources with the right skills and skill level are available at the appropriate times during the project is critical to project success. Our Resource tracking is integrated with the overall project status reporting and schedule management.

ATMOS Project Management Platform

For project execution, Emtec has developed a proprietary Project Management Automation platform called ATMOS. Some salient features of the platform are depicted below.



Project accelerators are built into the overall platform, and access to it is secured. Emtec’s ATMOS framework is a unique approach for ensuring a successful implementation that has been developed from the ground up utilizing years of implementation experience.

Risk and Issue Management

Risk and Issue management processes along with escalation management ensures identification, qualification and disposition of risks / issues in an efficient and timely manner

Risk and Issue Classification

Risks are classified based on the risk consequence which in turn is based on the probability of the risk event and the potential impact of the event on key project dimensions such as schedule, cost, delivered functionality etc. Issues on the other hand are classified purely based on the impact on key project dimensions as impact is inevitable. It is our belief that issues that are not resolved in a timely manner could trigger a secondary risk.

All Risks, Actions, Issues and decisions are managed within ATMOS allowing for:

- Workflow driven notifications for Issues, Actions, and Risk tracking and closure
- Full transparency to project team members
- Collaborative working with clients

The matrix below describes the risk classification. Red color indicates high risk consequence; yellow color indicates medium risk consequence and green color indicates low risk consequence.

Probability / Impact	High	Medium	Low
High			
Medium			
Low			

Risk and Issue Escalation

Once the risk and issue has been qualified and have been accepted to be valid they are managed and escalated appropriately based on the project governance structure which is established during the project initiation phase. Provided below is the matrix indicating the escalation path based on risk consequence/impact.

High	Escalated visibility to Steering Committee / executive stakeholders
Medium	Escalated visibility to project leadership
Low	Visibility to track leads

Also during the project Transition phase, we establish a “Project Intelligence Center” (ATMOS) which serves as the repository of project artifacts. Risks and Issues are managed through a RAID log (i.e., Risks, Actions, Issues and Decisions log) and are stored in the Project Intelligence Center for centralized visibility. An example directory structure and RAID log are shown below.

Documents

⊕ new document or drag files here

All Documents Sort-Ascending ... Find a file

✓	📁	Name	Folder Content	Modified	Modified By
	📁	00. Project Management	... Kick-off Deck, Project Schedule, RAID log, RICEW Document, Status Reports, Change Requests, Oracle SR Tracker, Earn vs. Burn	May 1	🟢 Jain, Anshoom
	📁	01. Configurations	... Requirements Questionnaire, Discovery Workbooks, Configuration Workbooks, Configuration Data Extracts, Configuration Issue Tracker	May 1	🟢 Jain, Anshoom
	📁	02. Reports	... Design Specifications, Developed Reports, Reports Issue Tracker	May 1	🟢 Jain, Anshoom
	📁	03. Interfaces	... Requirements Definition, Functional and Technical Designs, Extracts Navigation Path, Interfaces Issue Tracker	May 1	🟢 Jain, Anshoom
	📁	04. Conversions	... Data Extract Templates, Raw Data Files, Conversions Issue Tracker	May 1	🟢 Jain, Anshoom
	📁	05. Extensions	... Personalization Document	May 1	🟢 Jain, Anshoom
	📁	06. Workflows	... Security Profiles, Active Rules, Workflow Specifications, Workflows Issue Tracker	May 1	🟢 Jain, Anshoom
	📁	07. CRP	... Test Cases, CRP Issue Tracker	May 1	🟢 Jain, Anshoom
	📁	08. Training	... Administration Training Guide, Functional User Guide	May 1	🟢 Jain, Anshoom
	📁	09. UAT	... Test Scripts, Test Logs, Testing Dashboards, UAT Issue Tracker	May 1	🟢 Jain, Anshoom
	📁	10. Deployment	... Cutover Plan, Post Go-live Support Plan	May 1	🟢 Jain, Anshoom

ATMOS ARTEFACTS REPOSITORY STRUCTURE

Issues tracking

Stop editing this list

All Open Issues/Actions Active Issues All Issues ... Find an item

✓	ID	Type	Issue and Action Description	Assigned To	Status	Priority	Resolution	Due Date	Created On	Category	Related Issues	Comments	Created By
	11	Action	Please post the samples of legislative reports, if they don't contain 92 information to Documents->Reports->Sample reports folder	Alfelula, Manoj	Active	High	06-25-2016: Reports do not have outputs in any of our instances. Its never been setup by any consultant and we are adding the missing and trying to generate the outputs. Also we are checking to get oracle sample files from support. EEO - is done.	5/19/2016 12:00 AM	5/16/2016 2:42 PM	Functional		06-25-2016: Reports do not have outputs in any of our instances. Its never been setup by any consultant and we are adding the missing and trying to generate the outputs. Also we are checking to get oracle sample files from support. EEO - is done.	🟢 Jain, Anshoom

Risk Log

Stop editing this list

All Risks Active Issues My Issues ... Find an item

✓	ID	Created By	Category	Track	Created On	Risk Status	Description	Risk Mitigation	Assigned To	Priority	Due Date
	1	🟢 Jain, Anshoom	Organizational	Interface	May 12	Active	Positive Risk: ADP is being upgraded to the latest version for US. This may have a favorable cost impact on overall cost for ADP services	Dawn and Bryan to work closely to align the timing and understand the future roadmap	🟡 Holmes, Dawn	(?) Normal	5/21/2016 12:00 AM

Decision Log

Stop editing this list

All Decisions Active Issues All Issues ... Find an item

✓	ID	Workstream	Decision Description	Decided By	Decided On	Comments
	1	Interface	ADP Integration Go Live - Oct 20	🟢 Jain, Anshoom 🟡 Wolenuk, Bryan 🟡 Holmes, Dawn	6/21/2016 12:00 AM	6/21 Based on a call with ADP, we need to be live on HCM for a month and process 2-3 pay cycles on the upgraded ADP platform before integration can be "turned on". This makes a start date of Oct 20
	2	Interface	ADP spec document walk through completed by August 26	🟡 Holmes, Dawn	6/21/2016 12:00 AM	6/21 Tech build takes 90 hours or 2.5 weeks. Tech build should be done by Sept 16 so testing can commence as soon as the ADP upgrade has completed. Manual testing through Oct 19 with expected integration to start Oct 20.
	3	Conversions	Steering committee on 6/27 decided that the historical data will be migrated to Fusion	🟢 Jain, Rachana	6/27/2016 12:00 AM	The data clean up required to be able to ready the data for import would be carried out manually by the HR team. Managers will not be imported.

SAMPLE RAID (RISK, ACTION, ISSUE, DECISION) LOG

Schedule Management

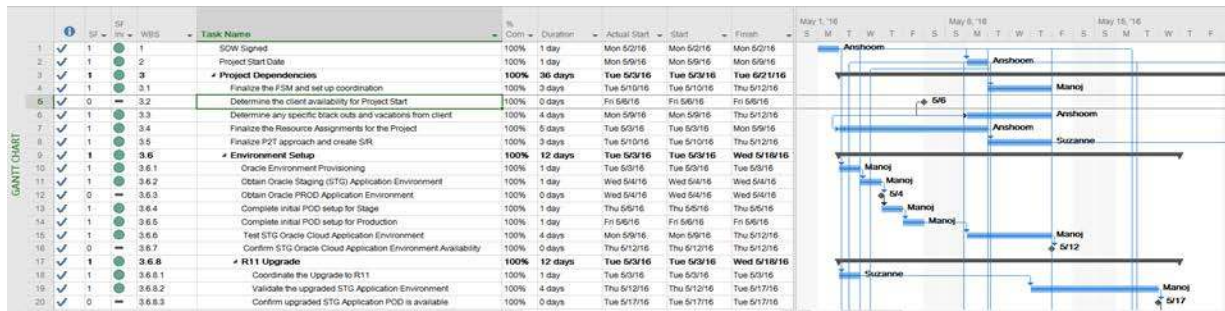
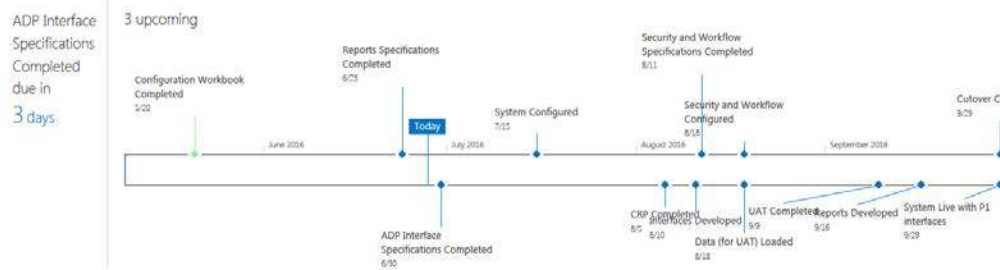
Schedule management is used to (1) Maintain the overall deliverables schedule and progress against the schedule (2) Perform critical path analysis and (3) Report status based on the progress made against the plan.

INTEGRATED SCHEDULE MANAGEMENT WITHIN ATMOS

ATMOS platform allows for:

- Multi-Pillar Support
- Executive Dashboard with traceability to individual tasks
- Tracking through Earn Value Metrics
- Weekly Reporting of Schedule Performance Index

Project Summary



SCHEDULE WORK BREAKDOWN STRUCTURE

Emtec deploys a deliverable-based Work Breakdown Structure (WBS) aligned with the RACI (Responsible, Accountable, Consulted and Informed) matrix while developing the project schedule. This approach allows the project team to be aligned with the commitment that we make towards delivery through Statement of Work (SOW) and report the project performance in an objective manner. WBS is a part of our overall encompassing Emtec “Spark” methodology, catering to both traditional waterfall and “Agile” integrations.

SCHEDULE PERFORMANCE THRESHOLDS

Using MS Project and deliverable based Schedule Performance Index (SPI) Emtec provides full transparency and near real-time visibility to all project stakeholders with regards to project performance. The project schedule is stored at Project Intelligence Center for centralized visibility. The performance thresholds are established collaboratively during the project initiation phase. As a default, following industry best practices thresholds are built in.

SPI Range	Status Color	Additional Comments
≥ 0.85	Green	If the task is not scheduled to start, the status will reflect green
0.85 - 0.70	Yellow	Additional information is required with regards to issues that are impacting the milestones
< 0.70	Red	If finish date is missed, then the status is red

Resource Management

Resource management is used to ensure that resources with the right skills level are available to the project at the appropriate time.

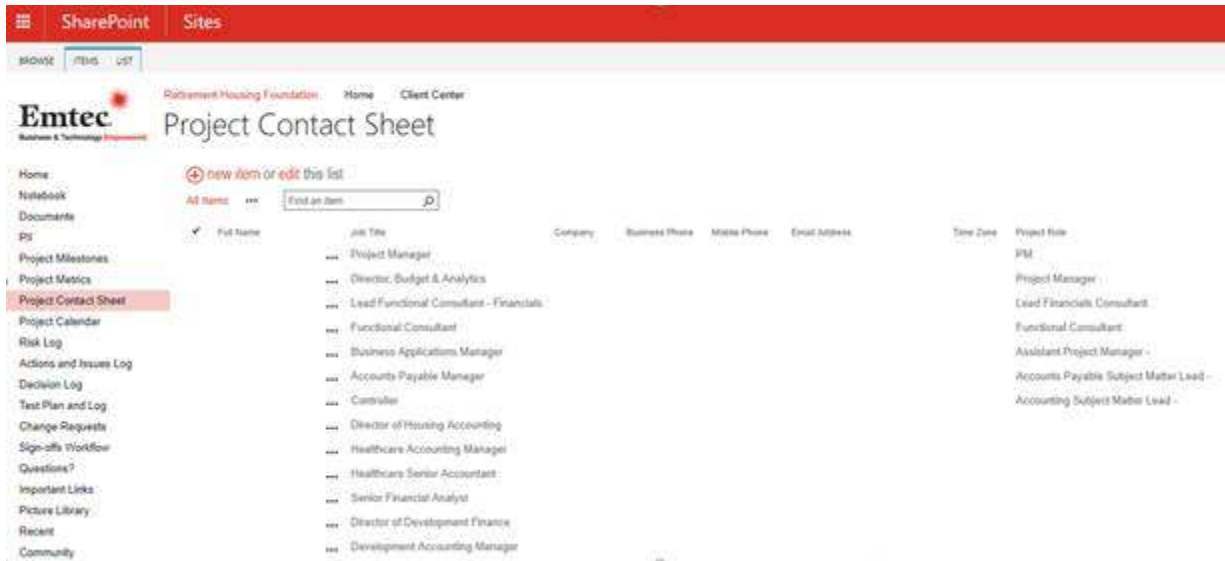
Resource Management Reporting Threshold

Following thresholds are used while reporting on Resource related stoplight indicators in the project status report.

Status Color	Additional Comments
Green	All resources required for current phase are on-boarded & available; resources required for next phase are allocated to the project
Yellow	All resources required for current phase are on-boarded & available, but one or more resources required for next phase are not allocated to the project
RED	<i>ONE OR MORE RESOURCES REQUIRED FOR THE CURRENT PHASE ARE NOT AVAILABLE</i>

Additionally, the ATMOS platform provides full visibility to project team calendar & events and easy access to all project resources, as depicted in the graphic below.





Schedule Management

Schedule management is used to (1) Maintain the overall deliverables schedule and progress against the schedule (2) Perform critical path analysis and (3) Report status based on the progress made against the plan.

The ATMOS platform allows for:

- Multi-Pillar Support
- Executive Dashboard with traceability to individual tasks
- Tracking through Earned Value Metrics
- Weekly Reporting of Schedule Performance Index

Quality Management

Quality management ensures that project delivers the developed/configured code and other artifacts per approved specifications. Based on our significant experience in project delivery Emtec has developed certain guiding principles while performing the testing. Some of the guiding principles are:

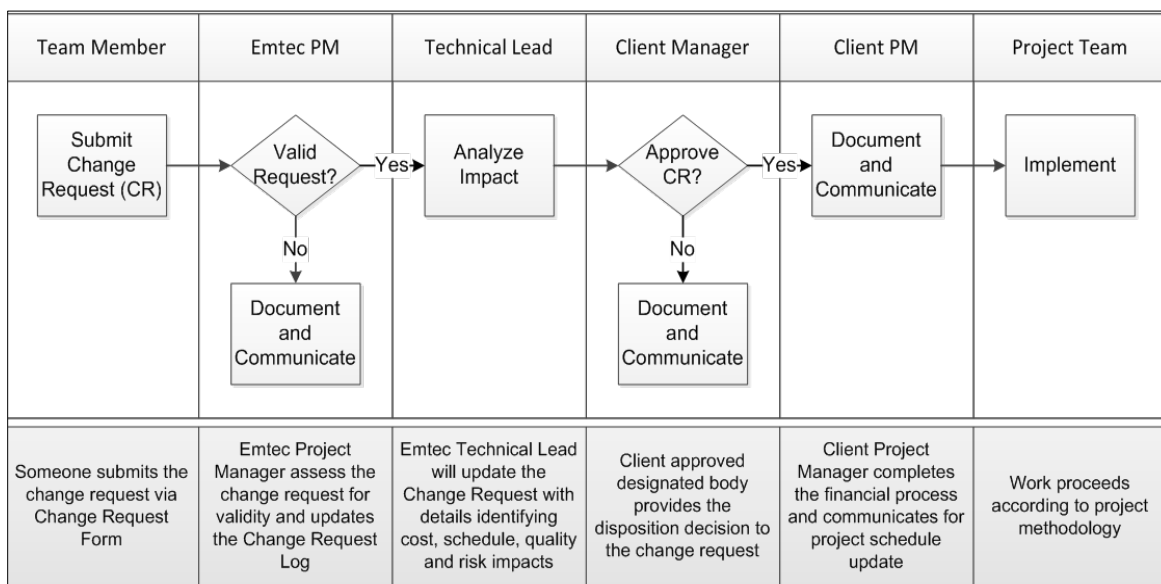
- Build upon success
- Prioritize test execution based upon business/ technology risk factor and code delivery schedule
- Collaborate with business and IT
- Ensure traceability and coverage
- Ensure data and environment availability
- Coordinate with dependent / impacted teams
- Test for releases
- Provide visibility for expedited closure of defects

While the project artifacts go through peer reviews for correctness and completeness (measured through Quality Performance Index (QPI)), the configured/developed code goes through several testing cycles. Emtec has adopted the “V” model of testing for its quality delivery management. Given below is a summary of type of testing that can be expected for a typical project (some cycles may not apply).

Change Control Management

Change control management is used to ensure a project delivers with quality the mandated scope within the pre-agreed timeline and cost.

Emtec has a philosophy wherein we believe that changes *will happen* during the lifecycle of a project, and if addressed in a timely fashion they can enhance the overall value that the project delivers. To this extent, we work collaboratively and proactively to identify and manage the changes. Described below is a high-level process that we follow to manage the changes.



CHANGE CONTROL PROCESS

Additionally, the ATMOS platform provides for:

- Workflow driven notification and Change Request approval process
- Workflow driven documents and milestone completion sign-off process

Change Requests

Stop editing this list

All CRs All Items

CR Number	CR Date	CR Type	CR Name	Priority	Detail Description	Impact - Schedule (start and days)	Impact - USD	CR Status	Comments	Approver	Created By	Modified By	Change Request Approvals
CR_141_001	6/22/2016 12:00 AM	Others	SOW Scope Reduction - ADP Integration	Medium	ADP Payroll to Fusion GL Journal integration was originally scoped for the project. Anbsp; Per discussion with client, it was determined that ADP will be utilized for ADP journal import. Anbsp; End-to-end automated integration will not be required.	No impact to overall schedule.	\$0.00	Approved	View Entries...	Jain, Anshoom	Loftis, Suzanne	Loftis, Suzanne	Completed

Sign-offs Workflow

+ new item or edit this list

All Items

Title	Sign-off Type	Doc/Milestone Name	Description	Project Phase	Due Date	Status	Approver	Comments	Created	Created By	Modified	Modified By	Sign-off Workflow
ERP Prototype Approval	Milestone	ERP Prototype Approval	Completion of ERP Financial and Project Prototypes per published schedule (see attached). Reference attached executed schedule and recordings / notes posted in Documents / CRP & Prototype folder.	System Prototype	6/22/2016	Submitted	Jain, Anshoom	View Entries...	5 days ago	Loftis, Suzanne	5 days ago	Loftis, Suzanne	Completed
MD50 Approval for Demographics	Document	MD50	Please approve the design specs for this report	Architecture	6/24/2016	Submitted	Jain, Anshoom, Loftis, Suzanne	View Entries...	5 days ago	Jain, Anshoom	5 days ago	Jain, Anshoom	Completed

CHANGE REQUEST AND SIGNOFF

Testing Approach

During development, unit tests and QA is carried out multiple times by developers to ensure that code snippets are returning correct values and results. Developers will also test individual pieces of the process against simulated/mock data. This unit testing may not involve real-world data or include end user generated transactions but it intended to prove that the code returns correct values based on the development assumptions. Developers then hand off the code and unit test plans to functional teams for their consideration in system, integration and user acceptance testing.

During System Integration testing, all workflows, cross-functional business processes, and integrations will be tested. Integration testing may require multiple test applications to be connected and usually will require all background batch processing to be running. Integration testing may require scenarios that span several days' worth of activities to validate not only the application integration, but to cover any timing related concerns as well. This phase of testing will be highly dependent on all configurations being reliably stable, in place and available for testing.

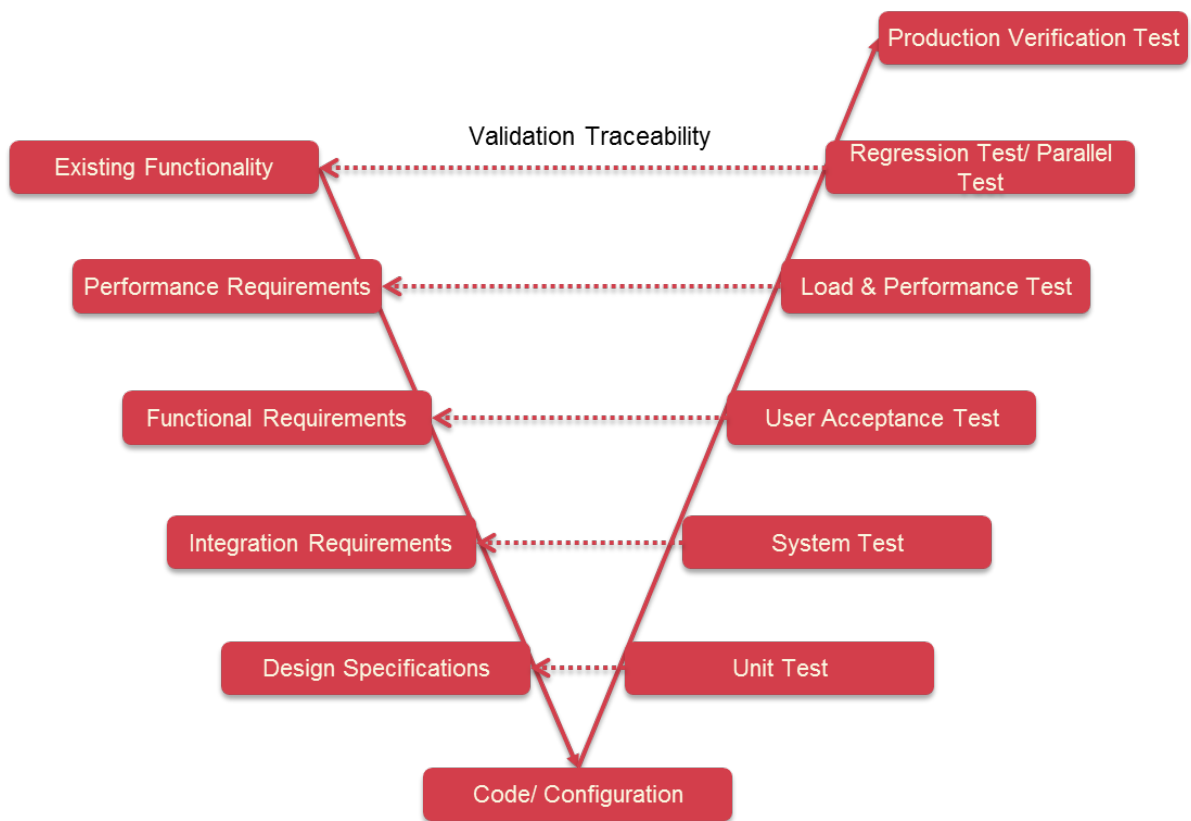
For each phase, acceptance criterion is developed to determine whether the project is ready to move to the next phase. Any issues or defects that come up during the testing phase are logged, categorized and assigned for resolution. Typically, by the end of integration testing, no severity 1 defects should remain unresolved.

In User Acceptance Test ("UAT"), the core team members, super users and subject matter experts will execute scripted test processes in an Oracle application test environment to confirm that all defined and agreed-upon business requirements are being met as planned in the Analysis Phase and as built in the Assembly Phase. The main difference between UAT and the Unit/System/Integration stages is that the

stakeholders will see the completed, comprehensive solution at this point. Few defects, if any, should remain at this point. All solution work should be completed and UAT should be a preview of what is to come in production. All test scripts (and therefore all requirements) are re-run and tested to confirm that any previous changes to the system did not produce any unexpected results.

Release Management

Release packages are rolled out with careful planning and execution. Each release will be unique and as such will have a specific cutover plan to provide for the technical delivery, i.e. application down time, patching, code migration, configuration, etc. Each release will also include specific training (if necessary) and communications plans to notify the user community of upcoming functional changes or anticipated improvements to the user experience. If the release is large enough to warrant, a mock cutover may be executed to test the cutover plan and effectiveness of the technical delivery. Releases will be documented through the application change management process whereby configurations and code sets are migrated throughout each environment for unit, system, integration and user acceptance testing prior to migration to production. Through this process, all documentation related to the release will be provided in the form of designs, test logs, code control notes, configuration workbooks, etc.



Missed Milestones

Through the project management methodology described above, the master project plan should be kept up to date meticulously by the project manager.

Emtec's project plans always carry a few critical characteristics that allow for real time tracking of milestone and deliverable targets. These characteristics include:

- Baseline target delivery dates
- Percentage of completion for all activities
- Duration/Effort of activities
- Actual start/complete dates
- Re-targeted completion dates (based on the above)

In addition to tracking these characteristics, the delivery methodology has rigorous checks and balances that call for immediate remediation of any **anticipated** delivery misses – i.e. when re-targeted completion dates exceed the baseline. This means that you should **never** miss a milestone without:

- Knowing about it before hand,
- Having a remediation plan in place already, and
- Re-targeting new delivery dates with resource scheduling and constraints factored in.

Training

Emtec employs several training methods that we use with our clients. Some more detail is provided in section 6.1.3 of the response.

The specific methods shown below depend upon the subject, number of attendees and to some degree, their preference. Subjects are wide ranging and we are happy to develop a new training programs on any of the many technical subjects with which we have proficiency.

Specifically, to meet SCVWA's need for self-sufficiency training, Emtec has allocated extra time for formal training on two potential topics – 1) System functionality FMIS, WMS and 2) OTBI report development technologies.

However, due to the complexity, and configurability of the system/ OTBI, Emtec recommends an approach where SCVWA employees learn through continuous mentoring, hands-on and interactive in-project learning from our experts.

The objective of this approach is to gradually transition activities over the life of the project to SCVWA employees. The pace at which this transition occurs will depend on their level of availability and involvement in activities as well as their alignment toward becoming the owner of modules (FMIS, WMS), technologies and processes. Should more formal classroom style training be required, Emtec can recommend a curriculum of classes that SCVWA can attend (additional cost to a formal training institution).

6.3 Risk Management

6.3.1 Explain how the Vendor tracks potential project risks.

6.3.2 Explain how the Vendor identifies, communicates and determines, with the client, an acceptable level of risk.

EMTEC RESPONSE: (FOR 6.3.1 THROUGH 6.3.2):

Emtec recommends and utilizes the following approach to risk management. We use a structured process for identifying, documenting, tracking and managing project risks throughout the lifecycle of the project. The goal of risk management is reduction of risk probability and impact. Risk Management does not necessarily eliminate risk, but attempts to reduce the negative exposure to risk.

A Risk is viewed in two dimensions:

- Risk Probability - the likelihood that a certain risk will negatively affect a project
- Risk Impact - measures the anticipated impact of such a risk

Approach

Risk analysis and monitoring occurs regularly as part of the weekly Status meetings. Each risk is analyzed

- Risks are identified and documented at project start and proactively throughout the project.
- The probability and impact for each risk is assessed; and an appropriate priority established for each risk.
- A response plan is jointly developed and approved by Emtec and SCVWA, and then implemented. The goal of the risk response plan is to reduce the probability and/or consequences of each risk. The response plan is specific to each risk, but is generally related to one of the following actions: avoid, transfer, mitigate or accept the risk.
- Once the Risk has been formally documented, its owner is assigned to monitor the risk.
- A trigger indicating the risk may be occurring will also be defined.

Risks are monitored by asking the following questions:

- Are there any new risks?
- What is the implementation status for each risk response plan?
- Have implemented response plans reduced the probability and/or impact to an acceptable level?
- Do any triggers indicate a risk event is imminent?

Strategy

The project Risk Management strategy includes the following:

1. Identifying and logging risks,

2. Prioritizing risks, including establishing clear guidelines and definitions for discrete risk priorities (1, 2, or 3),
3. Assigning risks to person(s) responsible for performing analysis as required
4. Tracking and reporting risks status (e.g. probability, impact, mitigation, planned response, symptoms, etc.).

Procedure

The following procedures will be adopted for risk management based on the approach outlined above and will include:

1. All risks will be tracked and managed in the project repository using Emtec’s SharePoint Document Repository or in ATMOS
2. Risk will be entered as Items in SharePoint and categorized by type (“Risk”) and priority. The minimum information to be captured for each risk will be based on item templates available in SharePoint and Risk items may contain the following information:
 - Risk ID – Each risk should have a unique ID
 - Submitted By – Name of the person/group who raised risk
 - Date Submitted – Date risk was recorded in the Risk log in SharePoint
 - Response Plan Date – Date mitigation plan is expected to be in place
 - Impact – Impact to the project if risk is triggered, cost, time or and/or quality
 - Application/Flow/Module – If applicable, name of application or module that risk pertains
 - Type – Type of risk e.g. technical, process, resources, organizational
 - Title – Short Description of risk
 - Description – Complete description of the risk, more detail the better
 - Probability – Indicate the probability of the risk occurring
 - Target Date – Target date for closure review of this risk
 - Assigned To – Enter person who currently owns mitigation of the risk
 - Status – Enter status of the risk (typical values “Open” or Closed”)
 - Risk Response Plan – Detailed description of actions required to deal with the risk (including dates etc.)
3. Risks will be assigned to team members by the project managers based on the nature of the risk. This person will own the risk and will be responsible for managing it through to final disposition.
4. On a weekly basis, Emtec and SCVWA leads will provide Risk updates through the status reports. These will be used as input to maintaining risk.
5. The Emtec project manager (or designate), will update and maintain risks in SharePoint.

6. Risks that are triggered (probability of occurrence is now 100%) will become issues and will be reflected as such in SharePoint and handled as per the Issue Management process.
7. Risk logs are extracted from SharePoint and discussed at the weekly Team status meetings.
8. Select risks (based on priority) will be included on the Monthly Status Reports (MSR) presented to the joint steering committee.
9. High priority risks will be summarized and presented to the Project Sponsors at a minimum on monthly basis. These are for a risk that have potential large impact on the project and/or requires significant risk response strategies.

6.3.3 Describe risk-sharing strategies employed by the Vendor.

EMTEC RESPONSE:

Emtec Consulting Services will employ risk sharing strategies through the execution of a fixed price contract. In a fixed price contract, Emtec will agree to deliverables, payment milestones and acceptance criteria. In this case, the risk is borne primarily by Emtec, and Emtec charges a risk premium for doing this. This would be used if the work is more complex or takes longer than originally estimated. This is different than a 'contingency fund' which is often used in time and materials projects to cover potential shortfalls.

The difference is that a contingency only costs the customer when it is used—and only for the amount used; a risk premium is paid in full whether or not it is used. Emtec would welcome the opportunity to discuss an incentive for delivering the project for a fee that is less than the targeted amount and where the risks and gains are shared between both parties.

6.3.4 Describe the detailed risk management plan, tracking and mitigation process to be included as part of this implementation.

EMTEC RESPONSE:

The Risk management strategy will be on-going throughout the project duration – from Startup through Closure. Details are also provided in responses 6.3.1 and 6.3.2. Analysis and monitoring will occur regularly as part of the weekly Status meetings

Each risk will be analyzed:

1. Risks will be identified and documented at project start and proactively throughout the project.
2. The probability and severity for each risk will be assessed; and an appropriate priority established for each risk.
3. A risk response plan will be created and approved by Emtec and SCVWA and then implemented. The goal of the risk response plan is to reduce the probability and/or consequences of each risk. The response plan is specific to each risk, but is generally related to one of the following actions: avoid, transfer, mitigate, or accept the risk. If implementing the response plan will impact the project's schedule or budget, a Change Request (and contract extension if necessary) will be prepared for your authorization.
4. A trigger indicating the risk may be occurring will also be defined.

6.4 Project Tools

6.4.1 Describe which tools the Project Manager and Project Team utilizes to assist with the management of the project.

EMTEC RESPONSE:

Emtec has created a wide range of tools to assist with the management and implementation of our projects. The tools include accelerators and templates designed to assist in effectively implementing and managing projects in a consistent and efficient manner. The following is an overview of the accelerators and templates:

Project Management Plan (PMP):

The PMP template addresses the key strategies and approaches that Emtec and SCVWA will utilize to manage the project scope and objectives.

Developed according to PMI standards (Project Management Institute) the PMP contains the following templates:

1. Scope Management Plan
2. Communication Management Plan
3. Financial Management Plan
4. Quality Management Plan
5. Work Management Plan
6. Configuration Management Plan
7. Risk Management Plan
8. Infrastructure Management Plan
9. Issue & Problem Management Plan
10. Resource Management Plan
11. Change Control Management Plan
12. Organizational Change Management Plan

Standardized Implementation Templates:

The following templates have been created to provide project consistency and streamline the implementation process:

1. Configuration Workbook
2. Analysis Report
3. Interface Strategy
4. Internal Designs
5. Reports Strategy
6. Go-Live Readiness Plan
7. External Designs
8. MoSCoW (Must/Should/Could/Won't Have) List

6.4.2 Are these tools provided to the team as part of the implementation project?

EMTEC RESPONSE:

The above tools are provided and are available to use as part of the implementation project. The completed documents will remain with SCVWA and will be available on the SCVWA's network.

6.4.3 Are the tools provided online? If so, please provide screen shots of some of the primary screens.

EMTEC RESPONSE:

Please refer to our response in section 6.2 (6.2.1. et al)

6.4.4 Can SCVWA retain the project information and the tools after the project has been completed? If yes, describe how the data will be accessed. Does Vendor license these tools as part of its normal licensing procedure?

EMTEC RESPONSE:

Please refer to our response in section 6.2 (6.2.1 et al), and 6.4.2

6.4.5 Are there any additional costs, fees, and/or subscriptions to utilize these tools?

EMTEC RESPONSE:

There are no additional costs, fees, and/or subscriptions to utilize these tools.

6.4.6 Please describe the maintenance effort required to support the toolset and identify who will perform the required support and maintenance.

EMTEC RESPONSE:

There is no additional maintenance required to maintain any of the project management tools, and resources provided to SCVWA(details of the tools, and screenshots in response section 6.2)

6.5 Staffing Plans

6.5.1 Provide the staffing requirements for the proposed implementation plan. Based on the proposed plan, identify the staffing requirements for SCVWA, the Vendor, and any Third-party by using RFP Attachment D – Staffing Matrix.

EMTEC RESPONSE:

Please refer to the Attachment D – Staffing Matrix for details on staffing.

We have completed the staffing matrix as required. We created staffing requirements for SCVWA based on a module by module approach that assumes that there would be an SCVWA lead for each module being implemented. As we created these staffing roles we incorporated the guidance provided in the

RFP regarding resource availability constraints for SCVWA team members (for example 25% SME availability). Although we have used a modular approach to develop the plan, we recognize that each lead may be assigned to support multiple modules, if applicable. In addition to the functional module leads, there will also be other team members that will be in a lead role such as a Tech lead, Testing & Training leads while other team members will be in a supporting role such as Subject Matter Experts (SME) participating during key phases of the project.

After completing the exercise above to identify the resources needed, Emtec has determined that the staffing levels that SCVWA can provide would be sufficient to achieve the goal of a successful implementation. This details are reflected in the attached staffing matrix. During post RFP discovery, contract negotiations, and/or project planning, Emtec will work with SCVWA to confirm the roles and expectations for SCVWA team members within the project. There will also be a highly detailed project plan created collaboratively with SCVWA's designated Project Manager, which will further offer a fine degree of control and predictability over your resource's weekly schedules.

6.5.2 Describe where SCVWA's resources outlined in section 7 of the RFP do not meet (if any) the necessary staffing levels to facilitate a successful project. Discuss Vendor's approach to solving the resource constraints as evidenced in the Project Plan and Project Staffing.

EMTEC RESPONSE:

As indicated in the prior section Emtec has carefully considered the guidance provided on the SCVWA RFP and formulated an implementation plan and SCVWA resource plan with those constraints included. Our plan has flexibility that will allow the functional module needs that we have identified to be allocated to the SCVWA team members based on the unique collection of skills that each team member will have. We feel that the resource staffing levels identified by SCVWA are adequate to cover all areas and meet the needs of a successful implementation. Emtec is also flexible to offer additional estimates upon request of plans that can be implemented if SMEs were available for a lower or higher percentage of time.

If during the course of the implementation, it is discovered that there are any potential risks arising from SCVWA staffing levels, this will be communicated to the SCVWA leadership team promptly by the Emtec Project Manager. Proactive, productive communications are a cornerstone of our PM methodology, and implemented in every project Emtec is engaged in. This allows for issues, and risks to be discussed in a solution-oriented atmosphere and done early enough to make sure the project stays on track to its goals.

6.5.3 Describe how SCVWA's resources will be used during the implementation.

EMTEC RESPONSE:

Emtec will be involving the agency's resources as per the guidance provided in the RFP regarding resource availability as necessary during every stage of the implementation. The principles driving involvement will be that of continuous learning, and knowledge transfer – so that as the SCVWA team proceeds through the project, starting from product familiarization, through Conference Room Pilots, and UAT sessions the knowledge of the software (navigation, functionality, configurability) will progressively increase. We have incorporated 4 testing cycles into the implementation plan where the SCVWA team will be heavily involved in order to promote learning and knowledge transfer.

There will be opportunities in the project phases for hands-on learning and achieving comfort in using the system. In addition to this, we will also be relying on SCVWA users’ knowledge of their business, and making decisions about data (master data, transactional data), specific processes, task and issue priorities, reporting, and other factors that go into a successful software implementation.

6.5.4 Describe what SCVWA resources will be needed to support the system long-term following the implementation. Describe your best practices in managing the system post go-live.

EMTEC RESPONSE:

Emtec recommends that the SCVWA team involved during the implementation phase of the project be the source of knowledge, and solutions for your team. They will be the individuals with the most time on keyboard using the systems and will be in the best position to assist the rest of the organization with issues, and questions (this includes functional SMEs, as well as SCVWA IT staff).

At the appropriate time during the implementation, Emtec will arrange for SCVWA to learn about our award winning ClearCARE® managed services practice. Emtec ClearCARE® contracts can be tailored to SCVWA’s needs and provide flexible support options to manage any information technology or application support need SCVWA may have.

Our ClearCARE® managed services division has been supporting clients for over 13 years, and we currently provide around-the-clock support for over 75 active customers. Our offering features a fully staffed 24x7 help desk, robust on-line service request tracking and reporting tools, well defined escalation procedures and established but flexible service level standards, all of which would be ready and available to support SCVWA’s needs.

Depending on the Agency’s long-term goals, the ClearCARE® team could step in as the project-related post implementation services end and provide a completely seamless support structure. The support could optionally ramp down over time until it reaches the right point for SCVWA’s team to take full or partial ownership.

6.6 Core Implementation Services & Methodology

The following section of the proposal should address the Vendor’s implementation methodology as per the project plan provided in Attachment M. Please return an electronic copy of this information along with the hardcopy. As described in Section 7 of the RFP, we have identified typical project phases; please modify these topics to correspond with the Vendor’s specific methodology.

For each of the specific project phases as recommended by Vendor, identify the Vendor’s approach to implement the solution. Describe the methodology for the major activities of the implementation. For each phase, discuss the following and any other information necessary to communicate the process:

- Phase description
- Phase dependencies
- Duration
- Responsible lead
- Tools utilized to support this phase
- Quality Control process
- Vendor staffing for this phase

- SCVWA staffing for this phase
- Deliverables from Vendor to SCVWA
- Deliverables from SCVWA to Vendor

EMTEC RESPONSE:

The Project Plan (Attachment M, Implementation Plan) contains the details of the specific phases of the project in compliance with Emtec’s methodology. Further details of our PMO, and practices are provided in Section 6.2 of our RFP response

6.7 Required Training Courses

- 6.7.1 Please outline the courses that SCVWA’s technical staff will be required to take in order to provide the necessary support needed to maintain the system(s) and hardware through implementation, final acceptance, and the maintenance and support periods.
- 6.7.2 Please outline the courses that SCVWA’s non-technical staff will be required to take in order to provide the necessary support needed to maintain or operate the system(s). Explain the functional responsibilities covered in each course and the expected audience member’s roles and positions at SCVWA’s.
- 6.7.3 Provide a list of optional courses including duration, availability, locations, and costs.
- 6.7.4 The Vendor will be required to train a core group (up to 20) technical and non-technical SCVWA staff. In turn, SCVWA will provide training to primary, secondary, and casual system users (“Train-the-Trainer” approach). Vendor will be responsible for the overall training plan and materials. Discuss the timing of the courses. For example, what courses should be conducted before or during the implementation?

EMTEC RESPONSE: (6.7.1 – 6.7.4)

There are no “required” courses that SCVWA’s staff have to complete in order for you to be self-sufficient on the Oracle solution. Emtec advocates for a hands-on training approach as described earlier in this Section 6 and the implementation plan includes dedicated time allocated when users designated by SCVWA as SMEs, and Functional experts will have time-on-keyboard using the FMIS solution in the Oracle Cloud. Additionally, to the extent necessary in a cloud environment, the Agency’s technical resources will also be working with our team throughout the project and will develop the skills needed to support the solution both during and after the implementation.

This type of hands-on experience, with Emtec consultants present to provide answers to questions and help with navigation has, in our experience, been the best way for our customers to get familiar, to use and support the software effectively, and efficiently.

If a need becomes apparent down the road, Oracle does offer courses to meet the training needs of administrators, developers, end users, engineers, and project managers.

Oracle University delivers superior education and certification services to accelerate customer adoption of Oracle technology by enabling people. Oracle University offers the largest and most current portfolio of training for Oracle products and technologies. Oracle training is developed in collaboration with Oracle product development teams, enabling Oracle to deliver top-quality instruction and premium content.

7.0 Offshoring Questionnaire

In the event a Vendor intends to use offshore resources for any component of the Implementation or support and maintenance, please complete the following.

- 7.1 What are the specific (city and country) locations of Vendor's data centers including disaster recovery sites?

EMTEC RESPONSE:

Emtec is planning to utilize offshore resources only for providing SCVWA with professional services such as configuration and development. All work will be done in Oracle's cloud environments, not on Emtec servers.

- 7.2 What work will be performed offshore?

EMTEC RESPONSE:

Development of custom code for algorithms, interfaces and modifications, if any. 'Development' is defined to be creation of internal designs, which will be based on requirements and designs created by the onshore Emtec team with direct access to the Santa Clarita team; and unit test of code prior to being shipped to onshore team.

The onshore team will validate unit tests and run system tests on delivered components before they are released to the client. Emtec Offshore will also perform internal regression tests, and configurations for modules in scope to facilitate CRP testing by Santa Clarita users. This will be done under the direct supervision, and based explicit on directions, from the Emtec onshore team

- 7.3 Specifically, where would any offshore work occur (city and country)?

EMTEC RESPONSE:

Pune, India & Bangalore, India

- 7.4 How will work be scheduled?

EMTEC RESPONSE:

Emtec will ensure that all work will be scheduled under the direction of our onshore Project Manager working in conjunction with SCVWA's Project Manager

- 7.5 Is there regular communication between the offshore team and SCVWA's personnel?

EMTEC RESPONSE:

Unlikely to be needed, but possible. Given that the onshore team from Emtec will work directly with Santa Clarita to understand the requirements and then develop the designs, the need for any direct communication between client and coder is rare.

- 7.6 If so, verify these conversations, video sessions, etc. will occur during normal SCVWA's business hours (8am – 5pm PT).

EMTEC RESPONSE:

As clarified in 7.5 we don't anticipate this being a need, but if this does arise – any conversations or sessions with our offshore team can be scheduled during Santa Clarita business hours

- 7.7 How will work be tested prior to release to SCVWA's?

EMTEC RESPONSE:

Please see our response to 7.2

- 7.8 What guarantees does SCVWA's have that code is high-quality upon arrival?

EMTEC RESPONSE:

Please see our response to 7.2

- 7.9 How will knowledge transfer be managed?

EMTEC RESPONSE:

All offshore work will be directed, and supervised by Emtec onshore resources who are dedicated to the Santa Clarita project. We do not anticipate any significant volumes of knowledge transfer to occur.

- 7.10 Will there be a U.S.-based manager (single point of contact) that will manage the offshore resources on behalf of SCVWA?

EMTEC RESPONSE:

Yes, the Emtec Project Manager

- 7.11 Does the offshore resource(s) need network access into SCVWA?

EMTEC RESPONSE:

If permissible, it is more efficient when there is access, especially during testing to effectively resolve any defects. However, with the Cloud solution we have suggested – with Santa Clarita's explicit permission – offshore can access the environment without expending Santa Clarita resource time

7.12 What type of access is required?

EMTEC RESPONSE:

Credentials (approved by Santa Clarita IT team,) for the Development Cloud environment only.

7.13 What type of security is in place to ensure unauthorized code, viruses, malware, or other attacks will prevent access to sensitive data?

EMTEC RESPONSE:

Virus scans are run on all code. No sensitive data is available or provided to offshore team.

7.14 How do you protect customer information?

EMTEC RESPONSE:

No customer information is available or provided to offshore team

7.15 Will the offshore resources ever travel to SCVWA? If so, what guarantees does SCVWA have that all personnel will have proper Visas, travel documents, and are able to legally travel to the U.S.?

EMTEC RESPONSE:

We do not anticipate any need for the team offshore to travel to the US/ SCVWA location. The Offshore team is only in a supporting capacity, and all the primary work will be led by the Emtec Onshore team

7.16 Is SCVWA expected to pay a higher rate for offshore resource travel expenses?

EMTEC RESPONSE:

Not applicable

Required Proposal Attachments

Vendor shall include the following documents as attachments to its Response Proposal, referring to each by the alpha sequence below. Electronic Files should be submitted using the following naming convention: Attachment_SCVWA_Document Name_VendorName.

Attachment	Document Name	Template Provided?
A.1	SaaS Questionnaire	Y
B	FMIS Functional Matrix	Y
C	Cost Matrix	Y
D	Staffing Matrix	Y
E	Non-Collusion Affidavit	Y
F	Intent to Respond or Decline	Y
G	Addendum Acknowledgement	Y
H	RFP Exceptions	N
I	References	N
J	Financial Information	N
K	Product Roadmap	N
L	Sample Reports	N
M	Implementation Schedule & Gantt Chart	N
N	Resumes	N

Attachment A Supplemental Questionnaire

Vendor must complete the supplemental cloud questionnaire.

Attachment B Functional Matrix

Complete and return the Functional Matrix Templates that are provided with the RFP package. Please complete all tabs. **Vendor MUST NOT change the format of the matrix.**

A	B	C	D	E	F	G	H	I
Application	Requirement	Tab	Category	Sequence	Requirement Description	Vendor Score	Is Functionality Included in Price? (Yes or No)	Name of System or Module That Provides This Functionality

Column G – Vendor Response: The following table outlines the possible values for Column G – based on Vendor functionality. Any requirement that is not answered will be given a weight of 0. In addition, any requirement that is not included in the cost will also be given a weight of 0.

Proposer Functional Matrix Responses		
25	Provided as part of base system.	No Modification is required. Desired functionality is achieved through configuration and is part of base Code. Cost of configuration is part of solution implementation.
20	In Development	Not Currently in the system, but will be enabled by integration testing. Enhancement or modification to enable this functionality will be included in price.
15	Base will require some enhancements	Enhancements are classified as minor coding utilizing system defined user exits with costing between \$1,000 - 15,000
10	Base will require minor software coding	Enhancements or modifications using established user exits or minor custom coding costing between \$15,001 - 35,000
5	Base Code will have to be modified	Modifications that require substantial development and coding costing between \$35,001 - \$75,000
1	Extensive modification to base code	Extensive development effort is required resulting in development and coding costs from \$75,001 - over \$100,000
0	Software can not be enhanced or modified	The development of this function is not possible with this application

Column H – Is Functionality Included in Price (Yes or No): By stating “Yes” in Column H, the functional item is included in cost. Any development and configuration is the responsibility of the Vendor. The Vendor is responsible for delivering the functionality by Go-Live.

Column I – Name of System or Module that provides this Functionality: Due to the complex nature of the systems purchased and the associated modules for sharing of data and functionality, it is imperative that Vendor identify which module will provide the **core functionality** for this requirement. *System or Module name must be specific.*

Attachment C Cost Matrix

Please complete and Return Response Template Attachment C – Cost Matrix provided with the RFP package. Vendor must utilize the provided Cost Matrix and complete **all** tabs.

The easiest way to complete the Cost Matrix is to start with the Cover Tab then move to the different tabs within the Cost Worksheet – working the remainder from left to right. *Do not modify the Summary worksheet.* The Cost Matrix contains links and other pre-defined calculations. Once complete, the Vendor should validate the Summary worksheet for accuracy and understanding.

Attachment D Staffing Matrix

Complete and return Response Template Attachment D – Staffing Matrix provided with the RFP package. Please complete all tabs.

The Staffing Matrix is used to understand SCVWA's and Vendor's staffing levels throughout the duration of the system implementation. Vendor should clearly outline skill sets, FTE counts, and other resources required for both SCVWA's and all Vendor resources, including Third-parties, if appropriate. Information in section 7 of the RFP indicates the maximum staffing levels SCVWA's is able to provide and must be used as a reference for Vendor.

Attachment E Non-Collusion Affidavit

An employee who is authorized to bind Vendor to the submitted proposal must complete and Sign the Response Template Attachment E – Non Collusion Affidavit.

Attachment F Intent to Respond or Decline

Vendor must return the Intent-To-Respond or Decline document by the deadline indicated in the RFP. Requests received after this time may not be honored. Vendors who do not submit this document may not be eligible to propose a solution.

Attachment G Addendum Acknowledgement

An employee who is authorized to bind Vendor to the submitted proposal must complete and Sign the Response Template Attachment G – Addendum Acknowledgement.

Attachment H Exceptions & Sample Service Level Agreements

Vendors must clearly identify any exceptions to this RFP or to Attachment 1.0 the Professional Services Agreement. Vendors whose proposal includes SLAs must provide their standard SLAs.

Attachment I References

The Vendor shall submit a minimum of **three (3)** customer references for the proposed solution. References **must** relate to projects implemented within the last five years. Vendor's submission of these references constitutes Vendor's certification that customers named have agreed to be contacted. **SCVWA's requires that an additional reference be provided from an active implementation or from the most recently completed FMIS implementation.** Provide the following information for each:

- Utility Name
- Address
- Number of employees
- Contact name, current phone number and e-mail address
- Date implementation started

- Integrator used (if any)
- Beginning price
- Ending price
- Change orders
- Go live date
- Original implementation version
- Current version
- Other pertinent information about the references can also be included

Attachment J Financial Information

Vendors **must** submit the following information in a separate file for review.

- A detailed and audited copy of the Vendor's Profit and Loss Statement and Balance Sheet generated in the last three accounting years. These copies are to include assets (current, other, fixed and equipment), liabilities (current and other), as well as banking references.
- A breakdown of the Vendor's revenues dedicated to the research and development of the proposed solutions.

Attachment K Product Roadmap

Provide any current and future product or service plans (including timelines) that may be pertinent to SCVWA's. In addition provide your formal product plans.

Attachment L Sample Reports

Please include samples of the standard financial reports including but not limited to: Income Statement, Balance Sheet, and Asset Register.

Attachment M Implementation Schedule – Project Plan

Provide a Gantt chart summarizing the major phases of the project implementation based on Vendor's methodology. The chart must include phase description and duration (in days) and graphically represent the phase dependencies. Also, include a soft copy in Microsoft Project format (.MPP) and a copy in PDF format. The electronic copy should reflect activities, resources and hours to complete the project. The submitted Project Plan must contain a detailed Final System Acceptance Test Plan that includes both phase entry and exit criteria that will lead to system final acceptance.

Attachment N Implementation Team Résumés

Provide Résumés for the implementation team the Vendor or Third-party expects to utilize for this project. Clearly identify:

- Resource type and description at the top of each Résumé.
- Clearly identify the years of expertise tied to their particular discipline that will be provided in this project.
- These descriptions of resource types should correspond to the methodology provided and described in this document.

***** END OF RESPONSE TEMPLATE *****

Santa Clarita Valley Water Agency

FMS Cost Worksheet

Provided By:

Emtec, Inc.

FMS Software License Fees

Software-Related

List ALL licenses, costs, names of applications, and modules as part of the base software that is being proposed.

Application Name	Price	Pricing Methodology & Assumptions
Oracle Enterprise Performance Management Standard Cloud Service	\$ 35,579.60	Hosted Named User , Monthly **Quantity reflects Hosted Named Users (50) x months (12).**
Cloud Priority Support for SaaS	\$ 10,200.00	Base Fee - Each, Monthly **Quantity reflects Support (1) x months (12).**
Additional Test Environment for Oracle Fusion Cloud Service	\$ 9,703.50	Each, Annual **Quantity reflects Hosted Environment (1) per year - 3 years included in the BOM.
Cloud Priority Support for SaaS	\$ 3,557.95	Each, Annual
Cloud Priority Support for SaaS	\$ 5,175.20	Each, Annual
Cloud Priority Support for SaaS	\$ 10,309.00	Each, Annual
Oracle Fusion Enterprise Resource Planning Cloud Service	\$ 48,517.52	Hosted Named User , Monthly **Quantity reflects Hosted Named Users (30) x months (12).**
Oracle Fusion Enterprise Resource Planning for Self Service Cloud Service	\$ 6,986.52	Hosted Named User, Monthly **Quantity reflects Hosted Named Users (225) x months (12). **
Oracle Fusion WebCenter Forms Recognition Cloud Service	\$931.54	Hosted 1,000 Records, Monthly **Quantity reflects Hosted 1,000 Records (10) x months (12). **
Oracle Fusion Procurement Cloud Service	\$29,110.51	Hosted Named User, Monthly **Quantity reflects Hosted Named Users (30) x months (12). **
Oracle Fusion Procurement Self Service Cloud Service	\$1,242.05	Hosted Named User , Monthly **Quantity reflects Hosted Named Users (100) x months (12). **
Oracle Fusion Supply Chain Execution Cloud Service	\$16,301.89	Hosted Named User , Monthly **Quantity reflects Hosted Named Users (30) x months (12). **
Fusion Human Capital Management Base Cloud Service	\$31,051.20	Hosted Employee, Monthly **Quantity reflects Hosted Employees (1000) x months (60). **
Fusion Payroll Cloud Service for United States	\$14,490.60	Hosted Employee, Monthly **Quantity reflects Hosted Employees (1000) x months (60). **
Fusion Time and Labor Cloud Service	\$6,210.24	Hosted Named User, Monthly **Quantity reflects Hosted Employees (1000) x months (60). *
Additional Test Environment for Oracle Fusion Cloud Service	\$12,938.01	Each, Annual **Quantity reflects Hosted Environment (1) per year - 3 years included in the BOM.

FMS Expenses

Expense Related Costs

List anticipated expenses to install and support proposed solution.

	Costs	Notes
Airfare	128,050	
Lodging	157,600	
Car Rental	19,700	
Meals	43,340	
Parking	19,700	
Supplies	-	
Postage	-	
Post-Go-Live Travel Expenses	71,060	Total from Post Go-Live Worksheet
	-	
	-	
	439,450	

Subtotal: Expenses

Other One-Time Fees or Expenses

List any other one-time fees and expenses required for the proposed solution.

	Costs	Notes
	-	
	-	
	-	
	-	
	-	
	-	
	-	
	3,499,759	

Subtotal: Other

TOTAL IMPLEMENTATION SOLUTION COSTS

\$ 3,257,454



Staffing Matrix

Attachments 4 & 5

Prime Vendors Name: Emtec, Inc.

Contents:

- 1 Vendor Staffing
- 2 Agency Staffing

Instructions

The Vendor will be responsible for identifying the necessary resources to successfully install the proposed solution in the identified timeframe.



Instructions: Vendor will provide named roles for the Prime Vendor or Subcontractor. Identify % allocation per month. This table should include both onsite and offsite resources and allocation for Vendor. Phases should be modified to match Vendor's project plan. Overall project plan and staffing MUST be provided. A second chart is provided below in which Vendor must fill out the number of weeks onsite by month for each resource provided.

Vendor Staffing Allocation

Month Number Project Month Business Days In Month Total Available Hours in Month	Planning			Execution												Support		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
	Mar '20	Apr '20	May '20	Jun '20	Jul '20	Aug '20	Sep '20	Oct '20	Nov '20	Dec '20	Jan '21	Feb '21	Mar '21	Apr '21	May '21	Jun '21	Jul '21	
3/18/2020	176	176	168	176	184	168	176	176	176	184	168	160	184	176	168	176	176	
Avg. % Allocation	*** Enter % Allocation Per Month ***																	
Role	Responsible Party																	
Onshore Project Manager	50%	70%	100%	100%	80%	75%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Onshore Solution Architect	0%	40%	50%	50%	30%	25%	40%	50%	50%	50%	38%	25%	50%	50%	3%	0%	0%	
Onshore Functional Analyst	50%	50%	50%	38%	20%	38%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	25%	
Onshore Functional Lead	0%	0%	88%	88%	60%	63%	90%	100%	100%	100%	75%	50%	100%	100%	55%	40%	25%	
Offshore Functional Lead	0%	20%	50%	50%	30%	25%	40%	50%	50%	38%	38%	25%	50%	42%	20%	20%	10%	
Onshore Functional Lead	0%	20%	38%	25%	40%	38%	50%	50%	50%	50%	38%	25%	50%	50%	33%	38%	18%	
Offshore Functional Lead	0%	0%	0%	0%	0%	75%	100%	100%	100%	75%	0%	0%	0%	0%	0%	0%	0%	
Onshore Technical Lead	0%	17%	5%	5%	5%	5%	5%	5%	17%	5%	13%	20%	4%	0%	0%	0%	0%	
Offshore Technical Lead	0%	4%	15%	8%	4%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	5%	
Offshore Technical Analyst	0%	0%	0%	50%	60%	100%	100%	100%	100%	90%	50%	50%	50%	50%	28%	20%	10%	
Offshore Technical Analyst	0%	0%	0%	50%	60%	100%	100%	100%	100%	50%	50%	50%	50%	10%	0%	0%	0%	
Offshore Technical Analyst	0%	0%	0%	50%	60%	100%	100%	100%	100%	29%	0%	0%	0%	0%	0%	0%	0%	
Offshore Functional Analyst	0%	0%	0%	25%	30%	50%	50%	50%	50%	50%	38%	0%	0%	0%	0%	0%	0%	
Onshore Exec Mgr	0%	28%	0%	0%	0%	0%	2%	10%	10%	8%	8%	10%	14%	13%	4%	3%	3%	
Onshore Solution Architect	0%	20%	0%	0%	0%	0%	5%	25%	25%	25%	25%	25%	26%	13%	4%	3%	3%	
Onshore Technical Lead	0%	0%	0%	0%	0%	0%	5%	25%	25%	25%	25%	25%	42%	65%	34%	15%	15%	
Onshore Technical Lead	0%	0%	0%	0%	0%	0%	5%	25%	25%	25%	19%	13%	25%	5%	0%	0%	0%	
Onshore Technical Lead	0%	0%	0%	0%	0%	0%	5%	25%	25%	25%	13%	0%	0%	0%	0%	0%	0%	
Offshore Functional Analyst	0%	0%	0%	0%	0%	0%	5%	25%	25%	25%	19%	13%	25%	25%	0%	0%	0%	
Onshore Exec Mgr - ERP Practice	0%	2%	1%	1%	0%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	0%	
Onshore Exec Mgr - Utilities	0%	3%	5%	4%	2%	5%	5%	5%	5%	5%	5%	5%	5%	2%	1%	1%	0%	
Onshore Functional Lead	0%	20%	50%	38%	20%	50%	50%	50%	50%	50%	50%	50%	50%	5%	5%	3%	3%	
Offshore Functional Analyst	0%	0%	20%	30%	16%	40%	20%	20%	20%	20%	20%	20%	20%	8%	5%	3%	3%	
Onshore Functional Lead	0%	0%	5%	5%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Offshore Functional Analyst	0%	0%	1%	14%	8%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Offshore Functional Analyst	0%	0%	0%	0%	0%	0%	30%	13%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Offshore Functional Analyst	0%	0%	0%	63%	30%	65%	72%	53%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Offshore Technical Lead	0%	0%	0%	75%	40%	72%	70%	75%	60%	3%	0%	0%	0%	10%	10%	5%	5%	

Instructions: Vendor will provide named roles SCVWA will be responsible for filling to support 100% knowledge transfer for the new FMIS. SCVWA has provided descriptions and percent allocation to the project in Section 7 of the RFP that they feel will be necessary. Vendor should modify this to align with their project plan and experience.

Staffing Plan

Month Number Project Month	3/18/2020	Execution												Support				
		Execution												Support				
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Business Days In Month		Mar '20	Apr '20	May '20	Jun '20	Jul '20	Aug '20	Sep '20	Oct '20	Nov '20	Dec '20	Jan '21	Feb '21	Mar '21	Apr '21	May '21	Jun '21	Jul '21
Business Days In Month		22	22	21	22	23	21	22	22	21	23	21	20	23	22	21	22	22
Total Available Hours in Month		176	176	168	176	184	168	176	176	168	184	168	160	184	176	168	176	176
Role	Average % Allocation	***Input Expected % Allocation***																
PMO		1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Executive / Steering Committee	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Fin Business Owner	2%	5%	3%	3%	3%	2%	3%	3%	2%	3%	3%	3%	3%	3%	3%	3%	3%	3%
SCM Business Owner	2%	5%	3%	3%	3%	2%	3%	3%	2%	3%	3%	3%	3%	3%	3%	3%	3%	3%
PPM Business Owner	2%	5%	3%	3%	3%	2%	3%	3%	2%	3%	3%	3%	3%	3%	3%	3%	3%	3%
HCM Business Owner	2%	5%	3%	3%	3%	2%	3%	3%	2%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Project Manager	57%	65%	100%	100%	100%	76%	60%	60%	60%	60%	45%	45%	45%	48%	15%			
WORKSTREAMS																		
FUNCTIONAL/Testers/Trainers																		
PO Lead - Kim Grass	27%	0%	25%	35%	38%	32%	20%	43%	20%	60%	15%	15%	45%	22%	5%			
Contracts Lead - Kim Grass	27%	0%	25%	35%	38%	32%	20%	43%	20%	60%	15%	15%	45%	22%	5%			
EPM Lead - Kim Grass	22%	0%	0%	0%	0%	0%	0%	0%	50%	50%	38%	38%	38%	40%	5%			
GL Lead - Rochelle Osorio	27%	0%	33%	35%	38%	32%	20%	43%	20%	60%	15%	15%	45%	22%	5%			
PPM Lead - Rochelle Osorio	27%	0%	25%	35%	38%	32%	20%	43%	20%	60%	15%	15%	45%	22%	5%			
AR Lead - Riselle Sierra	27%	0%	25%	35%	38%	32%	20%	43%	20%	60%	15%	15%	45%	22%	5%			
CM Lead - Riselle Sierra	22%	0%	20%	30%	35%	28%	20%	35%	20%	40%	15%	15%	30%	20%	5%			
FA Lead - Riselle Sierra	27%	0%	25%	35%	38%	32%	20%	43%	20%	60%	15%	15%	45%	22%	5%			
AP Lead - Liza Moncada	27%	0%	25%	35%	38%	32%	20%	43%	20%	60%	15%	15%	45%	22%	5%			
INV Lead - Liza Moncada	27%	0%	25%	35%	38%	32%	20%	43%	20%	60%	15%	15%	45%	22%	5%			
HCM Lead - Linda Pointer	27%	0%	25%	35%	38%	32%	20%	43%	20%	60%	15%	15%	45%	22%	5%			
Testing Lead - ?	8%	0%	0%	25%	0%	8%	10%	20%	8%	20%	0%	0%	15%	0%	0%			
Training Lead - ?	14%	0%	0%	0%	0%	0%	0%	0%	0%	0%	60%	60%	60%	16%	0%			
Payroll Lead - Yvonne Johnson	2%	0%	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
TESTING TEAM																		
GL SME	6%	0%	0%	0%	0%	0%	0%	0%	0%	40%	0%	0%	30%	12%	5%			
AP SME	6%	0%	0%	0%	0%	0%	0%	0%	0%	40%	0%	0%	30%	12%	5%			
AR SME	6%	0%	0%	0%	0%	0%	0%	0%	0%	40%	0%	0%	30%	12%	5%			
CM SME	6%	0%	0%	0%	0%	0%	0%	0%	0%	40%	0%	0%	30%	12%	5%			
FA SME	6%	0%	0%	0%	0%	0%	0%	0%	0%	40%	0%	0%	30%	12%	5%			
INV SME	6%	0%	0%	0%	0%	0%	0%	0%	0%	40%	0%	0%	30%	12%	5%			
PO SME	6%	0%	0%	0%	0%	0%	0%	0%	0%	40%	0%	0%	30%	12%	5%			
Contracts SME	6%	0%	0%	0%	0%	0%	0%	0%	0%	40%	0%	0%	30%	12%	5%			
HCM SME	6%	0%	0%	0%	0%	0%	0%	0%	0%	40%	0%	0%	30%	12%	5%			
PPM SME	6%	0%	0%	0%	0%	0%	0%	0%	0%	40%	0%	0%	30%	12%	5%			
EPM SME	6%	0%	0%	0%	0%	0%	0%	0%	0%	40%	0%	0%	30%	12%	5%			
ORGANIZATION CHANGE																		
Change Management Lead - Tanner Swire	8%	0%	0%	0%	0%	0%	0%	0%	0%	0%	30%	30%	30%	16%	0%			
INFRASTRUCTURE																		
TECHNICAL TEAM																		
Tech Lead	24%	0%	13%	73%	63%	50%	50%	10%	0%	20%	20%	20%	0%	16%	0%			
Total Resource Days		6,655	82,775	111,037.5	125,675	105.57	69,562.5	125,125	71.94	248,062.5	81,362.5	74,288	192.75	113.85	28,875	0	0	0
Total Resource Hours		53,24	662.2	888.3	1005.4	844.56	556.5	1001	575.52	1984.5	650.9	594.3	1542	910.8	231	0	0	0
FTE Count		0.3	3.8	5.3	5.7	4.6	3.3	5.7	3.3	11.8	3.5	3.5	9.6	5.0	1.3	0.0	0.0	0.0

These are the Recurring Tasks that are expected to be completed each month.

Attachment 6 - Recurring Deliverables

Start Month	End Month	ID	Name	Timing	Description and Purpose	Contents/Activities	Owner	Client support (if additional clarification is required)	Client Role	Vendor support (if additional clarification is required)	Vendor Role	Format	Length
2	11	PM1	Vendor input to Weekly Project Status Report	Weekly according to agreed to schedule	Summarizes status of Vendor components for the week. Is incorporated into the Weekly Project Status Report	<p>For Vendor responsibilities: ~Key accomplishments, issues, and risks ~Metrics appropriate for the project phase ~Primary goals for the coming week</p> <p>Key Activities: 1. Review & update open action items 2. Review and update to the project plan (includes detailed tasks) 3. Discuss & confirm readiness for next 4-week tasks 4. Review disposition of outstanding and/or new issues and determine if escalation is required 5. Review & discuss project metrics and document corrective actions if taken.</p>	Vendor		PM		PM	MS Project Plan, Excel exported Issues/Risks, Written word document of project status summarizing joint accomplishments for week	2 to 5 Pages or slides
2	11	PM3	Weekly Updates to Vendor Assigned Issues	Active issues updated Weekly	Updates to the Issue Log containing issues, concerns, questions, decisions, and simple "to-do" actions.	Update for all ACTIVE Vendor assigned issues. The person who opened the issue must agree to its closure.	Vendor		PM		PM	Maintained in the appropriate tracking tool described in the Project Tools.	300 - 500 issues expected
2	11	PM4	Weekly Updates to the Client Assigned Issues	Active issues updated Weekly	Updates to the Issue Log containing issues, concerns, questions, decisions, and simple "to-do" actions.	Update for all ACTIVE Client assigned issues. The person who opened the issue must agree to its closure.	Client		PM		PM	Maintained in the appropriate tracking tool described in the Project Tools.	300 - 500 issues expected
2	11	PM8	Monthly Updates to Vendor Assigned Risks	Active Risks updated Weekly	Updates to Risk Log containing threats to the overall project success as well as specific risks for each phase, major activity, or Deliverable.	Update for all ACTIVE Vendor assigned risks.	Vendor		PM		PM	Maintained in the appropriate tracking tool described in the Project Tools.	20 - 50 risks expected
2	11	PM9	Monthly Updates to the Client Assigned Risks	Active Risks updated Weekly	Updates to Risk Log containing threats to the overall project success as well as specific risks for each phase, major activity, or Deliverable.	Update for all ACTIVE Client assigned risks.	Client		PM		PM	Maintained in the appropriate tracking tool described in the Project Tools.	20 - 50 risks expected
2	11	PM10	Vendor input: Single, collaborative Monthly Project Contract Status Report	Monthly according to agreed to schedule	Recaps Vendor's compliance with SOW terms. Is incorporated into the Monthly Project Status Report. Focuses on SOW requirements. Provides documentation to support paying the monthly milestone payment.	<p>For Vendor responsibilities: ~Deliverables due and approved ~Vendor onsite staffing requirements and actuals ~Approved and Pending Change Order summary, report from the appropriate project tool ~List of other SOW terms due but not met during the month ~ All SOW Tabs will normally be white, if there is a deficiency, it will be changed to yellow and the individual text will be highlighted. ~ The Client and Vendor Project managers will work together to create one version of this Deliverable.</p>	Vendor		PM		PM	Highlighted Version of SOW, and reports from the appropriate tracking tool described in the Project Tools.	As Needed

These are the Recurring Tasks that are expected to be completed each month.

Attachment 6 - Recurring Deliverables

Start Month	End Month	ID	Name	Timing	Description and Purpose	Contents/Activities	Owner	Client support (if additional clarification is required)	Client Role	Vendor support (if additional clarification is required)	Vendor Role	Format	Length
2	11	PM11	Vendor input: Single, collaborative Monthly Project Contract Status Report	Monthly according to agreed to schedule	Recaps Vendor's compliance with SOW terms. Is incorporated into the Monthly Project Status Report. Focuses on SOW requirements. Provides documentation to support paying the monthly milestone payment.	For Client responsibilities: ~Deliverables due and approved ~Vendor onsite staffing requirements and actuals ~Approved and Pending Change Order summary, report from the appropriate project tool ~List of other SOW terms due but not met during the month ~ All SOW Tabs will normally be white, if there is a deficiency, it will be changed to yellow and the individual text will be highlighted. ~ The Client and Vendor Project managers will work together to create one version of this Deliverable.	Client		PM	PM	Highlighted Version of SOW, and reports from the appropriate tracking tool described in the Project Tools.	As Needed	
2	11	PM11	Publish: Monthly Project Status Contract Report	Monthly according to agreed to schedule	Recaps project's compliance with SOW terms. Incorporates Vendor input and reflects compliance for the entire project. Focuses on SOW requirements. Distributed collaboratively per the agreed-to communications plan	~Deliverables due and approved ~Vendor Onsite staffing requirements and actuals ~Approved and Pending Change Order summary, report from the appropriate project tool ~List of other SOW terms due but not met during the month ~ All SOW Tabs will normally be white, if there is a defect, it will be changed to yellow and the individual text will be highlighted. ~The Client and Vendor Project managers will work together to create one version of this Deliverable.	Client / Vendor		PM	PM	Highlighted Version of SOW, and reports from the appropriate tracking tool described in the Project Tools.	As Needed	
2	11	PM12	Vendor Input: ESC Presentation	Monthly according to agreed to schedule	Summarizes status of Vendor responsibilities for the month, focusing on information executives need to know and decisions or assistance needed from the executive team.	For Vendor responsibilities ~Key accomplishments, issues, and risks ~Metrics appropriate for the project phase ~Primary goals for the coming month ~Provide support for the Client Project Quality Audits as required	Vendor		PM	PM	PowerPoint	10 to 20 slides	
2	11	PM13	Client Input: ESC Presentation	Monthly according to agreed to schedule	Summarizes status of Vendor responsibilities for the month, focusing on information executives need to know and decisions or assistance needed from the executive team.	For Vendor responsibilities ~Key accomplishments, issues, and risks ~Metrics appropriate for the project phase ~Primary goals for the coming month ~Provide support for the Client Project Quality Audits as required	Client		PM	PM	PowerPoint	11 to 20 slides	
2	11	PM13	Publish: Monthly Executive Steering Committee Presentation	Monthly according to agreed to schedule	Summarizes project status for the month, focusing on information executives need to know and decisions or assistance needed from the executive team. Incorporates Vendor input and covers the entire project.	~Key accomplishments, issues, and risks ~Metrics appropriate for the project phase ~Primary goals for the coming month.	Client / Vendor		PM	PM	PowerPoint	10 to 20 slides	

These are the Recurring Tasks that are expected to be completed each month.

Attachment 6 - Recurring Deliverables

Start Month	End Month	ID	Name	Timing	Description and Purpose	Contents/Activities	Owner	Client support (if additional clarification is required)	Client Role	Vendor support (if additional clarification is required)	Vendor Role	Format	Length
2	11	PM13	Monthly Executive Steering Committee Meeting Participation	Monthly according to agreed to schedule	Summarizes project status for the month, focusing on information executives need to know and decisions or assistance needed from the executive team. Incorporates Vendor input and covers the entire project.	<ul style="list-style-type: none"> -Key accomplishments, issues, and risks -Metrics appropriate for the project phase -Primary goals for the coming month. 	Client / Vendor		PM		PM	N/A	N/A
2	11	PM14	Monthly Executive Talking Points	Monthly according to agreed to schedule	One page description of key project facts, updated monthly and provided to managers and executives for communicating with staff and others.	<ul style="list-style-type: none"> -Key project facts 	Client / Vendor		PM		PM	Word	1 Page
2	11	PM15	Vendor Input to MS Project Schedule Updates	Weekly according to agreed to schedule	Project Schedule tasks in Vendor responsibility updated with actuals and re-planning.	<ul style="list-style-type: none"> -Task status (complete, started, not started); Remaining work and duration -Late tasks moved forward -All MS Project Level 1-3 tasks for the entire project -All MS Project Level 4 tasks for the next 60-90 days -All participating resources, with assignments and level-specific work -Key dates reconciled -Schedule must conform to the requirements in Schedule Requirements tab of this SOW. 	Vendor		PM		PM	MS Project	750 to 2000 schedule lines
2	11	PM16	Client Input to MS Project Schedule Updates	Weekly according to agreed to schedule	Project Schedule tasks in Client responsibility updated with actuals and re-planning.	<ul style="list-style-type: none"> -Task status (complete, started, not started); Remaining work and duration -Late tasks moved forward -All MS Project Level 1-3 tasks for the entire project -All MS Project Level 4 tasks for the next 60-90 days -All participating resources, with assignments and level-specific work -Key dates reconciled -Schedule must conform to the requirements in Schedule Requirements tab of this SOW. 	Client		PM		PM	MS Project	751 to 2000 schedule lines
2	11	PM16	Updated Project Schedule	Reviewed during weekly project status meeting	All Project Schedule tasks updated with actuals and re-planning. Includes Client input.	<ul style="list-style-type: none"> -Task status (complete, started, not started); Remaining work and duration -Late tasks moved forward -All MS Project Level 1-3 tasks for the entire project -All MS Project Level 4 tasks for the next 60-90 days -All participating resources, with assignments and level-specific work -Key dates reconciled -Schedule must conform to the requirements in Schedule Requirements tab of this SOW. 	Vendor		PM		PM	MS Project	750 to 2000 schedule lines

These are the Recurring Tasks that are expected to be completed each month.

Attachment 6 - Recurring Deliverables

Start Month	End Month	ID	Name	Timing	Description and Purpose	Contents/Activities	Owner	Client support (if additional clarification is required)	Client Role	Vendor support (if additional clarification is required)	Vendor Role	Format	Length
2	5	PM19	Update Configuration Workbook	Reviewed in detail as needed - confirmation of updates occurs during weekly project status meeting	All Configuration changes will be documented in the Configuration Log.	<p>~ Prior to making updates to the System Configuration tables, Vendor will document the needed changes in the Configuration Log.</p> <p>~ On a weekly basis the Configuration Log will be inspected and compared to the primary environment where the Configurations are being managed to evaluate if there are differences.</p> <p>~ Vendor will provide a report directly from the primary environment where the Configurations are being managed and compare to the Configuration Log and create a variance report. This variance report will be for all Configuration tables within the System. There will not be any variances.</p>	Vendor		Functiona l Lead		Functiona l Lead	MS Project	Excel workbooks of PMS tool

SOW Attachment 10 - Milestone Payments Table

Module	MP #	Project Phase	Emtec ID#	Activity Name	Deliverable or Milestone Name	Invoicing Details							
						Fixed Price Amount	10% Retainage	Remit Amount					
Project Planning	1	Prepare	P1	Project Launch	Planning Schedule D2 – Kick-Off Slide Deck	\$100,000	\$0	\$100,000					
	4	Prepare	P2	Establish Project Governance and Repository	D3 - Project Governance docs including Resource Plan, Risk Plan, Quality, Communication Plan, and Budget Plan. Also, the ATMOS SharePoint site for project. Accessible Cloud Environments (Oracle deliverable)	\$70,450	\$7,045	\$63,405					
									P3	Provision Oracle Cloud env's - Setup Master Emtec account	D5 - RICE specification templates		
												P4	Create RICE specification templates
3	Prepare	P6	Global Design	Recommended Chart of Accounts Structure, Global Functional Architecture, Instance Management Plan, Global Integration Architecture, Data Conversion Strategy, Testing Strategy	\$70,450	\$7,045	\$63,405						
Core HCM	5	Discovery	D11	Kick Off and Discovery Started – Business Requirements Survey	D1 - Completed Requirements Survey	\$70,450	\$7,045	\$63,405					
	7	Discovery	D12	End to End Applications Walk thru	D7 - Requirements Traceability Matrix *	\$70,450	\$7,045	\$63,405					
									D3	Define Business Requirements			
									D4	Define Business Use Cases			
									DE1	Conduct Functional Design Workshops & Reviews			
	10	Design	DE2	Business Requirements Fit/Gap Analysis	Conduct Technical Design Reviews	D7 - Updated Requirements Traceability Matrix	\$70,450	\$7,045	\$63,405				
										DE3	Conduct Technical Design Reviews		
DE4										Define Oracle Integration Architecture Diagram			
C1										Create / Provide Generic Oracle Test Scripts and Generic Oracle Training Materials	D8 - Generic Oracle Test Scripts D9 - Generic Oracle Training Materials (for each Oracle Cloud app in scope)		
												C2	Setup & Configure Oracle Cloud Applications
12	Construct	C3	Begin development of RICE items (after MD50 signoff by client)	Build Test Plans and Entry / Exit criteria	D11 - Developed and unit tested RICE items	\$70,450	\$7,045	\$63,405					
									C4	Build Test Plans and Entry / Exit criteria			
									C5	Create Business specific Test Scripts and Training Materials	D16 - Test Plans and Entry/Exit Criteria D18 - Client specific Test Scripts and Training Materials (Templates and Review)		
12	Construct	C7	Execute CRP1 (Conference Room Pilot One) Test cycle (focus on testing std Oracle functionality)		D17 - Test Plan/Results with Issues & Action Items Log * Client feedback on system setup & configuration.	\$70,450	\$7,045	\$63,405					

Module	MP #	Project Phase	Emtec ID#	Activity Name	Deliverable or Milestone Name	Invoicing Details		
						Fixed Price Amount	10% Retainage	Remit Amount
ERP	18	Construct	C8	Prepare and Execute Sample Data Conversion	D5 - Data Conv templates populated with sample data by client. Sample data loaded into Oracle and validated and reconciled by client.	\$70,450	\$7,045	\$63,405
			C9	Completion of RICE	Completed RICE deliverables. inclusive of: 1) updated MD-50 Functional Specification, 2) MD-70 Technical Specification, 3) RICE deliverable development (report, integration, conversion, workflow), 4) RICE deliverable Unit Testing			
	21	Construct	C10	Execute CRP2 (Conference Room Pilot Two) Test cycle (focus on testing std Oracle functions and custom RICE items)	D17 - Test Plan/Results with Issues & Action Items Log * Full System testing complete with adjustments to setup & config noted as needed in CRP1.	\$84,540	\$8,454	\$76,086
			D11	Kick Off and Discovery Started	D1 - Completed Requirements Survey			
	6	Discovery	D12	End to End Oracle Applications Walk thru	Acclimated client team	\$70,450	\$7,045	\$63,405
			D13	Define Business Requirements	D7 - Requirements Traceability Matrix * D10 - Defined list of RICE Items needed *			
	8	Design	D14	Define Business Use Cases	D6 - Business Use Cases Matrix (client deliverable)	\$70,450	\$7,045	\$63,405
			DE1	Conduct Functional Design Workshops & Reviews	D12 - Functional Specification Documents			
	11	Design	DE2	Business Requirements Fit / Gap Analysis	D7 - Updated Requirements Traceability Matrix	\$70,450	\$7,045	\$63,405
			DE3	Conduct Technical Design Reviews	D13 - Technical Specification Documents (outline only until RICE items are built)			
DE4			Define Oracle Integration Architecture Diagram	D14 - Oracle integration Architecture Diagram				
C1			Create / Provide Generic Oracle Test Scripts and Generic Oracle Training Materials	D8 - Generic Oracle Test Scripts D9 - Generic Oracle Training Materials (for each Oracle Cloud app in scope)				
13	Construct	C2	Setup & Configure Oracle Cloud Applications	D15 - Configuration workbook documenting the setup and configuration	\$70,450	\$7,045	\$63,405	
		C3	Begin development of RICE items (after MD50 signoff by client)	D11 - Developed and unit tested RICE items				
19	Construct	C4	Build Test Plans and Entry / Exit criteria	D16 - Test Plans and Entry/Exit Criteria	\$70,450	\$7,045	\$63,405	
		C5	Create Business specific Test Scripts and Training Materials	D18 - Client specific Test Scripts and Training Materials (client deliverable)				
13	Construct	C7	Execute CRP1 (Conference Room Pilot One) Test cycle (focus on testing std Oracle functionality)	D17 - Test Plan & Results with Issues & Action Items Log * Client feedback on system setup & configuration.	\$70,450	\$7,045	\$63,405	
		C8	Prepare and Execute Sample Data Conversion	D5 - Data Conv templates populated with sample data by client. Sample data loaded into Oracle and validated and reconciled by client.				
19	Construct	C9	Completion of RICE	Completed RICE deliverables inclusive of: 1) updated MD-50 Functional Specification, 2) MD-70 Technical	\$70,450	\$7,045	\$63,405	

Module	MP #	Project Phase	Emtec ID#	Activity Name	Deliverable or Milestone Name	Invoicing Details		
						Fixed Price Amount	10% Retainage	Remit Amount
Core HCM & ERP Combined	22	Construct	C10		Specification, 3) RICE deliverable development (report, integration, conversion, workflow), 4) RICE deliverable Unit Testing			
				Execute CRP2 (Conference Room Pilot Two) Test cycle (focus on testing std Oracle functions and custom RICE items)	\$84,540	\$8,454	\$76,086	
	16	Validate	V1	Prepare and Execute Full Data Conversion	D5 - Data Conv templates populated with all data by client. Full data set loaded into Oracle and validated and reconciled by client.	\$70,450	\$7,045	\$63,405
				Finalize Test Plan and Test Scripts	D16 - Test Plans and Entry/Exit Criteria for CRP2 and UAT D18 - Updated Test Scripts inclusive of data needed (client deliverable)	\$70,450	\$7,045	\$63,405
	24	Validate	V3	Draft Training Materials and End User Guides & Prepare End User Training Plan	End User Training Plan with client specific training materials and user guides (client deliverable)			
				Execute UAT Test cycle	D17 - Test Plan & Results with Issues & Action Items Log End to end business process testing complete.	\$98,630	\$9,863	\$88,767
	26	Deploy	DP1	Prepare the Production Cutover Plan	D20 - Production Cutover Plan			
				Execute the End User Training Plan	Training of End Users			
	30	Deploy	DP3	Prepare the Production Support Plan	D21 - Production Support Plan	\$70,449	\$7,045	\$63,404
				Conduct Production and Operational Assessment Mtg	D19 - Production and Operational Assessment Document			
	32	Deploy	DP5	Conduct Go / No Go Mtg	Decision on whether to Go-Live with Oracle	\$70,449	\$7,045	\$63,404
				Execute the Production Cutover Plan	Oracle Applications Live in Production			
	9	Discovery	DE1	Execute the Production Support Plan	Provide Production Support for Oracle Applications as described and agreed to in the Production Support Plan.	\$133,174	\$13,317	\$119,857
				Kick Off and Discovery Started	D1 - Completed Requirements Survey	\$70,450	\$7,045	\$63,405
EPM	14	Design	Business Requirements Fit / Gap Analysis	D7 - Updated Requirements Traceability Matrix				
			Conduct Technical Design Reviews	D13 - Technical Specification Documents (outline only until RICE items are built)				
	Construct	C1	Define Oracle Integration Architecture Diagram	D14 - Oracle Integration Architecture Diagram				
			Create / Provide Generic Oracle Test Scripts and Generic Oracle Training Materials	D8 - Generic Oracle Test Scripts D9 - Generic Oracle Training Materials (for each Oracle Cloud app in scope)	\$70,450	\$7,045	\$63,405	
	C2	Setup & Configure Oracle Cloud Applications	D15 - Configuration workbook documenting the setup and configuration					
		Begin development of RICE items (after MD50 signoff by client)	D11 - Developed and unit tested RICE items					
	C3	Build Test Plans and Entry / Exit criteria	Build Test Plans and Entry / Exit criteria	D16 - Test Plans and Entry/Exit Criteria				

Module	MP #	Project Phase	Emtec ID#	Activity Name	Deliverable or Milestone Name	Invoicing Details		
						Fixed Price Amount	10% Retainage	Remit Amount
All 3 - Core HCM, ERP, EPM			C5	Create Business specific Test Scripts and Training Materials	D18 - Client specific Test Scripts and Training Materials (client deliverable)			
			C6	Create Technical Spec Docs for RICE Items	D13 - Tech Spec Docs for RICE Items *			
	15	Construct	C7	Execute CRP1 (Conference Room Pilot One) Test cycle (focus on testing std Oracle functionality)	D17 - Test Plan & Results with Issues & Action Items Log * Client feedback on system setup & configuration.	\$70,450	\$7,045	\$63,405
	17	Validate	V1	Prepare and Execute Full Data Conversion	D5 - Data Conv templates populated with all data by client. Full data set loaded into Oracle and validated and reconciled by client.	\$70,450	\$7,045	\$63,405
	20	Construct	C8	Prepare and Execute Sample Data Conversion	D5 - Data Conv templates populated with sample data by client. Sample data loaded into Oracle and validated and reconciled by client.			
			C9	Completion of RICE	Completed RICE deliverables inclusive of: 1) updated MD-50 Functional Specification, 2) MD-70 Technical Specification, 3) RICE deliverable development (report, integration, conversion, workflow), 4) RICE deliverable Unit Testing	\$70,450	\$7,045	\$63,405
	23	Construct	C10	Execute CRP2 (Conference Room Pilot Two) Test cycle (focus on testing std Oracle functions and custom RICE items)	D17 - Test Plan & Results with Issues & Action Items Log * Full System testing complete with adjustments to setup & config noted as needed in CRP1.	\$84,540	\$8,454	\$76,086
	25	Validate	V2	Finalize Test Plan and Test Scripts	D16 - Test Plans and Entry/Exit Criteria for CRP2 and UAT			
			V3	Draft Training Materials and End User Guides & Prepare End User Training Plan	D18 - Updated Test Scripts inclusive of data needed (client deliverable) End User Training Plan with client specific training materials and user guides (client deliverable)	\$70,450	\$7,045	\$63,405
	27	Validate	V4	Execute UAT Test cycle	D17 - Test Plan & Results with Issues & Action Items Log End to end business process testing complete.	\$84,539	\$8,454	\$76,085
			DP1	Prepare the Production Cutover Plan	D20 - Production Cutover Plan			
	29	Deploy	DP2	Execute the End User Training Plan	Training of End Users			
			DP3	Prepare the Production Support Plan	D21 - Production Support Plan	\$70,449	\$7,045	\$63,404
	31	Deploy	DP4	Conduct Production and Operational Assessment Mtg	D19 - Production & Operational Assessment Document			
			DP5	Conduct Go / No Go Mtg	Decision on whether to Go-Live with Oracle	\$70,449	\$7,045	\$63,404
	33	Deploy	DP5	Execute the Production Cutover Plan	Oracle Applications Live in Production	\$133,174	\$13,317	\$119,857
			DP7	Go-Live for EPM				
	34	Post-Impl.	DP8	Post Go-Live Support	First Closing Complete	\$84,539	\$8,454	\$76,085
	35			Retainage Payment	33% of Line 34	\$90,591	\$0	\$90,591
	36	Post-Impl.	DP8	Post Go-Live Support	Second Closing Complete	\$84,539	\$8,454	\$76,085
	37			Retainage Payment	33% of Line 36	\$90,591	\$0	\$90,591
	38	Post-Impl	DP8	Post Go-Live Support Complete	PGLS Complete	\$84,539	\$8,454	\$76,085

Module	MP #	Project Phase	Emtec ID#	Activity Name	Deliverable or Milestone Name	Invoicing Details		
						Fixed Price Amount	10% Retainage	Remit Amount
Project Close Out	39	Post-Impl	DP9	Project Closure & Final Retainage Payment	Client sign-off on completion of project. D22 - Oracle CEI Survey	\$90,618	\$0	\$90,618
Project Totals						\$2,818,000		\$2,818,000



Price Quotation

Quote: 4783878
 Reference: 1500105
 Date: 01/14/2020
 Expires: 01/31/2020

To: Cris Perez
 Santa Clarita (CA)
 27234 Bouquet Canyon Road
 Santa Clarita, CA 91350

From: Sean Sexton
 DLT Solutions, LLC
 2411 Dulles Corner Park
 Suite 800
 Herndon, VA 20171

Phone: (661) 295-6507
 Fax:
 Email: cperez@scvwa.org

Phone: (703) 708-9156
 Fax: (866) 419-7926
 Email: sean.sexton@dlt.com

#	DLT Part No.	Contract	Qty	Unit Price	Ext. Price
	NOTE				
	Please note this quote reflects a 60-month (5 year) base term at an approved 0% uplift.				
	NOTE				
	Under this order, You are ordering a total of fifty (50) Hosted Named Users of B91074 - Oracle Enterprise Performance Management Enterprise Cloud Service. Notwithstanding any statement to the contrary in the Services Specifications, this Cloud Service shall be used for Planning Business Process as described in the Service Specifications only, and may not be used for Account Reconciliation, Enterprise Data Management, Financial Consolidation and Close, Narrative Reporting, Profitability and Cost Management or Tax Reporting Business Processes. Further, the Unit Net Price for this Cloud Service applies to this order only. You may not subsequently expand this order (i) to include additional Users of B91074 - Oracle Enterprise Performance Management Enterprise Cloud Service at the Unit Net Price indicated in this quote, or (ii) to include B91077 - Oracle Additional Application for Oracle Enterprise Performance Mangement Enterprise Cloud Service - Hosted Environment. You are solely responsible for managing compliance and demonstrating compliance to Oracle upon request.				
1	9891-316277	MSTATE-ORCL-USC	5	\$10,309.0027	\$51,545.01
	Cloud Priority Support for SaaS - Each, Monthly **Quantity reflects Priority Support (1) x years (5).**				
2	9891-250078	MSTATE-ORCL-USC	600	\$7.7628	\$4,657.68
	Oracle Fusion WebCenter Forms Recognition Cloud Service - Hosted 1,000 Records, Monthly **Quantity reflects licenses (10) x months (60).**				
3	9891-311103	MSTATE-ORCL-USC	3	\$9,703.504	\$29,110.51
	Additional Test Environment for Oracle Fusion Cloud Service - Each, Annual **Quantity reflects Hosted Environment (1) x years (3).**				
4	9891-32360519	MSTATE-ORCL-USC	3000	\$59.29919	\$177,897.57
	Oracle Enterprise Performance Management Enterprise Cloud Service - Hosted Named User , Monthly **Quantity reflects licenses (50) x months (60).**				
5	9891-316277	MSTATE-ORCL-USC	5	\$3,557.951	\$17,789.76
	Cloud Priority Support for SaaS - Each, Monthly **Quantity reflects Priority Support (1) x years (5).**				
6	9891-32360516	MSTATE-ORCL-USC	3000	\$80.86253	\$242,587.59
	Oracle Fusion Enterprise Resource Planning Cloud Service - Hosted Named User , Monthly **Quantity reflects licenses (50) x months (60).**				
7	9891-32360526	MSTATE-ORCL-USC	1800	\$80.86253	\$145,552.55
	Oracle Fusion Procurement Cloud Service - Hosted Named User, Monthly **Quantity reflects licenses (30) x months (60).**				



Price Quotation

Quote: 4783878
 Reference: 1500105
 Date: 01/14/2020
 Expires: 01/31/2020

#	DLT Part No.	Contract	Qty	Unit Price	Ext. Price
8	9891-32360517	MSTATE-ORCL-USC	13500	\$2.5876	\$34,932.60
	Oracle Fusion Enterprise Resource Planning for Self Service Cloud Service - Hosted Named User , Monthly **Quantity reflects licenses (225) x months (60).**				
9	9891-32360527	MSTATE-ORCL-USC	6000	\$1.03504	\$6,210.24
	Oracle Fusion Procurement Self Service Cloud Service - Hosted Named User , Monthly **Quantity reflects licenses (100) x months (60).**				
10	9891-316265	MSTATE-ORCL-USC	60000	\$2.5876	\$155,256.00
	Fusion Human Capital Management Base Cloud Service - Hosted Employee, Monthly **Quantity reflects Hosted Employees (1000) x months (60).**				
11	9891-316266	MSTATE-ORCL-USC	60000	\$1.20755	\$72,453.00
	Fusion Payroll Cloud Service for United States - Hosted Employee, Monthly **Quantity reflects Hosted Employees (1000) x months (60).**				
12	9891-240539	MSTATE-ORCL-USC	60000	\$0.51752	\$31,051.20
	Fusion Time and Labor Cloud Service - Hosted Named User, Monthly **Quantity reflects Hosted Employees (1000) x months (60).*				
13	9891-311103	MSTATE-ORCL-USC	3	\$12,938.005	\$38,814.02
	Additional Test Environment for Oracle Fusion Cloud Service - Each, Annual **Quantity reflects Hosted Environment (1) x years (3).**				
14	9891-316277	MSTATE-ORCL-USC	5	\$5,175.202	\$25,876.01
	Cloud Priority Support for SaaS - Each, Monthly **Quantity reflects Priority Support (1) x years (5).**				
15	9891-316278	MSTATE-ORCL-USC	60	\$850.00	\$51,000.00
	Cloud Priority Support for SaaS - Base Fee - Each, Monthly **Quantity reflects Priority Support Base Fee (1) x months (60).**				
16	9891-32360530	MSTATE-ORCL-USC	1800	\$45.28302	\$81,509.44
	Oracle Fusion Supply Chain Execution Cloud Service - Hosted Named User , Monthly **Quantity reflects licenses (30) x months (60).**				

NOTE

**Please note Santa Clarita was approved for an additional 60-month (5 year) priced optional term at a reduced uplift year-over-year for each year in the priced 60-month (5 year) option term. Here is an estimated breakdown:

- Year 6: \$228,450.28
- Year 7: \$237,588.29
- Year 8: \$247,091.82
- Year 9: \$256,975.50
- Year 10: \$267,254.52

Estimated Total for 60-month (5 year) Option Term: \$1,237,360.41.**

Total

\$1,166,243.18



Price Quotation

Quote: 4783878
Reference: 1500105
Date: 01/14/2020
Expires: 01/31/2020

Contract Serial No. 180233-001
Contract Expires: 11/30/2023
DUNS #: 78-646-8199
Federal ID #: 54-1599882
FOB: Destination
Terms: Net 30 (On Approved Credit)
DLT accepts VISA/MC/AMEX
Ship Via: Fedex Ground/UPS

THIS QUOTE IS SUBJECT TO THE TERMS AND CONDITIONS OF CONTRACT SERIAL NUMBER 180233. CUSTOMER IS DIRECTED TO INCORPORATE (BY REFERENCE) THIS QUOTE IN ANY RESULTING TASK/DELIVERY ORDER OR AWARD. THE TERMS OF THE AFOREMENTIONED CONTRACT ARE THE ONLY CONTROLLING TERMS AND ANY TERMS OR CONDITIONS CONTAINED IN AN ORDER, AWARD OR OTHER INSTRUMENT OF BUYER, WHICH ARE IN ADDITION TO OR INCONSISTENT WITH ANY OF THE TERMS OR CONDITIONS CONTAINED IN THOSE REFERENCED HEREIN, SHALL NOT BE BINDING ON DLT OR ITS MANUFACTURERS AND SHALL NOT APPLY UNLESS SPECIFICALLY AGREED TO IN WRITING BY DLT.

CPARs requests should be sent to the attention of AJ Ezersky at cpars@dlt.com.

PLEASE REMIT PAYMENT TO:	ACH: DLT Solutions, LLC Bank of America ABA # 111000012 Acct # 4451063799	-OR-	Mail: DLT Solutions, LLC P.O. Box 743359 Atlanta, GA 30374-3359
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Customer orders subject to applicable sales tax.

Documentation to be submitted to validate Invoice for payment:

- Authorized Services shall be invoiced with a corresponding time report for the period of performance identifying names, days, and hours worked.
- Authorized reimbursable expenses shall be invoiced with a detailed expense report, documented by copies of supporting receipts.
- Authorized Education or Training shall be invoiced with a Report identifying date and name of class completed, and where applicable the name of attendees.

The Quote Number referenced above incorporates Oracle's Technical Support Policies located at: <http://www.oracle.com/us/support/policies/index.html>. Issuance of an order pursuant to this quote is acknowledgement and acceptance of these terms and conditions. Please reference and incorporate this Quote Number on your purchase order.

ATTACHMENT 2

RESOLUTION NO. ____

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARITA VALLEY WATER AGENCY
DIRECTING AWARD OF A CONTRACT TO
EMTEC CONSULTING SERVICES, LLC. FOR
CUSTOMIZATION AND IMPLEMENTATION OF THE FMIS**

WHEREAS, the Agency has a need to modernize and update the Agency's existing accounting software of four legacy systems since merging into one entity in January 2018; and

WHEREAS, in order to improve efficiency, the Agency recognized the need to implement new Financial Management Information System (FMIS) by 1) choosing the correct software to meet the Agency-defined functional requirements; and 2) contracting with a system implementation vendor to customize the identified functional requirements; and

WHEREAS, after a year of data gathering, evaluating criteria and functional requirements, developing and reviewing an RFP (Request For Proposal), participating in vendor demonstrations and confirmation sessions, the Board approved Oracle Enterprise Performance Management Enterprise Cloud Service (Oracle) at its February 18, 2020 regular meeting as the software vendor who best met the Agency's needs; and

WHEREAS, the second component of the FMIS project is to contract with the system implementation vendor that will be customizing and implementing the Oracle software, and that based on the competitive selection process, staff recommends the award of a consultant contract to Emtec Consulting Services, LLC. in an amount not to exceed \$3,257,454, for implementation and customization of the Oracle FMIS; and

WHEREAS, after full implementation, the new FMIS will: 1) replace the current financial and accounting systems with a single system tailored for government agencies; 2) develop a configured platform that will meet the Agency's business requirements and automatically transfer and upload data in real time; 3) streamline and improve current business processes; 4) provide detailed project management accounting and reporting; 5) integrate payroll and benefits; and 6) integrate paperless document management into all business processes.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the Santa Clarita Valley Water Agency does authorize the General Manager to execute a 17-month contract with Emtec Consulting Services, LLC in an amount not to exceed \$3,257,454 for implementation and customization of the Oracle FMIS.

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COMMITTEE MEMORANDUM

DATE: March 9, 2020
TO: Finance and Administration Committee
FROM: Rochelle Patterson *[Signature]*
Director of Finance and Administration
SUBJECT: Recommend Approval of Position Control for FY 2020/21

SUMMARY

As part of the budget process each year, supervisors and managers review their departmental staffing levels. If there is a need to add staff, justification is requested in order for executive staff to review the proposed need and determine which position requests to bring forward for consideration by the Finance and Administration Committee and Board of Directors. Based on this process, a total of four (4) proposed positions would be included in the Fiscal Year (FY) 2020/21 amended budget.

The activities of the Agency in its current form have increased since the merger as we face new challenges and operational requirements. The Agency requires organizational changes to deal with these challenges.

DISCUSSION

The Formation Study from November 2016 identified that there would be staff savings due to attrition, but there would also be the need to add future staff. It was projected that 11.9 positions would be eliminated within the first three years of SCV Water. At the time of the merger (January 2018), seven (7) positions were eliminated, and an additional five (5) positions were eliminated in FY 2018/19 for a total of twelve (12) positions.

During the FY 2019/20 and FY 2020/21 budget discussions, management identified the need to repurpose five (5) of the twelve (12) eliminated positions. The five (5) added positions were:

- 2 Civil Engineers
- 1 Administrative Analyst (Engineering Services Section)
- 1 Emergency Response and Safety Coordinator
- 1 Asset Management Coordinator

All of these positions are currently filled, with the exception of one (1) Civil Engineer position. That position is currently in the recruitment process is expected to be completed by the end of FY 2019/20.

While some necessary positions were added, the Agency has also rescoped and underfilled several positions as retirements have taken place since the merger, resulting in an estimated annual savings of \$350,608.

Four (4) positions have been requested to be added for FY 2020/21. All of the positions are currently in the Agency’s Classification Plan and will not require a new job description. The four (4) positions will increase the FY 2020/21 budget by \$384,348. With the addition of these four (4) positions, the Agency will continue to show an annual savings of \$942,848 compared to pre-merger staffing levels. The four (4) positions requested are:

- 1 Water Utility Foreman – Production
- 2 Administrative Technicians – Technology Services and Administrative Services
- 1 Field Customer Service Representative

		Annual (Savings)/Costs	No. of Employees
Jan 2018	Number of Employees		223
Jan 2018	Seven (7) Eliminated Positions	(1,078,200)	216
FY 2018/19	Five (5) Eliminated Positions	(547,343)	211
FY 2019/20	Five (5) Repurposed Positions	648,955	216
FY 2019/20	Underfilled Positions	(350,608)	216
FY 2020/21	Four (4) Repurposed Positions	384,348	220
Annual Savings		(942,848)	

Water Utility Foreman – Production

The Production Department currently has enough staff to handle the basic needs. However, in order to meet required CIP (Capital Improvement Program) and maintenance schedules, support is needed. The two Production Supervisors are requesting a Water Utility Foreman to assist with the organization, delegation and facilitation of all the various projects, which includes over 230 facilities including but not limited to wells, turnouts, booster stations, and storage tank maintenance, groundwater treatment, instrumentation and SCADA, and facility capital improvements. A Water Utility Foreman would assist and be available to respond to daily requests and questions from the Production Supervisor. They would assist with Requests for Proposals (RFPs) and plan reviews, delegate, redirect resources and coordinate with outside contractors as needed. This position will be equivalent to the current Water Utility Foreman who reports to the Operations Supervisors. The annual cost for this position is approximately \$119,653.

Administrative Technician – Technology Services

Certain administrative workflows and workloads have been consolidated in the last year and have dramatically impacted Technology Services. Prior resource maintenance of office phones, mobile phones, printers, and their related service contracts were maintained by administrative personnel at their respective office locations, which was a partial responsibility of 4 different staff members. As of 2018, the Technology Services staff now manages these resources in addition to daily support ticketing, maintaining day-to-day operations, leading new projects and implementations, securing and monitoring cybersecurity systems, and advancing the Agency’s technology.

The Technology Services team has sustained and maintained hundreds of systems (workstations, mobile devices, servers, applications, phone systems, data circuits, databases and cybersecurity monitoring and initiatives), but the level of complexity has already extended the learning curve. New enterprise and cloud-based systems require additional training and resources beyond what current man-hours allow. The addition of an Administrative Technician

will help alleviate time spent on coordination and administrative functions, allowing the team to prepare and learn the complexity of the next generation technologies and develop opportunities that allow for more effective and efficient maintenance of the existing systems. The annual cost for this position is approximately \$93,781.

Administrative Technician – Administrative Services

Prior to the merger, procurement, contracts, insurance, fleet tracking and general administrative services were performed by staff at their legacy agencies and was not their primary responsibility. As part of the integration efforts, it was determined it would be most effective to handle these types of activities for the entire Agency at a central location. For procurement, this allows for central management and volume purchases that lead to better prices and terms as well as the ability to work with larger suppliers. For contracts and insurance, proper management of insurance documents, like the certificate of insurance, is integral for maintaining vendor/contractor compliance. It protects the Agency against potential loss and is a proactive and defined approach to the collection and monitoring of insurance certificates. The Administrative Technician will assist in tasks such as scheduling, writing policies, and record keeping. The annual cost for this position is approximately \$93,781.

Field Customer Service Representative

In order to complete all required tasks, up to two additional staff are needed, but one is being requested. Currently the Operations department rotates 1 – 2 staff into this Department on a daily-to-weekly basis to assist with the growing need to service nearly 74,000 customers across approximately 195 square miles. There are currently ten (10) Field Customer Service Representatives under the Operations Water Utility Foreman. The Field Customer Service staff are responsible to read meters (via walking or automated meter reading), perform meter reading rechecks, perform shut-offs, turn-ons, hanging door tags, respond to customer requests, meter change-outs, new meter installations and meter leak repairs. The annual cost for this position is approximately \$77,134.

Affected areas of the organization chart with highlighted changes are included in Attachment 1.

Other Potential Needs

In our Water Resources section, the potential to add a technical modeling position is also under review. With the increase in planning activities for SGMA (Sustainable Groundwater Management Act), Recycled Water, managing our water supply and storage portfolio, etc., an in-house resource modeling expert is becoming a major consideration. This position is not yet included in the proposal as staff continues to refine the best strategy.

In our Water Quality section, one significant impact of the PFAS regulatory changes will be in the number and cost of additional sampling on an ongoing basis. Currently PFAS (Per- and Poly-fluoralkyl Substances) testing takes place in an outside lab using equipment that the Agency's lab does not have. The costs of these tests are as much as \$600 per sample. Staff are completing an economic analysis which will likely demonstrate that purchasing equipment and providing a staff position would have a relatively short payback, versus continuing to use the outside lab service. This position is not yet requested since there is a long lead time to certify the laboratory for these new tests. The decision will be brought to the Board through a separate action and the staffing impact would likely not be until the end of FY 2020/21 or early FY 2021/22.

In our Buildings and Grounds department, we have seen a workload increase of over 150% since the formation of SCV Water. The staffing level of this department did not increase at SCV Water's formation, in spite of the addition of two (2) office buildings, two (2) warehouses and significant areas of landscaping and grounds. The functions of office maintenance were performed by staff at their legacy agencies and was not their primary responsibility. We are currently evaluating other options for meeting these increased demands on staff and are deferring any request for additional personnel to a future year.

FINANCIAL CONSIDERATIONS

The approximate annual cost for the four (4) requested positions is \$384,348 and will be included in the FY 2020/21 amended budget.

RECOMMENDATION

That the Finance and Administration Committee recommends the Board of Directors approve the position control for FY 2020/21 with the addition of (1) Water Utility Foreman, (2) Administrative Technicians and (1) Field Customer Service Representative for a total employee count of 220.

RP

ATTACHMENT 1

SCV WATER - POSITION CONTROL FY 2020/21

Authorized Positions by Department

SCVWA Position	No.
Management	
General Manager	1
Assistant General Manager	1
Chief Financial and Administrative Officer	1
Board Secretary	1
Administrative Technician	1
Subtotal Management	5
Engineering Services	
Chief Engineer	1
Principal Engineer	3
Senior Engineer	2
Civil Engineer	3
Engineering Technician II	4
Engineering Technician I	1
Administrative Analyst	3
Administrative Technician	2
Inspector Supervisor	1
Senior Inspector	1
Inspector	3
Cross Connection Specialist	1
Laboratory/Regulatory Affairs Supervisor	1
Water Quality Scientist II	3
Water Quality Technician	1
Subtotal Engineering Services	30
Finance and Administration	
Director of Finance and Administration	1
Controller	1
Human Resources Supervisor	1
Senior Management Analyst	2
Accounting Manager	1
Management Analyst	1
Financial Analyst	2
Human Resources Analyst	2
Senior Accountant	2
Accountant	3
Senior Accounting Technician	2
Accounting Technician II	3
Customer Service Manager	1
Customer Service Supervisor	2
Purchasing Coordinator	1
Administrative Technician (2-Additional)	5
Customer Service Representative II	6
Customer Service Representative I	4
Office Assistant II	1

**SCV WATER - POSITION CONTROL
FY 2020/21**

Authorized Positions by Department

SCVWA Position	No.
Director of Technology Services	1
Information Technology Administrator	1
Asset Management Coordinator	1
GIS Supervisor/Planner	1
Senior Information Technology Technician	1
Information Technology Technician	2
GIS/CAD Technician II	2
GIS/CAD Technician I	1
Subtotal Finance and Administration	51
Operations and Maintenance	
Chief Operating Officer	1
Director of Operations and Maintenance	1
Safety Officer	1
Safety Specialist I	1
Emergency Preparedness and Safety Coordinator	1
Buildings and Grounds Supervisor	1
Senior Facilities Maintenance Technician	1
Facilities Maintenance Technician II	2
Operations and Maintenance Superintendent	1
Electrical/Instrumentation Supervisor	1
Distribution/Mechanical Supervisor	1
Senior Electrical Technician	2
Senior Instrumentation Technician	3
Senior Distribution/Mechanical Technician	3
Distribution and Mechanical Technician II	3
Electrical and Instrumentation Technician	1
Senior Treatment Plant Operator	6
Treatment Plant Operator II	3
Executive Assistant	1
Administrative Technician	3
Water Utility Foreman (Operations)	1
Water Utility Foreman (Maintenance)	2
Water Utility Foreman (Production)	(1-Additional)
Senior Utility Worker	7
Utility Worker II	9
Utility Worker I	13
Production Supervisor	2
Senior Production Operator	4
Production Operator II	9
Production Operator I	2
Operations Supervisor	2
Senior Field Customer Service Representative	2
Field Customer Service Representative II	6
Field Customer Service Representative I	(1-Additional)
Warehouse Technician	3

**SCV WATER - POSITION CONTROL
FY 2020/21**

Authorized Positions by Department

SCVWA Position	No.
Water Quality/Compliance Supervisor	1
Water Quality Specialist	2
Water Quality Technician	4
Subtotal Operations and Maintenance	110
Water Resources, Watersheds and Outreach	
Director of Water Resources	1
Principal Water Resources Planner	2
Senior Water Resources Planner	2
Public Information Officer	1
Public Affairs Specialist II	1
Event Coordinator	2
Lead Water Conservation Education Specialist	1
Water Conservation Education Specialist (part-time)	8
Resource Conservation Manager	1
Water Conservation Specialist II	2
Water Conservation Specialist I	1
Administrative Analyst	2
Subtotal Water Resources, Watersheds and Outreach	24
Total	220

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COMMITTEE MEMORANDUM

ITEM NO.
5

DATE: March 9, 2020

TO: Finance and Administration Committee

FROM: Rochelle Patterson *[Signature]*
Director of Finance and Administration

SUBJECT: Review FY 2020/21 Budget Calendar

SUMMARY

At the January 14, 2019 regular Finance and Administration (F&A) Committee meeting, the Committee approved a 2-year (biennial) budget. The first year of the biennial budget (FY 2019/20) formally adopted the spending plan for that year, and the second year's (FY 2020/21) appropriations would be tentatively approved to be used as the spending plan for year two.

The Agency is currently – as illustrated in the proposed budget calendar below – going through an abbreviated review process for any critical changes to the FY 2020/21 spending plan. Staff will be proposing updates to year two of the biennial budget to the F&A Committee and Board for formal approval of the FY 2020/21 spending plan.

DISCUSSION

BUDGET CALENDAR FY 2020/21	
Feb	Key staff discuss Operating and Capital Budget directives with Section Managers and Supervisors
March 16	Finance and Administration Committee Review Draft FY 2020/21 Budget Calendar
March 23	Section Managers submit their proposed Operating and Capital Budgets
April 2	<i>Engineering and Operating Committee</i> Review proposed major and significant Capital Improvement Projects (CIP)
April 20	<i>Finance and Administration Committee</i> Review Amended Draft FY 2020/21 Budget and Status of FY 2019/20
May 18	<i>Finance and Administration Committee</i> Recommend Approval of Final Amended FY 2020/21 Budget
June 2	<i>Board of Directors</i> Approve Final Amended FY 2020/21 Budget

FINANCIAL CONSIDERATIONS

None at this time

RECOMMENDATION

Staff recommends that the Finance and Administration Committee review and discuss the budget calendar for FY 2020/21 and provide further direction.

RP

M65



COMMITTEE MEMORANDUM

DATE: March 2, 2020
TO: Finance and Administration Committee
FROM: Rochelle Patterson *[Signature]*
Director of Finance and Administration
SUBJECT: Recommend Approval of Delegation of Authority to Request Disbursements from the OPEB Prefunding Plan

SUMMARY AND DISCUSSION

At the December 17, 2019 regular Board meeting, the Board approved the plan to (1) fully fund the Unfunded Actuarial Accrued Liability (UAAL) for the Agency's Other Post Employment Benefits (OPEB) and (2) consolidate the Castaic Lake Water Agency and Newhall County Water District trust accounts held by California Employers Retirement Benefit Trust (CERBT) into a new Santa Clarita Valley Water Agency account.

As part of the process to merge the two CERBT accounts, a new Delegation of Authority to Request Disbursements from the account needs to be provided. The Director of Finance and Administration and the Controller of the Agency will need to be authorized to disburse funds from CERBT.

Withdrawals from CERBT typically happen at the end of each fiscal year to recover the cost of retiree benefits paid by the operating funds of the Agency from the same fiscal year.

FINANCIAL CONSIDERATIONS

No financial impacts.

RECOMMENDATION

That the Finance and Administration Committee recommends the Board of Directors approve the delegation of authority to the Director of Finance and Administration and the Controller to request disbursement of qualified funds from CERBT.

RP

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DELEGATION OF AUTHORITY
TO REQUEST DISBURSEMENTS

RESOLUTION
OF THE

BOARD OF DIRECTORS

(GOVERNING BODY)

OF THE

SANTA CLARITA VALLEY WATER AGENCY

(NAME OF EMPLOYER)

The **BOARD OF DIRECTORS** delegates to the incumbents
(GOVERNING BODY)

in the positions of **DIRECTOR OF FINANCE & ADMINISTRATION** and
(TITLE)

CONTROLLER and/or
(TITLE)

_____ authority to request on
(TITLE)

behalf of the Employer disbursements from the Other Post Employment Prefunding
Plan and to certify as to the purpose for which the disbursed funds will be used.

By _____

Title _____

Witness _____

Date _____

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COMMITTEE MEMORANDUM

DATE: March 2, 2020
TO: Finance and Administration Committee
FROM: Rochelle Patterson *RP*
Director of Finance and Administration
SUBJECT: Review Annual List of Professional Services Contracts

SUMMARY AND DISCUSSION

The Agency's Purchasing Policy requires the General Manager to present to an appropriate Committee an annual report of professional services contracts. The annual report of professional services contracts is to include consultant name, description of service, amount and expiration date. The updated report of professional services contracts is attached.

FINANCIAL CONSIDERATIONS

None.

RECOMMENDATION

That the Finance and Administration Committee recommend the Board of Directors receive and file the attached report of professional services contracts.

RP

Attachment

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PROFESSIONAL SERVICES CONTRACTS

CONSULTANT	CONTRACT TITLE	CONTRACT EFFECTIVE DATE	CONTRACT EXPIRATION DATE	ORIGINAL CONTRACT AMOUNT	PAYMENTS THROUGH 12/31/2019	BALANCE REMAINING @ 12/31/2019
AAC Utility Partners, LLC	FMS Assessment and Selection	01/29/19	07/28/20	\$ 255,000.00	\$ 217,670.67	\$ 37,329.33
Akel Engineering Group, Inc.	On-Call Professional Services Agreement for Planning and Hydraulic Modeling Services	10/23/20	06/30/21	26,380.00	6,045.00	20,335.00 (a)
Black & Veatch	On-Call Engineering and/or Construction Management and Inspec. Services	03/04/15	06/30/20	300,973.00	59,160.07	241,812.93 (a)
Blaine Tech Services, Inc.	Groundwater Monitoring Well Sampling	10/08/19	12/31/21	75,000.00	15,355.00	59,645.00
California Advocates, Inc.	Legislative Services (State) month-to-month	07/01/19	06/30/20	97,800.00	48,778.93	49,021.07
Cannon Corporation	On-Call Engineering and/or Construction Mngt and Inspection Services	07/31/18	06/30/20	1,280,560.00	51,316.50	1,229,243.50 (a)
Civiltec Engineering, Inc.	On-Call Professional Engineering Services for Planning and Design of Potable and Recycled Water Supply and Distribution Systems and Support Facilities	01/01/17	12/31/20	\$ 250,000.00	\$ -	\$ 250,000.00
Contractor Compliance and Monitoring Inc	Labor Compliance Program - Grant Funded Projects	10/01/14	12/31/20	58,000.00	27,596.25	30,403.75
Cooperative Personnel Servicesg	Classification/Comprehensive Benefits Study	07/01/19	06/30/21	162,890.00	6,029.55	156,860.45
CV Strategies, Inc.	Stakeholder Communication and Engagement Services for GSP Development	03/01/19	01/31/22	150,000.00	28,766.82	121,233.18
Daniel B. Stephens & Associates, Inc.	Castaic Lake Water Agency Litigation Settlement Agreement Cost Consultant	09/21/17	12/31/30		11,267.25	- (b)
DCSE, Inc.	Valencia and Newhall WSA Consolidation	07/22/19	06/30/20	25,000.00	-	25,000.00
Droplet Technologies, LLC	Online Rebate Processing Platform	09/23/19	06/30/20	76,392.00	32,100.00	44,292.00
Dudek	Grant Administration Services for SCV-GSA GSP	01/28/19	01/30/22	28,087.00	3,632.50	24,454.50
Dudek	Grant Administration Services	06/01/12	12/31/20	397,870.00	283,721.53	114,148.47
Encompass Consultant Group, Inc. (ECG)	SCV Water Westridge Recycled Water Tank Upgrades	04/18/19	06/30/20	46,600.00	21,712.50	24,887.50
Encompass Consultant Group, Inc. (ECG)	Topographic Mapping of RVWTP Garden	07/01/19	06/30/20	11,000.00	-	11,000.00
Encompass Consultant Group, Inc. (ECG)	On-Call Professional Engineering Services for Planning and Design of Potable and Recycled Water Supply and Distribution Systems and Support Facilities	01/01/17	12/31/20	250,000.00	23,513.75	226,486.25
Environmental Science Associates	FUTURE RW FEASIBILITY ENVIRONMENTAL SUPPORT SERVICES	04/08/19	06/30/20	49,785.00	47,685.00	2,100.00
Environmental Science Associates	RWMP Update Peir	12/15/15	06/30/21	230,505.00	193,422.51	37,082.49
Environmental Science Associates	IS/CEQA Determination	03/20/16	06/30/21	93,510.00	82,071.52	11,438.48
Equation Technologies, Inc.	Financial Management Information System Implementation	11/06/19	07/05/21	292,500.00	864.17	291,635.83
Filipin Engineering, Inc.	On-Call Construction Management and Inspection Services	10/15/19	06/30/20	250,000.00	-	250,000.00 (a)
Flow Science Incorporated	SCV Water vs. Whittaker Corporation	07/10/19	06/30/22	100,000.00	20,202.49	79,797.51
Geosyntec Consultants, Inc.	Review Water Supply Planning & Modeling; On Call Consulting Services	10/16/19	12/31/20	75,000.00	-	75,000.00
GSI Water Solutions, Inc.	On-Call Tech Support Perchlorate Project	07/25/18	06/30/20	15,000.00	10,815.53	4,184.47

PROFESSIONAL SERVICES CONTRACTS

CONSULTANT	CONTRACT TITLE	CONTRACT EFFECTIVE DATE	CONTRACT EXPIRATION DATE	ORIGINAL CONTRACT AMOUNT	PAYMENTS THROUGH 12/31/2019	BALANCE REMAINING @ 12/31/2019
GSI Water Solutions, Inc.	Numerical Model of Perchlorate Groundwater Fate and Transport	07/31/19	06/30/20	92,000.00	-	92,000.00
GSI Water Solutions, Inc.	As-Needed Hydrogeological Services	07/01/17	06/30/20	85,000.00	25,232.93	59,767.07
GSI Water Solutions, Inc.	Engineering/Hydrogeology Svcs for SCR V East Subbasin GSP Development	02/20/19	06/30/22	1,252,550.00	250,073.45	1,002,476.55
GSI Water Solutions, Inc.	Field Investigation of Potential Recharge Sites	07/01/19	06/30/21	246,554.00	12,066.25	234,487.75
GVP Ventures, Inc.	Executive Recruitment	01/09/20	01/07/22	75,000.00	-	75,000.00
Inbound Design, Inc.	Website Maintenance - www.yourscvwater.com - FY19/20	07/01/19	06/30/20	4,800.00	4,800.00	-
Jacobs Engineering Group Inc.	Ongoing VOC Investigation and As-Needed Support	11/05/19	06/30/20	-	-	-
Jensen Design & Survey, Inc.	On-Call Professional Engineering Services for Planning and Design of Potable and Recycled Water Supply and Distribution Systems and Support Facilities	01/01/17	12/31/20	250,000.00	-	250,000.00
John Cannan	Grant Policy and Procedure Manual	05/17/19	02/28/20	8,000.00	5,000.00	3,000.00
Kaneko & Krammer Corp	Classification Studies	03/16/15	05/07/21	100,000.00	36,928.88	63,071.12
Kennedy/Jenks Consultants	On-Call Engineering and/or Construction Mngt. and Inspection Services 107425	03/09/15	06/30/20	1,847,850.00	1,423,526.33	424,323.67
Kennedy/Jenks Consultants	Stormwater Pollution Prevention Plan for RWWT P Conservation Garden	06/09/19	06/30/20	11,128.00	881.40	10,246.60
Kennedy/Jenks Consultants	Prop 68 Round 3 SGWP Grant Application Assistance	08/09/19	06/30/20	33,504.00	24,696.25	8,807.75
Kennedy/Jenks Consultants	On-Call Professional Engineering Services for Planning and Design of Potable and Recycled Water Supply and Distribution Systems and Support Facilities	01/01/17	12/31/20	250,000.00	52,086.97	197,913.03
Kennedy/Jenks Consultants	Grant Administration Services-Prop 84 Round 2 Implementation	09/15/14	06/30/20	300,000.00	201,941.37	98,058.63
Kennedy/Jenks Consultants	Proposition 84 IRWM Drought Grant Administration Services	07/01/15	06/30/20	600,000.00	336,759.49	263,240.51
Kennedy/Jenks Consultants	2019 Prop 1 IRWM Implementation Grant Assistance	04/09/19	06/30/20	99,192.00	74,514.20	24,677.80
Lance, Soli, & Lunghard, LLP	AUDIT SERVICES	05/01/19	04/30/22	278,678.00	23,000.00	255,678.00
LEE & RO, Inc.	On-Call Engineering Const. Mgmt and Inspection Services E1415	01/20/15	06/30/20	2,708,818.00	1,086,138.14	1,622,679.86
LEE & RO, Inc.	On-Call Professional Engineering Services for Planning and Design of Potable and Recycled Water Supply and Distribution Systems and Support Facilities	01/01/17	12/31/20	250,000.00	-	250,000.00
LSCE	Prepare Response to DWR Reprioritization of SCR V Subbasin Classification	07/01/19	06/30/20	8,000.00	5,393.75	2,606.25
LSCE	2019 Santa Clarita Valley Annual Water Report	01/21/20	06/30/20	63,800.00	-	63,800.00
Mari-Co Mail Service	Mari-Co Mail Service	07/01/18	06/30/20	18,100.00	11,685.75	6,414.25
Michael Baker International	On-Call Engineering and/or CM and Inspection Services	01/22/15	06/30/20	2,593,400.00	1,561,359.76	1,032,040.24
OpenGov	As-Needed Professional Services	08/01/18	07/31/23	50,000.00	20,000.00	30,000.00
Raftelis Financial Consultants, Inc.	Annexation Financial Analysis	03/25/13	06/30/20	80,000.00	50,127.50	29,872.50

PROFESSIONAL SERVICES CONTRACTS

CONSULTANT	CONTRACT TITLE	CONTRACT EFFECTIVE DATE	CONTRACT EXPIRATION DATE	ORIGINAL CONTRACT AMOUNT	PAYMENTS THROUGH 12/31/2019	BALANCE REMAINING @ 12/31/2019
Raftelis Financial Consultants, Inc.	2019 Facility Capacity Fees	07/01/19	06/30/20	75,000.00	-	75,000.00
Redhill Group, Inc.	Social Marketing and Branding Evaluation	08/01/17	06/30/20	75,000.00	47,668.92	27,331.08
Richard C. Slade & Associates LLC	Saugus Replacement 1 Well design/Hydrogeologic Services	10/14/19	06/30/20	11,000.00	-	11,000.00
Richard C. Slade & Associates LLC	CASGEM Monitoring	03/08/19	12/31/20	19,500.00	6,355.47	13,144.53
RMG Communications	Communications Strategy and Outreach Plan for PFAS	07/01/19	06/30/20	28,750.00	12,285.20	16,464.80
Robert D. Niehaus, Inc.	Ratepayer Advocate	08/07/19	08/06/22	94,915.00	14,461.20	80,453.80
STYLO Group, L.L.P.	Management & Plan Review for VWD Project 6741	08/12/19	06/20/20	100,000.00	76,775.00	23,225.00
STYLO Group, L.L.P.	Mission Village Two 4MG Tanks Project 7111	08/20/19	06/30/20	15,000.00	5,775.00	9,225.00
STYLO Group, L.L.P.	Mission Village Tract 61105-1A Project 6727	08/20/19	06/30/20	15,000.00	7,975.00	7,025.00
STYLO Group, L.L.P.	Mission Village Tract 61105-1C Project 6728	08/20/19	06/30/20	15,000.00	8,275.00	6,725.00
STYLO Group, L.L.P.	SCV Water Construction Project Management Support Services for DS 542 Recycled Water Project: 6645	08/21/19	06/30/20	15,000.00	2,100.00	12,900.00
STYLO Group, L.L.P.	SCV Water Construction Project Management Support Services for DS 542 Potable Water Project: 6644	08/21/19	06/30/20	15,000.00	3,150.00	11,850.00
Terraverde Energy LLC	PV Assets Analysis	11/20/19	06/30/20	35,000.00	-	35,000.00
Terraverde Energy LLC	Energy Storage and Resiliency Capability Feasibility Study	12/18/19	12/31/20	68,725.00	-	68,725.00
Todd /Groundwater	Groundwater Modeling Services FY18/19	08/07/18	06/30/20	85,000.00	19,480.90	65,519.10
Todd /Groundwater	Whittaker VOC Litigation	03/08/19	12/31/22	75,000.00	35,084.19	39,915.81
Todd /Groundwater	Groundwater Modeling Services FY19/20	10/28/19	06/30/20	25,000.00	589.75	24,410.25
Todd /Groundwater	Whittaker VOC Litigation	10/28/19	06/30/20	75,000.00	28,432.55	46,567.45
Tripepi, Smith and Associates, Inc.	Social Media Outreach and Marketing	09/18/19	09/17/20	15,480.00	5,160.00	10,320.00
Trussell Technologies, Inc.	Technical Support for Potable Reuse Planning	03/21/19	06/30/20	30,000.00	27,677.50	2,322.50
United Records Management Inc.	Data Imaging Services - Scan-AP	05/01/19	04/30/20	10,000.00	2,072.07	7,927.93
Vali Cooper & Associates, Inc.	On-Call Construction Management and Inspection Services	12/15/14	06/30/20	1,905,230.00	866,469.20	1,038,760.80
Van Scoyoc Associates, INC.	Federal Legislative Advocacy Services	10/01/19	09/30/20	123,000.00	28,152.01	94,847.99
Water Consultancy, Inc.	General Engineering 1 Services FY 18/19	08/07/18	06/30/20	30,000.00	1,160.00	28,840.00
Water Consultancy, Inc.	Whittaker VOC Litigation	03/08/19	12/31/22	75,000.00	65,415.00	9,585.00
Water Consultancy, Inc.	Whittaker VOC Litigation	01/08/20	12/31/22	50,000.00	-	50,000.00
WaterWise Consulting, Inc.	Water Conservation Professional Services	11/01/19	10/31/20	414,000.00	89,903.31	324,096.69
West Yost Associates	Saugus Formation VOC Investigation	07/01/17	06/30/20	80,000.00	35,588.50	44,411.50
Wheeler Company	2020 Landscape Education Consulting Services	01/01/20	12/31/20	24,000.00	-	24,000.00
Wheeler Company	Devils Den Property Management Consulting Services	01/01/20	12/31/20	28,500.00	-	28,500.00

(a)

PROFESSIONAL SERVICES CONTRACTS

CONSULTANT	CONTRACT TITLE	CONTRACT EFFECTIVE DATE	CONTRACT EXPIRATION DATE	ORIGINAL CONTRACT AMOUNT	PAYMENTS THROUGH 12/31/2019	BALANCE REMAINING @ 12/31/2019
Woodard & Curran	On-Call Engineering and/or Construction Mngt and Inspection Services	03/04/15	06/30/20	1,324,200.00	1,157,086.13	167,113.87
Woodard & Curran	New Drop Concept	03/27/19	06/30/20	27,500.00	27,454.69	45.31
Woodard & Curran	Draft Rules and Regulations for Recycled Water Service	07/01/19	06/30/20	27,942.00	21,896.58	6,045.42
Woodard & Curran	CEQA Compliance Support for Magic Mountain Reservoir	12/16/19	06/30/20	19,976.00	-	19,976.00
Woodard & Curran	On-Call Professional Engineering Services for Planning and Design of Potable and Recycled Water Supply and Distribution Systems and Support Facilities	01/01/17	12/31/20	250,000.00	-	250,000.00
WQTS	Expedited Bench-Scale Testing of PFAS & Perchlorate Removal from Q2	10/01/19	10/01/20	65,000.00	-	65,000.00

(a)

Notes:

(a) Work authorizations issued against the master contract.

(b) Litigation settlement; no work authorizations issued



COMMITTEE MEMORANDUM

DATE: March 2, 2020

TO: Finance and Administration Committee

FROM: Rochelle Patterson *[Signature]*
Director of Finance and Administration

SUBJECT: Recommend Approval of an Intra-Agency Expense Allocation for PFAS Treatment

SUMMARY

The Santa Clarita Valley Water Agency (Agency) has prioritized the treatment and management of per- and poly-fluoroalkyl substances (PFAS) affecting the groundwater supplies throughout the Agency.

PFAS are a group of compounds that are man-made and are commonly used in industrial processes and consumer products such as food packaging, fire-fighting foams, metal plating, outdoor gear, popcorn bags, food wrappers, facial moisturizers, mattresses, carpeting, and cookware. Despite the widespread use of PFAS in everyday products, there are still significant knowledge gaps associated with the management of these compounds. Although consumer and industrial products have been identified as containing PFAS there have been limited studies that focus on the inventory of the specific types of products that contain PFAS, which ultimately end up as waste materials, or discharged to wastewater treatment plants.

As regulatory standards are being developed and established, the Agency is taking a proactive approach to construct treatment facilities at affected groundwater wells exceeding the response levels set by the State Water Resources Control Board.

DISCUSSION

The purpose of the Intra-Agency Expense Allocation for PFAS Treatment is to document transactions for the project and then allocate those costs among the Divisions (Regional, Newhall, Santa Clarita and Valencia), based on an established policy.

From a financial management standpoint, SCV Water is currently comprised of four Divisions for which there are operating, capital and reserve funds. Costs are allocated based on a number of factors (the volume of water produced, the number of customers, number of staff, etc.), as appropriate. Ultimately, as SCV Water transitions from divisional accounting and tracking of expenses to a more integrated financial whole, there will be a need to make determinations on how best to allocate new costs, such as the costs related to PFAS.

In the case of PFAS, early testing and current drinking water guidance from the State of California suggest there will be a need to add treatment facilities at several wells in each Retail Division of the Agency. There will also be a need to rely on additional imported water from the Regional Division, pending the completion of these treatment facilities. With this in mind, and in keeping with the Board's recent request that a policy be adopted, staff have developed some alternatives for cost allocation across either all Retail Divisions or all Retail and the Regional Division.

Staff previously recommended to the Finance and Administration Committee that these costs be shared proportionally (to total water produced – groundwater and imported water) by each retail Division. During discussion at the February 10, 2020 special Finance and Administration Committee meeting, staff were asked to look at options that included use of the Regional Division funds in addition to allocating costs to retail Divisions. A recommended approach is presented below.

In addition, staff has also evaluated the impact of using pay-as-you-go (PAYGO) or capital financing approach to pay for capital costs related to the initial PFAS program facilities. Staff recommends, given current interest rates, that capital financing be part of the strategy for implementing PFAS facilities in the next few years.

FINANCIAL CONSIDERATIONS

Projection of PFAS Costs

Table 1 below presents a current estimate of PFAS related capital and operating costs over the next three years.

**Table 1
Estimated 3 Year PFAS Costs**

	Year 1		Year 2		Year 3	
	Capital	O & M	Capital	O & M	Capital	O & M
N Wells (3 wells) 6 Vessels	\$6,742,485	\$600,000		\$1,200,000		\$1,200,000
Valley Center Well 2 Vessels			\$1,500,000	\$ 400,000		\$ 400,000
2 Additional Wells 4 Vessels					\$3,000,000	\$ 800,000
Sampling		\$254,400		\$ 504,000		\$ 691,200
2 Interconnections	\$ 310,000					
Subtotals:	\$7,052,485	\$854,400	\$1,500,000	\$2,104,000	\$3,000,000	\$3,091,200
Total Costs by Year	\$7,906,885		\$3,604,000		\$6,091,200	

Revised Cost Allocation Proposal

Based on the suggestion from the Committee to consider a contribution from the Regional Division, several cost allocation methods were reviewed, and staff determined the most equitable method would be to use the total water production for the past ten years (2010-2019) for the Retail Divisions, along with a contribution by the Regional Division.

The Regional Division would contribute 10% of the annual Operations & Maintenance (O&M) costs due to increased water sales. With numerous wells expected to be offline, there will be a temporary increase in imported water sales, generating additional revenue from the portion of the rate that recovers fixed charges.

It should also be noted that the Agency may incur additional supply costs in some years, due to the need to pull additional water from storage accounts or exercise options on its existing exchange agreements. These costs would initially be funded from the Water Supply Reliability Reserve Fund, and would ultimately require future revenue to replenish that reserve fund for future dry years or other supply needs.

The total water production will be a rolling average, recalculated each calendar year until the time when all Divisions are financially integrated. Each Division will utilize their available funds (including reserves) to pay for the allocated costs associated with the PFAS project as defined above.

Cost Allocation

A series of tables below (2-A, 2-B and 2-C) present cost allocation concepts. Table 2-A documents the allocation of capital costs between Retail Divisions. Table 2-B illustrates the allocation of operating costs and includes a 10% O&M contribution from the Regional Division. Table 2-C is the total of Table 2-A and 2-B.

**Table 2
Cost Allocation Breakdown**

TABLE 2-A (in dollars)			Newhall	Santa Clarita	Valencia
Year	PFAS – Capital Costs		15%	41%	44%
1	FY 2019/20	7,052,485	1,057,873	2,891,519	3,103,093
2	FY 2020/21	1,500,000	225,000	615,000	660,000
3	FY 2021/22	3,000,000	450,000	1,230,000	1,320,000
		11,552,485	1,732,873	4,736,519	5,083,093

TABLE 2-B (in dollars)			Regional	Remaining	Newhall	Santa Clarita	Valencia
Year	PFAS – O&M Costs		10%		15%	41%	44%
1	FY 2019/20	854,400	85,440	768,960	115,344	315,274	338,342
2	FY 2020/21	2,104,000	210,400	1,893,600	284,040	776,376	833,184
3	FY 2021/22	3,091,200	309,120	2,782,080	417,312	1,140,653	1,224,115
		6,049,600	604,960	5,444,640	816,696	2,232,302	2,395,642

TABLE 2-C (in dollars)			Regional	Remaining	Newhall	Santa Clarita	Valencia
Year	PFAS – Capital+O&M						
1	FY 2019/20	7,906,885	85,440	7,821,445	1,173,217	3,206,792	3,441,436
2	FY 2020/21	3,604,000	210,400	3,393,600	509,040	1,391,376	1,493,184
3	FY 2021/22	6,091,200	309,120	5,782,080	867,312	2,370,653	2,544,115
		17,602,085	604,960	16,997,125	2,549,569	6,968,821	7,478,735

Reserve Analysis

Table 3 below illustrates projected impacts to each Division's reserve levels over the next three years. Other reserve uses are included as *noted. Table 3 assumes capital costs are funded with reserves (PAYGO). If there are no other uses or additions to reserves, there will be enough reserve funds to cover three years of PFAS costs.

Table 3
Reserve Analysis Assuming PAYGO Capital

	Regional	NWD	SCWD	VWD
Starting Reserve	\$ 85,575,586	\$ 8,003,364	\$ 28,582,919	\$ 7,419,813
FY 2020 – PFAS	\$ (85,440)	\$ (1,173,217)	\$ (3,206,792)	\$ (3,441,436)
FY 2020 – Other	\$ 9,601,459	\$ (4,735,370)	\$ (2,865,883)	\$ (303,823)
FY 2020 – Balance	\$ 95,091,605	\$ 2,094,777	\$ 22,510,244	\$ 3,674,554
Target	\$ 97,070,935	\$ 11,696,905	\$ 28,532,919	\$ 20,409,964
% of Target	98%	18%	79%	18%
FY 2021 – PFAS	\$ (210,440)	\$ (509,040)	\$ (1,391,376)	\$ (1,493,184)
FY 2021 – Other	\$ 6,470,509	\$ -	\$ (575,151)	\$ 5,993,217
FY 2021 – Balance	\$ 101,351,674	\$ 1,585,737	\$ 20,543,717	\$ 8,174,587
Target	\$ 103,541,444	\$ 11,675,456	\$ 27,957,768	\$ 20,997,724
% of Target	98%	14%	73%	39%
FY 2022 – PFAS	\$ (309,120)	\$ (867,312)	\$ (2,370,653)	\$ (2,544,115)
FY 2022 – Balance	\$ 101,042,554	\$ 718,425	\$ 18,173,064	\$ 5,630,472
Target	\$ 103,541,444	\$ 11,675,456	\$ 27,957,768	\$ 20,997,724
% of Target	98%	6%	65%	27%

*Other – Prefunding OPEB UAL, Debt Prepayment, Uses or Additions to Reserves

**Reserve Target – FY 2021/22 is not available, used FY 2020/21

It should also be noted that there are additional potential reserve needs such as potential pension liability pre-funding, which has a significant financial benefit to the Agency in avoided interest costs, which are higher than the current bond rates available in the capital markets. This should be considered when determining whether to utilize PAYGO or bond financing for PFAS capital expenditures.

As an illustrative example, one alternative to funding capital costs using PAYGO from Retail funds (including reserves), capital costs for PFAS treatment may be paid through bond financing. The estimated annual payment for a \$12 million bond at 3.45% for 20 years would be \$835,580 and allocated based on the table below.

	Newhall	Santa Clarita	Valencia
	15%	41%	44%
Annual Debt Payment	\$ 125,337	\$ 342,588	\$ 367,655

If this approach is used, the projected reserve levels over the next few years would instead be as illustrated in Table 4 below.

**Table 4
Reserve Analysis Assuming Bond Financing Capital**

	Regional	NWD	SCWD	VWD
Starting Reserve	\$ 85,575,586	\$ 8,003,364	\$ 28,582,919	\$ 7,419,813
FY 2020 – PFAS O&M	\$ (85,440)	\$ (105,146)	\$ (287,400)	\$ (308,429)
FY 2020 – Debt	\$ -	\$ (125,337)	\$ (342,588)	\$ (367,655)
FY 2020 – Other*	\$ 9,601,459	\$ (4,735,370)	\$ (2,865,883)	\$ (303,823)
FY 2020 – Balance	\$ 95,091,605	\$ 3,037,511	\$ 25,087,048	\$ 6,439,906
Reserve Target	\$ 97,070,935	\$ 11,696,905	\$ 28,532,919	\$ 20,409,964
% of Target	98%	26%	88%	32%
FY 2021 – PFAS O&M	\$ (210,440)	\$ (271,357)	\$ (741,708)	\$ (795,979)
FY 2021 – Debt	\$ -	\$ (125,337)	\$ (342,588)	\$ (367,655)
FY 2021 – Other*	\$ 6,470,509	\$ -	\$ (575,151)	\$ 5,993,217
FY 2021 – Balance	\$ 101,351,674	\$ 2,766,154	\$ 23,770,189	\$ 11,637,144
Reserve Target	\$ 103,541,444	\$ 11,675,456	\$ 27,957,768	\$ 20,997,724
% of Target	98%	24%	85%	55%
FY 2022 – PFAS O&M	\$ (309,120)	\$ (423,189)	\$ (1,156,718)	\$ (1,241,356)
FY 2022 – Debt	\$ -	\$ (125,337)	\$ (342,588)	\$ (367,655)
FY 2022 – Balance	\$ 101,042,554	\$ 2,342,965	\$ 22,613,471	\$ 10,395,788
Reserve Target**	\$ 103,541,444	\$ 11,675,456	\$ 27,957,768	\$ 20,997,724
% of Target	98%	20%	81%	50%

RECOMMENDATION

That the Finance and Administration Committee recommends that the Board of Directors approve the Intra-Agency Expense Allocation for PFAS Treatment, including a 10% contribution towards operating costs from the Regional Division, as well as approve including a portion of the capital costs in the upcoming SCV Water financing package, whose exact amount would be discussed as part of that decision process.

RP

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COMMITTEE MEMORANDUM

DATE: March 9, 2020
TO: Finance and Administration Committee
FROM: Rochelle Patterson *[Signature]*
 Director of Finance and Administration
SUBJECT: Recommend Approval of a Resolution Awarding a Contract to Valley Maintenance Corp. for Janitorial Services

SUMMARY

Janitorial services for the Agency locations have been provided by three separate companies pre and post-merger. In Fiscal Year 2018/19, the Agency as a whole expended \$218,883 for janitorial services. In order to obtain a cost-effective contract, staff prepared a Request for Proposal, issued on December 18, 2019.

Staff conducted a Request for Proposal (RFP) process for janitorial services for all Agency facilities and recommends executing a contract with Valley Maintenance Corp., with the head office located in Santa Fe Springs, California.

Services are to be provided for the following locations:

- Rio Vista Water Treatment Plant (administration and maintenance buildings, as well as office trailers)
- Earl Schmidt Filtration Plant (control room)
- Summit Circle Buildings (Engineering & Water Resources)
- Pine Street (including trailers)
- Rockefeller
- Golden Triangle (trailers)

The estimated annual cost of the service is \$183,096 (\$201,405 with a 10% contingency) for the first year, escalating at 3% per year thereafter. Staff recommends a one-year contract for \$201,405 with a contingency for as-needed work, such as emergencies and cleaning for special events. Staff also recommends two one-year options for possible contract extensions for a total not-to-exceed amount of \$622,523. Funds for these services are included in the adopted budget.

<u>Year 1</u>	<u>Year 2¹</u>	<u>Year 3¹</u>	<u>Total</u>
\$ 201,405	\$ 207,447	\$ 213,671	\$ 622,523

<u>Cost Savings Calculation</u>			
\$ 218,883	\$ 225,449	\$ 232,213	
(201,405)	(207,447)	(213,671)	
\$ 17,478	\$ 18,002	\$ 18,542	\$ 54,023 Estimated cost savings

¹ Amount includes a 3% escalating factor.

DISCUSSION

RFPs were issued to vendors that had expressed interest in providing janitorial services to the Agency, and the RFP was advertised in *The Signal* and on the Agency's website. Eighteen (18) vendors were notified through Planet Bids with a total of 23 downloads of the RFP. In order to encourage local bidding, six (6) local vendors selected from the telephone directory were notified of the RFP via a phone call. A mandatory walk-through for potential bidders was conducted so that all vendors submitting RFPs would be familiar with the locations and sizes of the facilities to be cleaned. Twenty-three (23) attendees representing fifteen (15) companies were in attendance for the walk-through. Nine (9) responses to the RFP were ultimately received.

A selection panel comprised of Agency employees reviewed the proposals and verified references. Staff scored the proposals on cost, functional requirements, stability, financial status, qualifications, and references as illustrated in the Summary of Bids (Attachment 1). Valley Maintenance Corp. (Attachment 2) provided the most detailed and thorough proposal, and proposed a lower cost than the next lowest bidder, All Care Industries, Inc. (Attachment 3). During the reference checking process, Valley Maintenance Corp. was the only vendor that had three "Excellent" references. Valley Maintenance Corp. would provide a team under the supervision of the Contract Manager who is based in Santa Fe Springs. The team would consist of the On-site Supervisor and custodial staff consisting of staff from neighboring San Fernando Valley and North Hollywood.

Based on the understanding of the work to be performed and the reference checking process, staff recommends a one-year contract with Valley Maintenance Corp. with two one-year options to extend the contract, for a total of up to three years. A termination clause is included in the contract, and the Agency may terminate with a 30-day written notice.

FINANCIAL CONSIDERATIONS

The estimated annual cost of the service is \$183,096 for the first year, escalating at 3% per year thereafter. Staff recommends a one-year contract with a contingency for as-needed work, for a total not-to-exceed amount of \$201,405. Staff also recommends two one-year options for possible contract extensions for a total not-to-exceed amount of \$622,523. Funds for these services are included in the adopted budget.

RECOMMENDATION

That the Finance and Administration Committee recommends that the Board of Directors adopt the attached resolution (Attachment 4) authorizing the General Manager to enter into a contract with Valley Maintenance Corp., in the amount of \$201,405 with an optional two-year extension for a not-to-exceed amount of \$622,523, to provide janitorial services for the Agency's facilities.

RP

Attachments

ATTACHMENT 1



Summary of Bids for

Request for Proposal Janitorial Services RFP 1920-JS-20000

Rank	Bidder	City	Scoring 0-100	Bid Amount (Year 1) ²
1	Valley Maintenance Corp. ¹	Santa Fe Springs	96	\$183,096.00
2	All Care Industries, Inc.	Cerritos	91	\$188,640.00
3	Ultimate Maintenance Services, Inc.	Lawndale	89	\$229,200.00
4	Executive Facilities Services, Inc.	Moorpark	85	\$231,931.68
5	Jan Point	Santa Fe Springs	86	\$237,506.28
6	Lee's Maintenance Service, Inc. (LMS)	Van Nuys	86	\$256,436.88
7	Executive-Suite Services, Inc.	Northridge	78	\$257,808.00
8	Vanguard Cleaning Systems	Santa Clarita/Bakersfield	78	\$344,172.00
9	Knudtson Building Maintenance	Sherman Oaks	65	\$302,065.52

¹ Lowest Apparent bidder.

² All bids were reviewed for completeness and compliance.

Panel Scoring 0 -100 points

Sixty (60) points total

Thirty-Five (35) points - Completeness of Submission – Seven (7) required documents

Twenty-Five (25) points - Submitted Attachments A-E

Forty (40) points total

Ten (10) points - Cost Proposal

Ten (10) points - Functional Requirements

Ten (10) points - Stability and Financial Status

Ten (10) points - Qualifications and References

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ATTACHMENT 2

**RFP 1920-JS- 2000
JANITORIAL SERVICES**

PROPOSAL



VALLEY MAINTENANCE CORP
11759 Telegraph Road
Santa Fe Springs, CA 90670
Tel: (562) 948-3020 Fax: (562) 948-3082

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Valley Maintenance Corp. is trusted by businesses across the state of California and commercial properties for one reason: our reputation is as spotless as the facilities we keep clean and customer service with excellent communication.

As your partner in cleaning, We know that a sparkling and well maintained facility is an important investment in the image of your business.

For more than 20 years Valley Maintenance Corp. has set new standards within janitorial cleaning services in Southern California by offering efficient and flexible cleaning solutions. All of our solutions are focused on each customer's needs and preferences.

We are constantly developing new methods, tools, and materials to improve our cleaning methods as well as the working conditions of our employees while minimizing negative effects on the environment. Ongoing quality control ensures that we consistently live up to high expectations.

What Make Us The Better Choice ?

Valley Maintenance Corp. provides

- Prompt, efficient services
- Effective management and administration
- Provide high quality staff guarantees that you receive the highest services
- Timely and prompt 24/7 communication system
- An excellent reputation among the clients
- 15 years of experience on local government facilities
- Prompt solutions to any of your needs

Sincerely,

Byung S. Lee
President

(562) 948-3020 Cell: (818) 522-7842
bruce@valleymco.com



EXECUTIVE SUMMARY

Santa Clarita Valley Water Agency
27234 Bouquet Canyon Road
Santa Clarita, CA 91350

Dear Evaluation Committee,

Valley Maintenance Corp. is very pleased to be included in your recent proposal request to provide custodial services at Santa Clarita Valley Water Agency. We currently provides janitorial, and related services for various local government facilities.

Valley Maintenance Corp. proposes a complete solution for your Janitorial Service Project. We have the combined resources to ensure the project requirements can be fully realized with services that meet and exceed all the work specifications set forth in your RFP & Addendum. Valley Maintenance Corp. is proposes our value-added services as the basis for your service project. Our services are currently being utilized in over 50 client sites through out the Southern California. Subsequent to an analysis of our past experiences, availability of management and supervisory personnel, and thorough review of your project,

We completely understands the tasks and terms to be abided by and takes no exception to the RFP. Valley Maintenance Corp. certify that such understanding has been considered in the cost schedule of our proposal and our proposal and bid price shall remain valid a period of 120 days from the closing date. Our initial plan is to staff Santa Clarita Valley Water Agency with a Contract Manager, responsible for the management and operation of the daily services, including but not limited to, inventory, ordering, and all administrative duties associated with the operation. The supervisor will report directly to the Contract Manager. The night shift will be staffed with a capable custodians and supported by our specially trained floor care specialist. We understand the importance of a strong management team and an employee group focused on customer service with attention to detail.

Bruce M. Hwang, Vice President of the company, is authorized to make representations for Valley Maintenance during negotiations and commit VMC to the Agreement and may be reached the via following: Tel : (562)948-3020/ Fax :(562)948--3082 / Cell: (213) 494-1003 / bruce.h@valleymco.com
We are committed to excellence in all of our operations and would very much appreciate the opportunity to prove ourselves as a service provider of Santa Clarita Valley Water Agency.

Sincerely,

Byung S. Lee
President
(562) 948-3020 Cell: (818) 522-7842
bruce@valleymco.com

INTRODUCTION

COMPANY HISTORY

Valley Maintenance, Corp. is a small and minority owned commercial building maintenance company established in 1991. Since its inception, Valley Maintenance has never failed or refused to complete any service contracts and has grown to become one of the premier janitorial service providers in the Southern California. Currently employing over 300 service workers covering an average of a multi million square feet per day. Valley Maintenance has the management experience, availability of supervisory personnel, financial capability and resources to accomplish all of the requirements of commercial properties. Our management staff has over one hundred years combined experience in the janitorial industry. We are proud of this fact and believe we are able to staff, function and perform to any specifications presented to us.

EMPLOYEE TRAINING

Training is mandatory for every employee to formulate and secure our high standard of operations. From the simplest to the most complicated assignments, each member of our team is completely prepared before tackling each job. After careful screening of all Valley Maintenance personnel, mandatory training, with a minimum of 90 days supervised field-training employees are assigned to job locations. The training is followed by in-service instruction by their supervisors to update and review techniques.

OUR EMPLOYEES

Valley Maintenance employees are carefully screened and selected. They are trained, not only in the latest cleaning techniques, but care for specific premises with the specific use of industrial chemicals and equipment unique to each premise. To achieve our goal of customer satisfaction, we strive to create a feeling of pride in the performance of our employees. Valley Maintenance personnel work on a performance incentive program are used to maximize quality work, therefore, providing you with the consistency of a quality maintenance company.



EXPERIENCE AND CAPABILITY

The company is divided into two commercial service divisions: 1) retail properties providing specific floor care services and 2) all other commercial properties serving government facilities, office buildings, private schools, airport terminals and medical centers as well as industrial properties.

Valley Maintenance bonds and insures more than 300 employees and performs custodial services for many incorporated cities in southern California as well as commercial properties for the last 25 years. The crew and supervisors take pride in using only *QUALITY* products, *PROFESSIONAL* skills and *STATE-OF-THE-ART* equipment and our training program and quality control program assures their performance.

We believe the primary element in the successful performance of contract janitorial service is management and supervision. Exemplary management ensures top service. The Operation Manager is headquartered at the corporate office. The Operation Manager directs the on-site supervisors. The on-site supervisor is in charge of each project and directs and supervises assigned custodians.

The Operation Manager's primary purpose is to increase the operation effectiveness of all the workers under his supervision. The Operation Managers train and assist personnel. They call on customers and assist them with any situations they may have. They are fully responsible for maintaining the quality of our services. The Supervisor or crew Foreman handles front line, on the job supervision.

With over a century of collective managerial and operational skills, Valley Maintenance has continued to grow both in size and reputation. We pride ourselves in being able to meet the highest expectation of our many satisfied clients.





**UNION PACIFIC H.Q.
OMAHA, NEBRASKA**
2 Years since 2018
450,000 SQ/FT



4 Years since 2016



**SAN BERNARDINO
COURTS HOUSE**
5 Years since 2015



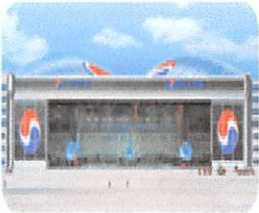
MANAGEMENT
12 Years since 1998
16 locations



10 Years since 2010
All City Facilities



3 Years since 2017
Student Union



20 Years since 2000
220,000 SQ/FT



12 Years since 1998
Community Centers



1 Year since 2019
20 Locations



**TOTAL TERMINAL
INTERNATIONAL, LLC**
20 Years since 2000
180,000 SQ/FT



10 Years since 2000
All City Facilities



6 Years since 2014
8 Locations



SUPERIOR COURT
5 Years since 2015



10 Years since 2000
All City Facilities



6 Years since 2014
All City Facilities

PLAN FOR PROVIDING REQUIRED SERVICES

JANITORIAL SERVICE OVERVIEW

Valley Maintenance Corp. will supply management support, supervision, cleaning personnel, and all necessary supplies and equipment to clean and maintain your properties according to the Cleaning Specifications. We will provide sufficient on-site night shift personnel to meet or exceed required specifications to clean and maintain your facilities.

Our nightly class room, office, restroom, and kitchen cleaning routine includes but is not limited to:

- Utilize Green Cleaning Program.
- Restroom cleaning, restocking and disinfecting
- Trash can maintenance, collection, removal and sanitize inside and outside
- Sweep, mopping and vacuuming floors
- Clean and polishing desks and chairs.
- Complete cleaning of kitchen including appliances.
- Detail cleaning such as nightly spill and gum removal from all floors, carpets and seat fabric.
- Use back pack type hose vacuum cleaner to clean hard to reach areas- under the furniture and corners.
- Utilize out company's unique **FLOOR INTENSIVE PROGRAM**
- Carpet Extraction Clean with truck mounted.

Valley Maintenance Corp. will develop and maintain a daily, weekly and monthly cleaning log and check list to ensure all tasks are completed according to Cleaning Specifications. Cleaning log is to indicate date , time and name of personnel that completed tasks. The logs are to be submitted to the center weekly. The site supervisor will be required to do a monthly walkthrough with the Property Management.

GREEN CLEAN



IMPLEMENTATION PLAN

Valley Maintenance's management is goal oriented, which places primary emphasis on solution-seeking behavior and on-the-job results. Accordingly, the first step in developing a specific management approach for a newly proposed business is to create a clearly defined set of performance standards for the job and proceed to develop a basic operation plan customized around those standards. Performance goals which must be achieved – on schedule with Quality Assurance in mind –for the provision of custodial and related services at your facilities are:

1. Safe, clean, sanitary premises; maintain all facilities at a peak level of “just opened” appearance at all times.
2. Cooperative interface with property manager assigned to this project.
3. Preventive, as well as corrective actions.
4. Flexibility and adaptability.
5. Provision of custodial services with respect for the important and complex work being performed.

With that in mind, we propose a comprehensive and continuing program encompassing the provision of personnel, supervision, and related requirements and services necessary to provide full and complete custodial services as described in the work specifications.

TECHNICAL RESPONSE REQUIREMENTS

Valley Maintenance proposes to use methods and procedures that have proven successful on large custodial service contracts that we have managed. Our techniques have evolved and been refined over the years. Here we address the ability of our firm to ensure that all personnel assigned to provide services under the proposed contract meet or exceed standard for quality and appearance in the performance of their tasks. In order to do so, we have isolated the important steps that we take to accomplish this. First of all, we must know the contract requirements. One of the first tasks, upon notification of contract award to our company, is management indoctrination of the requirements of the contract. Key company personnel will be assigned to this project in support of the local, on-site, management and supervisory staff. These persons will be responsible to oversee and to manage this project. Therefore, at all levels of responsibility, detailed knowledge and understanding of the contract requirements must be established. At the company level, the Operations Manager, the Quality Control Manager, are required to know and understand the contract requirements. The following attachments are our company concept for providing supervision and quality control to include special methods for monitoring performance and communication.

MANAGEMENT AND SUPERVISION

The primary element in the successful performance of contract janitorial service is management and supervision, top management of the janitorial service operation. Directly under the Operation Manager, who is headquartered at our main office, directs a number of on-site supervisors. The on-site supervisor is in charge of each project and directs/ supervises a number of assigned custodians.

The Operation Manager's primary purpose is to increase the operation effectiveness of all the people under his supervision. He trains and assist his personnel, calls on our customers and assist them with any problems they may have. He is fully responsible for maintaining the quality of our services.

Front line supervision is handled by the Supervisor or crew Foreman who works from six o'clock in the evening to three o'clock in the morning. With over a century of collective managerial, operational and janitorial skills, Valley Maintenance has continued to grow both size and reputation we pride ourselves in being able to meet the highest expectation of our many satisfied clients.

MANAGEMENT

Valley Maintenance shall conduct inspections to insure that work is being accomplished in accordance with our standard and to the satisfaction of the customer. A representative will conduct periodic daytime inspection with key management personnel to assure work performance is being met.

SUPERVISION

Valley Maintenance will provide qualified supervision to assume responsibility for personnel while performing the services as outlined in the cleaning schedule. Supervisors assigned to the account will thoroughly briefed on all specifications and requirements.

JOB ASSIGNMENTS AND WORK LOADING

A three person team utilizes their experience in organizing the work program for your facility : Contract Manager, Quality Control, and On-site Supervisor whose direct responsibilities of the facility will be :

- Work specifications, density of building, physical layout, and time constraints.
This team structures a plan for cleaning the facility, then fits people into the plan by making the most effective assignments possible.
- Each assigned custodian is then trained to perform their assignment (Training Program) The objective is thoroughness and efficiency, so that custodian is trained in a system and is taught to use methods developed and proven by **BSCAI** (Building Services Contractors Association international). The custodian is made familiar with in total work specifications as well as the individual requirements of his/her assignment.

PERSONNEL PROGRAM

Valley Maintenance has always been highly selective in the hiring of our employees. From the recruitment of a Operation Manager to the hiring of a member of the custodial staff, nothing is left to chance.

HIRING NEW EMPLOYEES

From the time an applicant fills out an employment application, he or she is covered by a formalized personnel program administered by an experienced staff. Each applicant is subject to an extensive three-point background check prior to permanent employment.

EMPLOYEE ORIENTATION

1. To give the new employee a sense of belonging.
2. Provide necessary job related information.
3. Introduce the worker to his job.
4. Assess his initial performance.

Periodic follow-up interview, coupled with quarterly performance ratings, afford GBM the opportunity to appraise and scrutinize each employee's job performance, work attitude and reliability. Our company's Personnel Program has resulted in low employee turnover and an extremely low accident rate and the reassuring knowledge that every our employees are honest, well-trained and reliable professional.

APPEARANCE

Valley Maintenance personnel will work in neat and clean uniforms. Company will furnish employees with a sleeve shirt, or some other type of upper body wear, bearing the company's identification. Appropriate uniforms will be worn at all times, including personnel who are being trained.



COMMUNICATION SKILLS

Valley Maintenance will ensure that all member of custodial crew, on-site, will be able to Communicate in English both verbally and in writing. All custodial personnel will be capable of completing, in English, legible written forms and will be capable of understanding oral and/or written instructions in English.

SECURITY PRECAUTIONS

Custodial personnel will not allow anyone on the premises unless they are specially assigned by the Contract Manager to do custodial services at the facility. This rule will be strictly enforced.

NETWORK MANAGEMENT

CUSTOMER SERVICE : For your convenience, we established a separate private phone number direct to our customer service department. If you need to know any information, need to schedule special service, or have any problems, we encourage use this 24/7 switch board number.

562-948-3020

WORK UNATTENDED : Any work left undone shall respond within 30 minutes to clean up after the notification of failure to perform.

EMERGENCIES : After business hour and on weekends a professional answering service will answer your calls and contact the right personnel. This number is always staffed. In the event of an emergency at your location (Floods, Fires, Property Damage, etc.) requiring clean up or other tasks, Valley Maintenance has the personnel available 24 hours a day, seven days a week, at your direction for a specified rates.

WE ARE COMMITTED TO PROVIDING YOU WITH A HELPFUL AND GOOD CUSTOMER SERVICE DEPARTMENT.

COMMUNICATIONS

One of the common and frequent complaints in our industry is lack of communication. Valley Maintenance has studied this issue and developed several Methods of communication.

1. Update personnel list monthly and provide phone list for key personnel and office contacts.
2. Our operation department personnel and supervisors are bilingual for your convenience.
3. We maintain a log book at your designated area, in which be initialed and the book will be checked everyday for any special instruction or requests.
4. In order to find out how service is being performed, our customer service representative will make monthly visit to your location.
5. Customer service phone line is open 24 hours 7 days.
6. Personnel carry pagers and are equipped with cellular phones.
7. Monthly written Quality Control Reports and physical inspection are maintain your account.

Please exam enclosed sample of our company's *Resolution Procedure, Daily Service Log Book, Quality Control Report, Follow-up Procedure as well as Supervisor's Report.* **



LINES OF COMMUNICATION

VALLEY MAINTENANCE CONTACT PERSON AND PHONE NUMBER

- All Valley Maintenance staff will report any problem they observe, i.e. damage, breakage, plumbing problem, etc. immediately to their supervisor. the supervisor will in turn leave notice for Maintenance Manager and /or designated individual of these problems.
- We provide a 24 hour switchboard and supervisory service. This, plus the regular and systematic inspection by our supervisors, assure that the work will be skillfully and properly completed at all times. All of our supervisory personnel are in continuous contact with by way of our electronic radio system and Mobile phones. This system enables Valley Maintenance to respond immediately to any circumstance which may arise requiring our assistance.

	8:00 A.M. TO 5:00 P.M.	5:00 P.M. TO 2:00 A.M.	2:00 A.M. TO 8:00 A.M.
INITIAL CONTACT	ON-SITE SUPERVISOR VICKY AMARO (714) 823-6784	LEAD CUSTODIAN ALEX ALVARES (323) 532-0374	CONTRACT MANAGER BRUCE HWANG (213) 494-1004
2 ND CONTACT	LEAD CUSTODIAN ALEX ALVARES (323) 532-0374	ON-SITE SUPERVISOR VICKY AMARO (714) 823-6784	ON-SITE SUPERVISOR VICKY AMARO (714) 823-6784
3 RD CONTACT	CONTRACT MANAGER BRUCE HWANG (213) 494-1003	CONTRACT MANAGER BRUCE HWANG (213) 494-1004	LEAD CUSTODIAN ALEX ALVARES (323) 532-0374

E MAIL ADDRESS

	PHONE NUMBER	FAX NUMBER	E-MAIL
MAIN OFFICE	(562) 948-3020	(562) 948-3082	info@valleymco.com
Nancy Padilla	(562) 048-3022		nancy@valleymco.com
Bruce Hwang	(213) 494-1003		Bruce.h@valleymco.com

RESPONSE TIME

Response time for work requirements is dependent upon work priority and shall be in accordance with following standards.

URGENT WORK

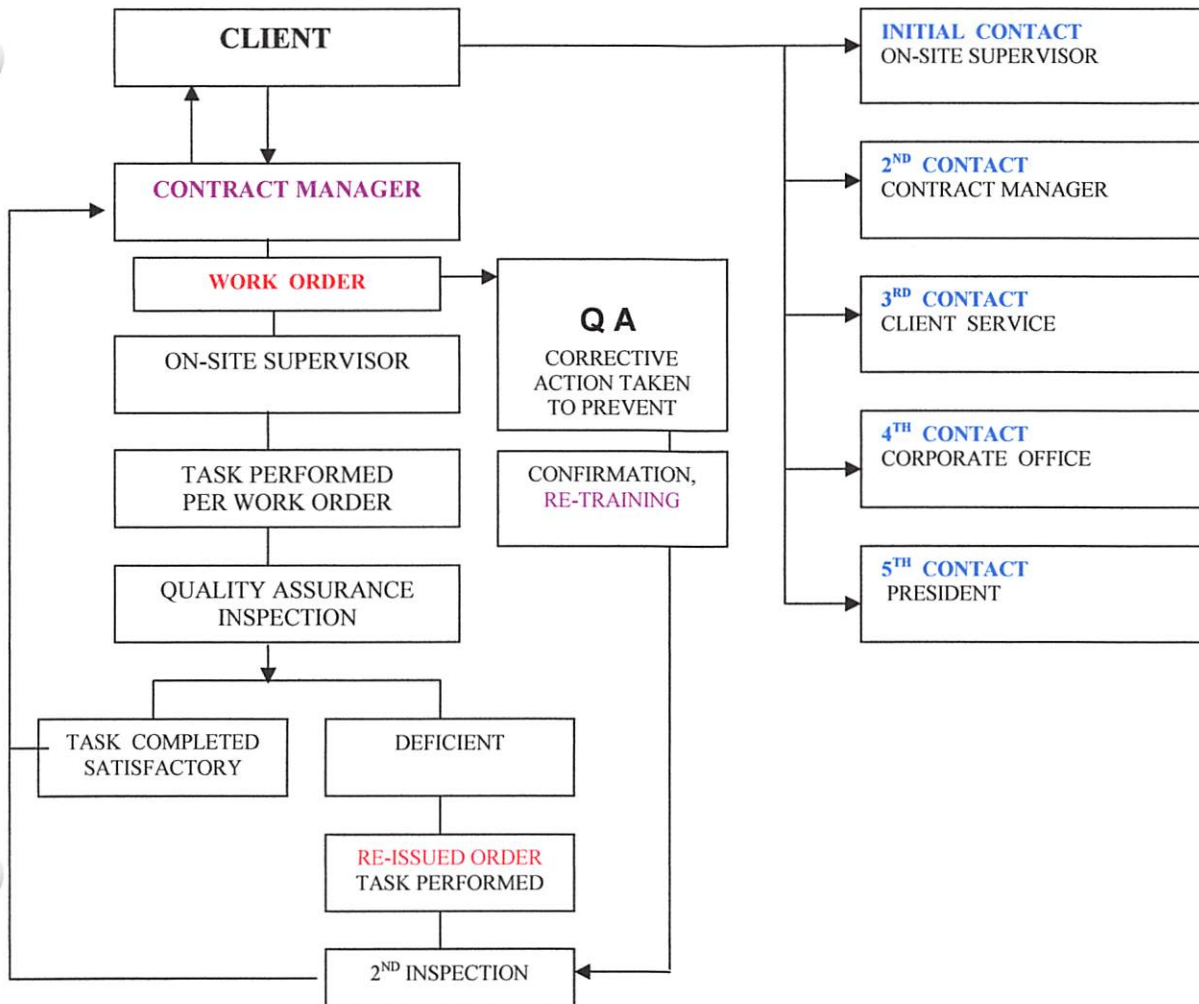
Normal Business Hours : Valley Maintenance available personnel to take action at the urgent, emergency work site with in One (1) Hour following notification by Clients.
After Business Hours : With in Two (2) hour.

RESOLUTION PROCEDURE

1. In the event of an emergency or should any problems arise, Facility Management can contact The appropriate chain of command contact list.
2. Janitorial service request/or complaint issues:
 - 1) The Facility Management will contact the Contract Manager.
 - 2) The Contract Manager will issue a work order to the on-site supervisor.
 - 3) The task is performed per work order.
 - 4) The Quality Control Manager will conduct an inspection on the task performed.
 - 5) The Quality Manager will determine if the task performed was completed satisfactory/ or unacceptable.
 - 6) The Quality Control Manager will inform the Contract Manager of the completion of the task.
 - 7) The Contract Manager will follow-up with the Facility Management to assure service requests / or deficiencies were corrected and Quality Assurance in being performed.

CORRECTIVE ACTION PROCEDURE

3. In the result of an unacceptable inspection by the Quality Control Manager.
 - 1) The Contract Manager will re-issue the work order to the on-site Supervisor.
 - 2) The Quality Control Manager will conduct a 2nd inspection.
 - 3) The Quality Control Manager will implement disciplinary action to prevent any further issues.
 - 4) The Contract Manager will confirm disciplinary action was taken.
 - 5) Janitorial crew's are re-trained on the unacceptable performance.
 - 6) The Quality Control Manager will inform the Contract Manager of the completion of the task.
 - 7) The Contract Manager will follow-up with Facility Management to assure service requests / or deficiencies were corrected and Quality Assurance is being performed.



QUALITY CONTROL, INSPECTION PROCEDURE

SUPERVISOR

Valley Maintenance will provide thoroughly trained On-Site Working Supervisor. Supervisor will be physically located during normal work shift, Monday through Friday so that such is readily available to deal with the day-to-day operation of the contract. Supervisor shall be knowledgeable in all aspects of the contract service operation and will monitor each individual custodian's performance.

WEEKLY, MONTHLY INSPECTIONS

Supervisor will walk through each restroom with check list and will conduct the weekly inspection and fill out the form at the end of the week (Friday). Also Supervisor will conduct weekly joint inspection tour with facility Manager. Quality Control Manager and Supervisor will walk through each restroom with check list and will conduct Monthly inspection and fill out the form at the end of the month (Last Friday of the Month).

UNSCHEDULED INSPECTION

Quality Control Manager will conduct unscheduled inspection during normal working hour at least twice a month and make a report to the Contract Manager. The purpose of unscheduled inspections are to make sure all the tasks and services are being performed to acceptable condition and to identify deficiencies in the quality of service performed before the level of service becomes unacceptable.

Where a deficiency has been observed, Quality Control will notify the Contract Manager for resolution.

FOLLOW-UP INSPECTIONS

Quality Control Manager will conduct Follow-up inspections of all work found to be deficient on the Monthly initial inspection. Quality Control will notify to the Contract Manager on any item found to be defective on this second inspection. Deficiencies found on this second inspection will be corrected immediately.

WORK SUMMARY REPORT

A Monthly Summary report will be turned in to the Property Manager on the first work day of the month indicating all completed or in-progress work and any corrective action taken.

CUSTODIAL SERVICE DAILY CHECK SHEET

LOCATION :

DATE :

BASIC CLEANING TASK	AREA, ROOM #	FREQUENCY	CREW INITIAL	SUPERVISOR
SWEEP FLOORS		DAILY		
WATER MOP		DAILY		
VACUUM /SPOT CLEAN CARPET		DAILY		
BUFF FLOOR – ROOM		MONTHLY		
BUFF HALLWAY FLOOR		WEEKLY		
SPOT CLEAN CARPET		DAILY		
SPOT CLEAN WALLS		DAILY		
SHAMPOO CARPET		AS NEEDED		
SCRUB /WAX FLOOR		AS NEEDED		
REMOVE BUILD UPS: CORNER () BASEBOARD()				
CLEAN GLASS DOORS		DAILY		
PARTITION GLASS		DAILY		
CLEAN DOORS		WEEKLY		
CLEAN OFFICE DESK TOPS		AS REQUIRED		
CONFERENCE TABLE TOPS		DAILY		
DUST FURNITURE		WEEKLY		
LOCKING DOORS		DAILY		
HIGH DUSTING : COB WEB, () SHELVES ()		WEEKLY		
STAIRWAY STEPS () LANDING ()		DAILY		
DRINKING FOUNTAIN		DAILY		
CLEAN APPLIANCE		WEEKLY		
ELEVATOR : FLOOR () WALLS () TRACK ()		DAILY		
REMOVE OUTSIDE TRASH		DAILY		
CLEAN ENTRY WAY		DAILY		
CLEAN FLOOR MAT		DAILY		
SWEEP OUTSIDE WALKWAY		DAILY		
LUNCH / BREAK AREAS				
SWEEP		DAILY		
WATER MOP		DAILY		
CLEAN FLOOR MAT		DAILY		
BUFFING FLOORS		AS NEEDED		
SCRUB /WAX FLOOR		AS NEEDED		
CLEAN SINKS, DISPENSER		DAILY		
CLEAN TABLES , CHAIRS		DAILY		
CLEAN REFREIGERATOR		WEEKLY		
CLEAN MICRO OVEN		DAILY		
REMOVE & DISINFECT TRASH CANS		DAILY		
SPOT CLEAN WALLS		DAILY		
REFILL SOAP, TOWEL		DAILY		
HIGH DUSTING () COBWEB () SHELVES		WEEKLY		
CLEAN DOORS		WEEKLY		
RESTROOM CLEANING				
FLOORS		DAILY		
SINKS		DAILY		
MIRRORS		DAILY		
INSIDE TOILET		DAILY		
OUTSIDE TOILET		DAILY		
INSIDE URINAL		DAILY		
OUTSIDE URINAL		DAILY		
CORNERS / LEDGES		DAILY		
CLEAN WALLS, PARTITIONS		DAILY		
REFILL PAPER GOODS		DAILY		
REFILL HAND SOAP		DAILY		
DEODERIZE ROOM		DAILY		
WILLDOW SILLS		WEEKLY		
HIGH DUST – VENTS, COBWEB		WEEKLY		
MACHINE SCRUB FLOORS		MONTHLY		

EMPLOYEE TRAINING PROGRAM

Prior to job start, Valley Maintenance management will conduct the training of any new personnel at a designated job site. And will retrain all existing employees on a continual basis. Our training program consists of numerous sessions from the time of employment. The following is an outline of our program:

FIRST SESSION:

1. Welcome new employees to Valley Maintenance, including a discussion of :
 - A. Basic company policies, incentives, and benefits.
 - B. Importance of Quality Levels, Punctuality, Attendance and Security requirements.
 - C. Advancement and growth potential.
2. General discussion of six basic steps in cleaning:
 - A. Care, use, maintenance of equipment/chemicals.
 - B. Ashtray and waste basket emptying.
 - C. Furniture and equipment dusting.
 - D. Dust mopping and vacuuming.
 - E. Spot cleaning.
 - F. Spot mopping or damp mopping.

SECOND SESSION:

1. Tools and standard cleaning methods:
 - A. Ashtray and waste basket emptying and damp wiping.
 - B. Furniture and equipment dusting and polishing.
2. Practical application:
 - A. Company facility
 - B. Field (Hands on) facility

THIRD SESSION:

1. Tools and standard cleaning methods:
 - A. Dust mopping, damp mopping and vacuuming
 - B. Spot cleaning walls, doors, glass, bright work

FOURTH SESSION:

1. Tools and standard methods of restroom cleaning:
2. Practical (On-site work)

FIFTH SESSION:

1. Standard cleaning methods and tools for:
 - A. Wet mopping
 - B. Floor care maintenance
2. Machine buffing
3. Reconditioning / maintaining
4. Stripping and refinishing
5. Practical work (On-site)

EQUIPMENT AND SUPPLIES

CONTROLLED ENVIRONMENTAL SERVICES PROGRAM

Priority Services is committed to improving the working environments of our customers. Our operating philosophy is grounded on a belief that we should be a leader in our industry in implementing environmental program.

To do this, we developed **GREEN CLEAN** program that leverage recent environmental innovations and that support our client's effort to manage green buildings.

The **GREEN CLEAN** program is founded on following modus operandi.

- Purchase products and equipment that minimize or eliminate any harmful impact to the environment.
- Ensure that the products we use and our operations are safe for our employees, customers and the environment.
- Reduce, or prevent, the environmental impact of any products we use whenever possible.
- Meet or exceed the requirements of all environmental laws and regulations.
- Continually assess our environmental technology and programs, and monitor progress toward environmental goals.
- Ensure every employee understands and responsive and accountable for incorporating environmental considerations in daily business activities.

LIST OF SUPPLIES

	ENVIRONMENTALLY CLEANER	MAKERS	PRODUCT NAME
1	All purpose Cleaner	Maintex	Impact EES
2	Glass and Window Cleaner	Maintex	Glacier
3	Bathroom Cleaner / Deodorizer	Maintex	Shimmer
4	Lime and Scale Remover	Maintex	Oxy Citrus
5	Floor Surface Cleaner	Maintex	Trailwinds
6	Degreaser / Cleaner	Maintex	Pristine
7	Carpet Shampoo	Ecolab	Revitalize 151
8	Chrome Polish	Maintex	Excalibur
9	Graffiti Remover	Maintex	Graffiti Remover
10	Brass Polish / Cleaner	Maintex	Sta-Brite
11	Floor Finish	Maintex	Dura ZF
12	Floor Stripper	Maintex	Trend ES

As listed above all cleaning supplies, materials used in the performance of Janitorial Service are Environmentally friendly materials and have been cleared through the Industrial Hygiene Department via MSDS, suitable for the purpose intended, and will provide results necessary to provide the high standards of cleanliness required under this service contract.



PERSONAL RESUME

BRUCE M. HWANG : CONTRACT MANAGER

PROFESSIONAL EXPERIENCE

Accomplished Janitorial Service Operations Manager with proven success in a variety of environments. Specific experience includes supervision of maintenance, janitorial services. Manage & administrate personnel and resources, design and coordination of projects, design and implement operations organizational policies and procedures, skilled employee recruitment, selection, supervision and evaluation. Able to communicate and demonstrate leadership, training and motivation in order to continuously improve the organizations operations and management.

Management – Experienced in overseeing 250 skilled, semi-skilled and managerial employees. hire, train, direct, and evaluate the staff. responsible for their output and quality of their work. Maintain moral, motivation, and positive employee relations. Solve problems, task corrective action, and apply company policy.

Administrative – Collate and keep attention records for a staff of 250 employees. Trained co workers on administrative assignments. Process all company performance warnings terminations, promotions, demotions rate of pay changes, transfer and seating changes. Required to keep personal confidential employee information.

Customer Relation – Successful management of internal / external customer service department. hands on experience with a high number of telephone and walk in customer daily. Training on proficient and consistent customer service. Conducted training on claims as well as customer service for the company sales representatives. Trouble shooting to insure customer satisfaction with continual customer service improvement.

SKILL AND PROJECTS

- Development and administration of training programs that are updated on a regular basis.
- Maintenance of quality standards to include disciplinary action and positive motivation programs.
- Resolution of employee's concerns regarding pay, equipment, uniform replacements, conduct and enforce appearance/uniform standards.
- Maintenance of conformance with Safety and Emergency plans.
- Development of a system/process for day porters, janitors to inform facility management if hazardous or unsafe conditions.
- Familiarizing all management, supervisory and training personnel with the designated locations and areas included in the specification.
- Establish the procedures necessary for training assigned personnel to perform the duties on each post and insure compliance.

EMPLOYEEMENT SUMMARY

VALLEY MAINTENANCE CORP., Los Angeles, CA

May 1996 to Present

Vice President of Operations

Administrate and manage the janitorial & maintenance services of multiple facilities in the Southern California region. Manage day-to-day events of start up janitorial company. Prepare bid proposals, seek potential growth, administrative quality control inspections, extensive client and tenant relations, establish budgets and hire qualified staff, develop training program, primary purchasing authority.

WORLD SERVICE WEST, Los Angeles, CA

Jan 1989 to May 1996

Airport Operations Manager, LAX, SFO, & BURBANK AIRPORT

Developed and responsible for functions for the janitorial service operations at the LAX Terminal Two, San Francisco Airport, and Commercial Airliners and for ensuring the delivery of quality service experiences at the site level to guests.

CITIBEST MAINTENANCE CO., INC. North Hollywood, CA

Mar 1974 to Oct 1989

President

Established and developed over \$ 7,000,000 annual janitorial service contract including Sears, Target, Broadway Department stores through out the California as well as large commercial office buildings.

Education

Yunsae University, Seoul Korea
Cal State University of Northridge

Master science degree in Business Administration

Professional & Service Organizations

- Member, Construction Management Association of America
- Member, International Facilities Management Association
- Hazardous Materials/Waste Handling Certified –Dept. of Transportation
- Safety Training Supervisor Certified

WORK HISTORY – AIRPORT & COMMERCIAL AIRLINERS

TIME FRAME	PROJECT WORKED	ROLE IN PROJECT
From May, 1984 To Oct. 1988	Tom Bradley International Airport Los Angeles	Project Manager
From Jan. 1989 To April, 1996	Terminal 2 Los Angeles Airport Burbank Airport	Contract Manager
From May. 1996 To Dec. 2000	Northwest Airlines.- LAX Delta Airlines - LAX Continental Airline - LAX Air Canada, Korean Air Lines - LAX United Airlines – San Francisco	Contract Manager
From July 2004 To April, 2009	Burbank Airport – Burbank, California Delta Airlines, Northwest – San Francisco	Contract Administrator

KEY PERSON PROFILE

JORGE CARPIO : SUPERVISOR



WORK EXPERIENCE with GOVERNMENT SERVICE CONTRACTS

TIME FRAME	NAME - LOCATION	ROLES FOR THE PROJECT
1990 - 1995	City of Long Beach City of Ventura	Supervisor.
1996 - 2004	City of Riverside City of Pasadena City of Orange	Contract Manager
2005 - 2020	Burbank Airport L A County Santation	Contract Manager

SANTOS SORTO : LEAD CUSTODIAN



WORK EXPERIENCE with GOVERNMENT SERVICE CONTRACTS

TIME FRAME	NAME - LOCATION	ROLES FOR THE PROJECT
2001 - 2009	City of El Segundo City of Buena Park	Lead Custodian
2010 - 2020	City of Santa Ana City of Tustin Superior Courts	Custodian

VICKY AMARO : CUSTODIAN



WORK EXPERIENCE with GOVERNMENT SERVICE CONTRACTS

TIME FRAME	NAME - LOCATION	ROLES FOR THE PROJECT
2001 - 2009	City of Long Beach City of Buena Park	Day Porter
2010 - 2020	City of Riverside L A County Sanitation Superior Courts	Lead Custodian

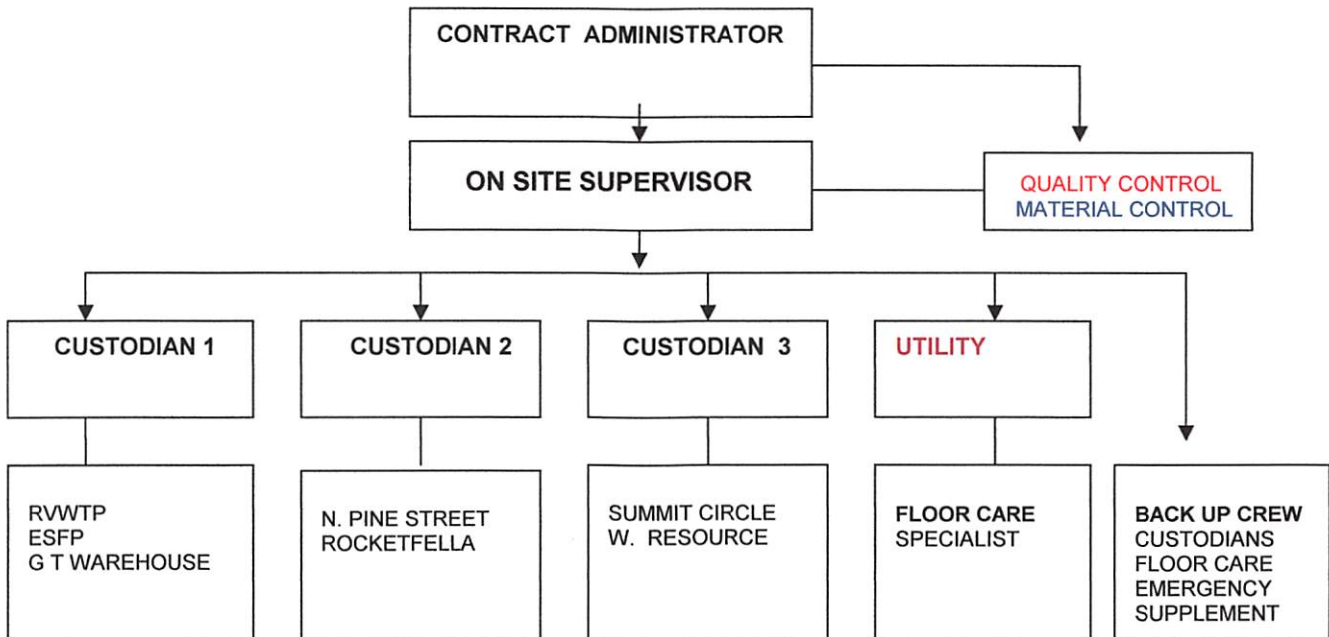
PEDRO JIMENEZ : FLOOR CARE SPECIALIST /CARPET CLEAN EXPERT



WORK EXPERIENCE with GOVERNMENT SERVICE CONTRACTS

TIME FRAME	NAME - LOCATION	ROLES FOR THE PROJECT
1990 - 1995	City of Long Beach City of Buena Park	On Site Supervisor.
1996 - 2018	City of Santa Ana City of Tustin	Floor Care Specialist
2010 - 2020	Los Angeles Airport	Floor Care Specialist

CITY OF RIVERSIDE COMMUNITY CENTERS JANITORIAL SERVICES STAFFING PLAN



A. SUPERVISION

Valley Maintenance Corp. will provide a Contract Manager and a On-Site Supervisor who will be the primary contract with facility management. This person to be available during normal working hours and shall directly supervise all custodial crew and will have overall supervisory authority over all company personnel.

B. STAFFING

VMC will provide a minimum crew of 6 including 1 Contract Manager, 1 Site Supervisor, 1 Floor care specialist, and 3 Night Cleaners. VMC will obtain approval from the Facility Manager before changing the crew size.

C. CALL BACK CREW

VMC will maintain a sufficient number of trained call back supervisor and crew to cover vacation, illness, emergency leave for staff assigned to the service contract, and fluctuation in the number of visitors. This call back crew will available 24 hours a day, 7 days a week and able to arrive at job site within one hour.

D. QUALITY CONTROL

Following Quality Control performance services will be provided to insure a high standard of services at the Community Center.

1. Daily service reports will be made by the on-site working supervisor.
2. Monthly or Weekly inspection will be made by the On-Site Supervisor accompany by a facility management.
3. VMC will submit copies of typical service log, report, etc.

ATTACHMENT A – PRICE SUMMARY (Revised 1/22/20)

LOCATION	UNIT	APPROX. SQ. FT.	MONTHLY HOURS	MONTHLY UNIT PRICE	MONTHS	ANNUAL COST
Earl Schmidt Filtration Plant (ESFP) 32700 N. Lake Hughes Road	Per Month	6,800 SF	15	\$ 390	X12	\$ 4,680
Golden Triangle Warehouse 21110 Golden Triangle Road	Per Month	5,040 SF	48	\$ 1,298	X12	\$ 15,576
North Pine Street 23780 North Pine Street	Per Month	15,518 SF	160	\$ 4,160	X12	\$ 49,920
Rio Vista Water Treatment Plant (RWVTP) 27234 Bouquet Canyon Road	Per Month	26,988 SF	145	\$ 3,770	X12	\$ 45,240
Rockefeller 24631 Avenue Rockefeller	Per Month	10,391 SF	78	\$ 2,028	X12	\$ 24,336
Summit Circle 26521 and 26515 Summit Circle	Per Month	12,992 SF	83	\$ 2,156	X12	\$ 25,872
Water Resources Building 26501 and 26505 Summit Circle	Per Month	4,852 SF	56	\$ 1,456	X12	\$ 17,472

TOTAL ANNUAL COST	\$ 183,096
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FINANCIAL INFORMATION

Valley Maintenance Corp. has the financial capability to perform this service contract with no interruption or disruption to the service operations. We are obligated to pay our employees and the related payroll taxes and insurance, as well as provide equipment and supplies. It is our experience that these expenses are born at contract commencement for forty five to sixty days before initial payment will be received from the client. We anticipate this and are financially capable of managing these expenses. Currently, Valley Maintenance has a revolving credit line in excess of \$ 1,000,000.00 with Hanmi Bank and Bank of Hope. we has maintained a business account in satisfactory standing for the past 15 years. We has never been declared bankruptcy and are not involved in any litigation, liens or claims at this time.

CREDIT REFERENCES

BANK OF HOPE

10300 Sepulveda Blvd.,
Mission Hills, CA 91345

Tel. (818) 898-3074 Fax (818) 898-3076

HANMI BANK

3660 Wilshire Blvd.
Los Angeles, CA 90010

Tel. (213) 389-2000 Fax (213) 383-0679

WEST COAST MAINTENANCE MATERIALS

337 South Western Ave.
Los Angeles, CA 90020

Tel. (213) 387-2245 Fax (213) 387-8197

VALLEY MAINTENANCE CORP.

Balance Sheet

As of September 30, 2019

	<u>Sep 30, 19</u>	<u>% of Column</u>
ASSETS		
Current Assets		
Checking/Savings		
Chase General	122,614.18	10.8%
Chase Payroll	8,173.03	0.7%
Total Checking/Savings	<u>130,787.21</u>	<u>11.5%</u>
Accounts Receivable		
Accounts Receivable	840,700.85	73.9%
Total Accounts Receivable	<u>840,700.85</u>	<u>73.9%</u>
Total Current Assets	971,488.06	85.4%
Fixed Assets		
Property, Plan and Equipment		
Autos	127,159.80	11.2%
Equipment	14,335.95	1.3%
Office Equipment	8,856.43	0.8%
Office Furniture	1,308.00	0.1%
Accumulated Depreciation		
Accu. Depr. - Autos	(45,531.00)	(4.0)%
Accu. Depr - Equipment	(12,221.00)	(1.1)%
Accu. Depr - Office Equipment	(2,000.00)	(0.2)%
Accu. Depr - Office Furniture	(1,250.00)	(0.1)%
Total Accumulated Depreciation	<u>(61,002.00)</u>	<u>(5.4)%</u>
Total Property, Plan and Equipment	<u>90,658.18</u>	<u>8.0%</u>
Total Fixed Assets	90,658.18	8.0%
Other Assets		
Goodwill	75,000.00	6.6%
Total Other Assets	<u>75,000.00</u>	<u>6.6%</u>
TOTAL ASSETS	<u><u>1,137,146.24</u></u>	<u><u>100.0%</u></u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities		
Accounts Payable	100,584.27	8.8%
Line of Credit - Chase #2003	220,737.09	19.4%
Dues to Shareholder	257,664.88	22.7%
Income Taxes Payable		
Federal Income Taxes Payable	13,216.00	1.2%
State Income Taxes Payable	7,458.00	0.7%
Total Income Taxes Payable	<u>20,674.00</u>	<u>1.8%</u>
Payroll Taxes Payable	924.31	0.1%
Total Other Current Liabilities	<u>600,584.55</u>	<u>52.8%</u>
Total Current Liabilities	600,584.55	52.8%
Long Term Liabilities		
Auto Loan - Honda Ridgeline	35,833.60	3.2%
Total Long Term Liabilities	<u>35,833.60</u>	<u>3.2%</u>
Total Liabilities	636,418.15	56.0%
Equity		
Capital Stock		
Common Stock	135,000.00	11.9%
Total Capital Stock	<u>135,000.00</u>	<u>11.9%</u>

	<u>Sep 30, 19</u>	<u>% of Column</u>
Retained Earnings	311,012.30	27.4%
Net Income	54,715.79	4.8%
Total Equity	<u>500,728.09</u>	<u>44.0%</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,137,146.24</u></u>	<u><u>100.0%</u></u>

VALLEY MAINTENANCE CORP.
Profit & Loss
October 2018 through September 2019

	Oct '18 - Sep 19	% of Income
Ordinary Income/Expense		
Income		
Contract Sales	7,091,183.65	100.0%
Total Income	7,091,183.65	100.0%
Cost of Goods Sold		
Cost of Goods Sold		
Labor	503,259.20	7.1%
Materials & Supplies	187,328.59	2.6%
Sub-Contract Services	5,548,403.99	78.2%
Total Cost of Goods Sold	6,238,991.78	88.0%
Total COGS	6,238,991.78	88.0%
Gross Profit	852,191.87	12.0%
Expense		
Automobile Expense	11,829.91	0.2%
Bank Service Charges	1,298.76	0.0%
Contributions	500.00	0.0%
Depreciation Expense	14,452.00	0.2%
Equipment Rental	42,703.05	0.6%
Insurance	190,106.05	2.7%
Interest Expense	9,153.19	0.1%
Office Expense	7,939.19	0.1%
Office Supply	5,162.80	0.1%
Officer Salary	166,608.00	2.3%
Payroll Tax Expense	69,590.50	1.0%
Performance Bond	68,832.00	1.0%
Professional Fees		
Accounting Fees	24,550.00	0.3%
Legal Fees	6,241.60	0.1%
Total Professional Fees	30,791.60	0.4%
Promotion	700.00	0.0%
Rent	31,725.00	0.4%
Repairs and Maintenances		
Janitorial Expense	6,097.37	0.1%
Total Repairs and Maintenances	6,097.37	0.1%
Taxes and Licenses	3,487.64	0.0%
Telephone	2,380.88	0.0%
Travel & Ent		
Meals	2,637.84	0.0%
Travel	4,354.82	0.1%
Total Travel & Ent	6,992.66	0.1%
Utilities	2,222.82	0.0%
Wages	104,228.66	1.5%
Total Expense	776,802.08	11.0%
Net Ordinary Income	75,389.79	1.1%
Other Income/Expense		
Other Expense		
Provision for Income Tax		
Federal	13,216.00	0.2%
State	7,458.00	0.1%
Total Provision for Income Tax	20,674.00	0.3%
Total Other Expense	20,674.00	0.3%
Net Other Income	(20,674.00)	(0.3)%
Net Income	54,715.79	0.8%

VALLEY MAINTENANCE CORP.

Balance Sheet

As of September 30, 2018

	Sep 30, 18	Sep 30, 17	% of Column
ASSETS			
Current Assets			
Checking/Savings			
Chase General	104,475.42	69,766.67	10.5%
Chase Payroll	20,575.63	12,242.81	2.1%
Total Checking/Savings	<u>125,051.05</u>	<u>82,009.48</u>	<u>12.6%</u>
Accounts Receivable			
Accounts Receivable	735,242.88	604,290.03	74.2%
Total Accounts Receivable	<u>735,242.88</u>	<u>604,290.03</u>	<u>74.2%</u>
Total Current Assets	<u>860,293.93</u>	<u>686,299.51</u>	<u>86.8%</u>
Fixed Assets			
Property, Plan and Equipment			
Autos	77,967.00	77,967.00	7.9%
Equipment	14,335.95	14,335.95	1.4%
Office Equipment	8,856.43	2,000.00	0.9%
Office Furniture	1,308.00	1,308.00	0.1%
Accumulated Depreciation			
Accu. Depr. - Autos	(32,042.00)	(28,392.00)	(3.2)%
Accu. Depr. - Equipment	(11,375.00)	(10,191.00)	(1.1)%
Accu. Depr. - Office Equipment	(2,000.00)	(1,885.00)	(0.2)%
Accu. Depr. - Office Furniture	(1,133.00)	(1,016.00)	(0.1)%
Total Accumulated Depreciation	<u>(46,550.00)</u>	<u>(41,484.00)</u>	<u>(4.7)%</u>
Total Property, Plan and Equipment	<u>55,917.38</u>	<u>54,126.95</u>	<u>5.6%</u>
Total Fixed Assets	<u>55,917.38</u>	<u>54,126.95</u>	<u>5.6%</u>
Other Assets			
Goodwill	75,000.00	75,000.00	7.6%
Total Other Assets	<u>75,000.00</u>	<u>75,000.00</u>	<u>7.6%</u>
TOTAL ASSETS	<u><u>991,211.31</u></u>	<u><u>815,426.46</u></u>	<u><u>100.0%</u></u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Other Current Liabilities			
Accounts Payable	111,020.27	386,260.27	11.2%
Line of Credit - Chase #2003	100,000.00	0.00	10.1%
Dues to Shareholder	312,413.90	22,413.90	31.5%
Income Taxes Payable			
Federal Income Taxes Payable	13,660.00	12,100.00	1.4%
State Income Taxes Payable	7,298.00	7,509.00	0.7%
Total Income Taxes Payable	<u>20,958.00</u>	<u>19,609.00</u>	<u>2.1%</u>
Payroll Taxes Payable	806.84	264.05	0.1%
Total Other Current Liabilities	<u>545,199.01</u>	<u>428,547.22</u>	<u>55.0%</u>
Total Current Liabilities	<u>545,199.01</u>	<u>428,547.22</u>	<u>55.0%</u>
Total Liabilities	<u>545,199.01</u>	<u>428,547.22</u>	<u>55.0%</u>
Equity			
Capital Stock			
Common Stock	135,000.00	135,000.00	13.6%
Total Capital Stock	<u>135,000.00</u>	<u>135,000.00</u>	<u>13.6%</u>
Retained Earnings	251,879.24	191,537.76	25.4%
Net Income	59,133.06	60,341.48	6.0%
Total Equity	<u>446,012.30</u>	<u>386,879.24</u>	<u>45.0%</u>
TOTAL LIABILITIES & EQUITY	<u><u>991,211.31</u></u>	<u><u>815,426.46</u></u>	<u><u>100.0%</u></u>

VALLEY MAINTENANCE CORP.
Profit & Loss
October 2017 through September 2018

	<u>Oct '17 - Sep 18</u>	<u>Oct '16 - Sep 17</u>	<u>% of Income</u>
Ordinary Income/Expense			
Income			
Contract Sales	7,194,964.26	5,656,614.36	100.0%
Total Income	<u>7,194,964.26</u>	<u>5,656,614.36</u>	<u>100.0%</u>
Cost of Goods Sold			
Cost of Goods Sold			
Labor	772,949.10	604,631.86	10.7%
Materials & Supplies	382,727.06	268,328.90	5.3%
Sub-Contract Services	4,888,046.41	3,864,970.63	67.9%
Total Cost of Goods Sold	<u>6,043,722.57</u>	<u>4,737,931.39</u>	<u>84.0%</u>
Total COGS	<u>6,043,722.57</u>	<u>4,737,931.39</u>	<u>84.0%</u>
Gross Profit	1,151,241.69	918,682.97	16.0%
Expense			
Advertising	11,365.00	0.00	0.2%
Automobile Expense	19,707.83	19,556.32	0.3%
Bank Service Charges	1,577.21	995.70	0.0%
Bank Card Service Charge	0.00	973.00	0.0%
Commission	7,020.00	0.00	0.1%
Contributions	1,500.00	1,500.00	0.0%
Depreciation Expense	5,066.00	5,864.00	0.1%
Employee benefit	9,684.98	0.00	0.1%
Equipment Rental	21,645.21	12,365.87	0.3%
Insurance	191,067.81	157,779.94	2.7%
Interest Expense	4,197.84	4,926.83	0.1%
Miscellaneous	6,099.85	2,006.96	0.1%
Office Expense	20,176.13	16,702.34	0.3%
Office Supply	9,331.52	9,799.92	0.1%
Officer Salary	149,500.00	136,000.00	2.1%
Payroll Tax Expense	116,413.73	90,477.49	1.6%
Performance Bond	0.00	85,277.48	0.0%
Professional Fees			
Accounting Fees	18,650.00	10,030.00	0.3%
Legal Fees	6,471.23	2,793.71	0.1%
Total Professional Fees	<u>25,121.23</u>	<u>12,823.71</u>	<u>0.3%</u>
Promotion	15,319.97	14,471.31	0.2%
Rent	45,048.29	24,775.75	0.6%
Repairs and Maintenances			
Janitorial Expense	6,023.81	0.00	0.1%
Repairs and Maintenances - Other	1,850.00	0.00	0.0%
Total Repairs and Maintenances	<u>7,873.81</u>	<u>0.00</u>	<u>0.1%</u>
Taxes and Licenses	3,261.98	5,200.08	0.0%
Telephone	28,737.98	16,677.46	0.4%
Travel & Ent			
Meals	5,365.48	4,851.62	0.1%
Travel	87,596.74	3,054.08	1.2%
Total Travel & Ent	<u>92,962.22</u>	<u>7,905.70</u>	<u>1.3%</u>
Utilities	3,888.90	2,224.22	0.1%
Wages	274,583.14	210,428.41	3.8%
Total Expense	<u>1,071,150.63</u>	<u>838,732.49</u>	<u>14.9%</u>
Net Ordinary Income	80,091.06	79,950.48	1.1%

	<u>Oct '17 - Sep 18</u>	<u>Oct '16 - Sep 17</u>	<u>% of Income</u>
Other Income/Expense			
Other Expense			
Provision for Income Tax			
Federal	13,660.00	12,100.00	0.2%
State	7,298.00	7,509.00	0.1%
Total Provision for Income Tax	<u>20,958.00</u>	<u>19,609.00</u>	<u>0.3%</u>
Total Other Expense	<u>20,958.00</u>	<u>19,609.00</u>	<u>0.3%</u>
Net Other Income	<u>(20,958.00)</u>	<u>(19,609.00)</u>	<u>(0.3)%</u>
Net Income	<u><u>59,133.06</u></u>	<u><u>60,341.48</u></u>	<u><u>0.8%</u></u>

INTRODUCTION

COMPANY HISTORY

Valley Maintenance, Corp. is a small and minority owned commercial building maintenance company established in 1991. Since its inception, Valley Maintenance has never failed or refused to complete any service contracts and has grown to become one of the premier janitorial service providers in the Southern California. Currently employing over 300 service workers covering an average of a multi million square feet per day. Valley Maintenance has the management experience, availability of supervisory personnel, financial capability and resources to accomplish all of the requirements of commercial properties. Our management staff has over one hundred years combined experience in the janitorial industry. We are proud of this fact and believe we are able to staff, function and perform to any specifications presented to us.

EMPLOYEE TRAINING

Training is mandatory for every employee to formulate and secure our high standard of operations. From the simplest to the most complicated assignments, each member of our team is completely prepared before tackling each job. After careful screening of all Valley Maintenance personnel, mandatory training, with a minimum of 90 days supervised field-training employees are assigned to job locations. The training is followed by in-service instruction by their supervisors to update and review techniques.

OUR EMPLOYEES

Valley Maintenance employees are carefully screened and selected. They are trained, not only in the latest cleaning techniques, but care for specific premises with the specific use of industrial chemicals and equipment unique to each premise. To achieve our goal of customer satisfaction, we strive to create a feeling of pride in the performance of our employees. Valley Maintenance personnel work on a performance incentive program are used to maximize quality work, therefore, providing you with the consistency of a quality maintenance company.



OUR COMPANY – AT A GLANCE

NAME OF FIRM: Valley Maintenance Corp.			
MAIN OFFICE : 10002 Pioneer Blvd. Suite 101 Santa Fe Springs, CA 90670			
TELEPHONE NUMBER: (562) 948-3020			
FACSIMILE NUMBER: (562) 948-3082			
E-MAIL ADDRESS: bruce.h@valleymco.com		WEBSITE: www.valleymco.com	
CONTACT PERSON (Authorized sign the Agreement): Bruce M. Hwang, V.P. of Operations			
TELEPHONE NUMBER: (213) 494-1003			
SECONDARY CONTACT PERSON ; Eugene Lee, Vice President			
EMERGENCY CONTACT NUMBERS; 213-494-1003 / 818 606-0725			
CITY BUSINESS LICENSE #: 715031-74, City of Los Angeles			
FEDERAL EMPLOYER ID #: 20-4099011			
Dun and Bradstreet Number : 01-084-6051			
COMPANY STATUS: Minority Owned Small Business certified by the Port of Long Beach			
Form of Ownership : California S Corporation		263-8981-7	
YEARS IN BUSINESS: 25 Years			
TERRITORIAL COVERAGE : Most of the Southern California			
NUMBER OF EMPLOYEES : Management : 5 Supervisor : 10 Custodian: 265			
CORPORATION (x) PARTNERSHIP () JOINT VENTURE () SOLE PROPRIETOR ()			
NAMES AND TITLE OF COMPANY PRINCIPALS:			
Byung S. Lee, President / Eugene Lee, Vice President / Bruce M. Hwang, V.P. of Operations			
INSURANCE INFORMATIONS – Liability : 5 million Worker’s Com. : 1 million Auto : 1 million			
ANNUAL CONTRACT VALUE OF 3 LARGEST JANITORIAL SERVICE CONTRACTS IN PAST 3 YEARS :			
City of Irvine - \$ 1,116,750 / Union Pacific- \$ 967,550 / Superior Court San Bernardino- \$ 527,800			
NEGATIVE HISTORY: Valley Maintenance Corp. has no negative history and has not been involved in any contract failures. Valley Maintenance Corp. is also not involved in any pending investigations.			
EMPLOYEE TURNOVER RATES:		Year 2019 – 2.3 % Year 2018 – 3.4 %	
INDUSTEIAL SAFETY RATES		2019 : 0.083 2018: 0.091 2017: 0.087	

EXPERIENCE AND CAPABILITY

The company is divided into two commercial service divisions: 1) retail properties providing specific floor care services and 2) all other commercial properties serving government facilities, office buildings, private schools, airport terminals and medical centers as well as industrial properties.

Valley Maintenance bonds and insures more than 300 employees and performs custodial services for many incorporated cities in southern California as well as commercial properties for the last 25 years. The crew and supervisors take pride in using only *QUALITY* products, *PROFESSIONAL* skills and *STATE-OF-THE-ART* equipment and our training program and quality control program assures their performance.

We believe the primary element in the successful performance of contract janitorial service is management and supervision. Exemplary management ensures top service. The Operation Manager is headquartered at the corporate office. The Operation Manager directs the on-site supervisors. The on-site supervisor is in charge of the each project and directs and supervises assigned custodians.

The Operation Manager's primary purpose is to increase the operation effectiveness of all the workers under his supervision. The Operation Managers train and assists personnel. They call on customers and assist them with any situations they may have. They are fully responsible for maintaining the quality of our services. The Supervisor or crew Foreman handles front line, on the job supervision.

With over a century of collective managerial and operational skills, Valley Maintenance has continued to grow both in size and reputation. We pride ourselves in being able to meet the highest expectation of our many satisfied clients.





**UNION PACIFIC H.Q.
OMAHA, NEBRASKA**
2 Years since 2018
450,000 SQ/FT



4 Years since 2016



**SAN BERNARDINO
COURTS HOUSE**
5 Years since 2015



MANAGEMENT
12 Years since 1998
16 locations



10 Years since 2010
All City Facilities



3 Years since 2017
Student Union



KOREAN AIR CARGO
e-Customer Service Platform
20 Years since 2000
220,000 SQ/FT



12 Years since 1998
Community Centers



1 Year since 2019
20 Locations



**TOTAL TERMINAL
INTERNATIONAL, LLC**
20 Years since 2000
180,000 SQ/FT



10 Years since 2000
All City Facilities



6 Years since 2014
8 Locations



SUPERIOR COURT
5 Years since 2015



10 Years since 2000
All City Facilities



6 Years since 2014
All City Facilities

ATTACHMENT B

Representative Information

Authorized contact person for all follow-up and inquiries regarding this proposal:

BRUCE HWANG VICE PRESIDENT
Name Title

Company Name: VALLEY MAINTENANCE CORP.

Address 11759 TELEGRAPH ROAD.

City SANTA FE SPRINGS State CA Zip 90670

Telephone (562) 948-3020 FAX (562) 948-3082

Email bruce.h@VALLEYMCO.COM.

Prices shown above shall be the net total price. I also certify that the figures listed on this Proposal Form constitute my Bid for furnishing all required labor, equipment, and materials, necessary to provide the described service supplies and incidental items. I also certify that the Bid price will remain effective for at least 90 days.

VALLEY MAINTENANCE CORP.
Company Name

20-4099011
Federal Tax Identification Number

Bruce Hwang
Signature of Authorized Representative/ Official

2-10-2020
Date

BRUCE HWANG, VICE PRESIDENT.
Name and Title of Authorized Representative/ Official

11759 TELEGRAPH RD. SANTA FE SPRINGS CA 90670
Business Address City State Zip

Telephone Number (562) 948-3020

Fax Number (562) 948-3082

ATTACHMENT C

References

Submit with your bid, the Client References form with at least three references for which bidder has provided similar services.

Bidder Name: VALLEY MAINTENANCE CORP.

Company Name: <u>SUPERIOR COURT OF SAN BERNARDINO</u>	Contact Person: <u>DAVID GONZALES</u>
Address: <u>247 W. 3RD STREET</u>	Telephone Number: <u>909-705-8742</u>
City, State, Zip: <u>SAN BERNARDINO CA 92415</u>	E-mail Address: <u>dgonzales@sb-court.org</u>
Services Provided / Date(s) of Service: <u>JANITORIAL SERVICES AND DAY PORTERS (3 PORTERS) MONDAY THROUGH FRIDAY AT SUPERIOR COURTS SINCE APRIL 1, 2018.</u>	

Company Name: <u>CITY OF MONTEREY PARK</u>	Contact Person: <u>CHRIS REYES</u>
Address: <u>320 W. NEWMARK AVE.</u>	Telephone Number: <u>626-307-2506</u>
City, State, Zip: <u>MONTEREY PARK, CA 91754</u>	E-mail Address: <u>CREYES@MONTEREYPARK.CA.ORG</u>
Services Provided / Date(s) of Service: <u>JANITORIAL SERVICES FOR VARIOUS CITY FACILITIES INCLUDE CITY HALL, POLICE DEPARTMENT AND PARK RESTROOM SINCE JAN. 1, 2016.</u>	


Company Name: <u>CITY OF RANCHO PALOS VERDE</u>	Contact Person: <u>JUAN HERNANDEZ</u>
Address: <u>30940 HANTHORNE BLVD.</u>	Telephone Number: <u>(310) 544-5221</u>
City, State, Zip: <u>RANCHO PALOS VERDE CA 91754 90275</u>	E-mail Address: <u>jhernandez@rpvca.gov</u>
Services Provided / Date(s) of Service: <u>JANITORIAL SERVICES FOR VARIOUS CITY FACILITIES INCLUDE CITY HALL, COMMUNITY CENTERS AND PARK RESTROOMS SINCE JAN. 1, 2014.</u>	

ATTACHMENT D

Acknowledgement Receipt of Addenda

The undersigned Bidder hereby acknowledges receipt of the following Addenda:

If no addendums were issued, please check box below and submit with bid packet.

<u>Addendum Number</u>	<u>Dated</u>	<u>Acknowledge Receipt</u> (Initial)
<u>1</u>	<u>JAN. 22, 2020</u>	<u></u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

No addenda were received:

Acknowledged for: VALLEY MAINTENANCE CORP.
(Name of Bidder)

By: 
(Signature of Authorized Representative)

Name: BRUCE HWANG
(Print or Type)

Title: VICE PRESIDENT.

Date: FEB. 10, 2020.

ATTACHMENT E

Non-Collusion


Note: To be executed by Proposer and submitted with proposal.

State of CALIFORNIA
(the State of the place of business)

County of LOS ANGELES
(the County of the place of business)

BRUCE HWANG, being first duly sworn, deposes and
(name of the person signing this form)
says that he/she is VICE PRESIDENT. of
(title of the person signing this form)
VALLEY MAINTENANCE CORP., the party making the foregoing bid
(name of bidding company)

that such bid is not made in the interest of or on the behalf of any undisclosed person, partnership, company, association, organization or corporation; that such bid is genuine and not collusive or sham; that said bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that said bidder has not in any manner directly or indirectly sought by agreement, communication, or conference with anyone to fix the bid price of said bidder or of any other bidder or to fix any overhead profit, or cost element of such bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in such bid are true, and further, that said bidder has not directly or indirectly submitted his bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid and will not pay any fee in connection therewith, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, or to any other individual except to any person or persons as have a partnership or other financial interest with said bidder in the general business.

By: 
(signature)
Printed Name: BRUCE - HWANG
(name of the person signing this form)
Title: VICE PRESIDENT.
(title of the person signing this form)

Notary is not required for this bid.

ATTACHMENT 3



Proposal Prepared For



February 12th 2020



Table of Contents

1	Cover letter
2	Executive Summary
3	Functional Requirements
4	Project Team & Experience
5	Cost Proposal
6	Stability and Financial Status
7	Qualifications and References
8	Attachments A - E



A message from the president

February 12, 2020

Dear Santa Clarita Valley Water Agency management team:

First, I would like to extend our thanks to you for the opportunity to bid on your RFP.

At All Care Industries, Inc., our objective is to provide you with service designed specifically to meet your needs. Our current success is based on this, and thus our business relies to a large extent upon references from satisfied clients rather than an impressive sales method.

Our belief is that a long-term relationship is better built by satisfactory daily performance and *not* by doing the minimum, for the lowest price possible.

The fact that most of our clients stay with us for years and gladly refer their contacts to us confirms this. We encourage our clients to comment upon our service, and if necessary, to complain of any omissions. Every facility has conditions unique to itself, and only through communication can we completely meet and exceed a client's expectations.

If you require an organization that is happy to listen to your needs and performs at high standards while providing great value, we stand ready to meet those requirements. Your time will be respected in addition to the precepts of honesty and professional service.

We remain with the hope that the future may bring about a mutually beneficial business relationship.

Yours sincerely,

Charles Lee
President



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2	Executive Summary
3	Functional Requirements
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7	Qualifications and References
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Why All Care is the partner of choice

Overview

All Care Industries is a customer-centric commercial building janitorial company founded by Charles Lee in 2001 and has grown to service all of southern California ranging from public high rise buildings to private local businesses, proudly averaging at least 5 years across its client base.

The Problem

Institutions in search of a janitorial company are faced with finding the following:

- Competency (attention to detail, knowledge, skillsets, adherence to contract terms)
- Clear & effective communication
- Sensible rates
- Effective quality control processes
- Legitimacy

The Solution

At All Care Industries, we seek to provide the best service at a great value:

- All personnel are trained rigorously on safety, equipment, and operational procedures.
- Our point of contacts are fluent in English (often bilingual) and tend to respond same day (usually within hours) via phone or email
- With the current climate of the competitive landscape in the janitorial industry, All Care Industries offers very competitive and sensible rates.
- Supervisors are required to carry and execute a checklist when surveying performance
- All Care Industries is licensed, bonded and insured. Records are documented and retained whenever possible.

Keys to Success

We believe in selecting talented and qualified individuals that promote positive company culture thereby reflecting our guiding principles on the quality of work produced. We have a number of clients that can testify to our longstanding and successful relationships.

Financial Highlights

- All Care Industries maintains 2.3 - 2.5 million in annualized revenue year over year.
- All Care Industries is poised to expand and service all of Northern California, with projections to double in revenue over the next 10 years.
- We are pleased to offer this service at an annual contract value of **\$188,640**



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Summary of the scope of work

- We will provide SCV Water with all aspects of people & performance management associated with janitorial and sanitation services to support SCV's six in-scope facilities
- In subsequent pages, we will demonstrate how our management team proactively tracks performance to ensure high quality service and client satisfaction
- We are aware of the obligations on contractors associated with the Displaced Janitor Opportunity Act (DJOA) and shall comply with all applicable California labor codes

General Responsibilities	Key Activities
1. Staffing, Training, Supervision	<ul style="list-style-type: none"> • Staffing highly competent skilled staff • Conducting safety training for all on-sight staff • Ongoing oversight of staff performance
2. Security	<ul style="list-style-type: none"> • Securing and locking doors at designated indoor / outdoor locations across facilities • Ensuring staff have clean background checks and maintaining relevant BG check records • Ensuring all personnel maintain a clean uniform with a clearly identifying nametag
3. Performance	<ul style="list-style-type: none"> • Providing comprehensive janitorial and sanitation services across six in-scope facilities • Conducting monthly inspections and providing written reports to designated SCV contact

Janitorial / Sanitation Scope	Facilities (with Total Square Footage)
3a. Entrances and Exterior Areas	1. Earl Schmidt Filtration Plant – 6,800 SF
3b. Interior Areas	2. Golden Triangle Warehouse – 5,040 SF
3c. Daily Work Efforts	3. North Pine Street – 14,230 SF
3d. Weekly Work Efforts	4. North Pine Street Trailers – 1,288 SF
3e. Monthly Work Efforts	5. Rio Vista Water Treatment Plant – 26,988 SF
3f. Cleaning Every Quarter	6. Rockefeller – 10,391 SF
See addendum for detailed services provided per site	7. Summit Circle – 12,992 SF
	8. Water Resources Building – 4,852 SF

Our performance management approach to staffing, training, and supervision



- **We follow industry best practice for hiring and retaining high quality talent:**
 - Full background checks for all full time employees and contractors
 - Competitive compensation packages to retain quality talent and reduce turnover
 - Rigorous screening and interview processes that screens for integrity, “ownership mentality”, and attention to detail
- **We are an industry leader in how we approach training and supervision**
 - **Prior to any job, all full time employees and contractors are required to go through the our All Care Training Program (ACTP), which follows ISSA guidelines:**
 - All Care’s high standard for quality and customer service (i.e. duty checklist)
 - All Care’s quality control process (the Quality Control Program)
 - All Care’s policies around security, theft, and ethics
 - Cleaning route optimization and ways of working
 - How to best operate equipment efficiently and safely
 - Any client specific policies and requirements (as required)
 - **A supervisor will always accompany working crew to every building and ensure high quality service, thorough cleaning, and optimum efficiency**
 - Our ratio of supervisors to workers is better than most of our competitors, and all supervision and inspections are enforced on a day-to-day basis
 - The Quality Control Program is an essential part of our company, where we are proactive by contacting each client regularly to gather feedback on performance and areas of potential improvement
- **Our performance management (i.e. inspections) processes, metrics, and culture directly impact our staffing decisions and employee financial incentives**
 - Supervisors perform daily inspections to grade all work outcomes on a quality checklist, which our management team reviews on a weekly basis
 - Any and all deficiencies in performance are promptly addressed and corrective measures are noted in graded performance reports
 - These performance reports form the basis of hiring / firing decisions and also the allocation of merit pay increases



Our proposed service schedule & scope of work

- All Care will provide service in the schedule outlined per the RFP sections under 1.4 FUNCTIONAL REQUIREMENT (see addendum) and will ensure the required Quality Standards and Frequencies are met

A. Entrances & External Areas

1. Trash Containers
2. General Litter & Debris Outdoors
3. Seating Areas & Tables
4. Restrooms
6. Drinking Fountains

B. Office Area

1. Public Lobbies, Rooms, etc.
2. Book Shelves
3. Trash Containers
4. General Litter
5. Restrooms / Showers
6. Light Fixtures
7. Seating Areas, Tables, etc.
8. Public Counters, Surroundings
9. Windows, Ledges, Coverings
10. Chairs & Furniture
11. General Floor Care
12. Conference / Meeting Rooms
13. Work Stations, Office Spaces
14. Baseboards, Wainscoting
15. Kitchen, Coffee Makers
16. Custodial Closets
17. HVAC Registers
18. Walls and Doors
19. Elevators (where applicable)
20. Stairwells (where applicable)
21. Recycle Containers
22. Office Shredders

WEEKLY SCHEDULE: AFTER 6:30PM

	SUNDAYS	MONDAYS	TUESDAYS	WEDNESDAYS	THURSDAYS	FRIDAYS	SATURDAYS
1. Earl Schmidt Filtration Plant	N/A		N/A	N/A		N/A	N/A
2. Golden Triangle Warehouse						N/A	N/A
3. North Pine Street						N/A	N/A
4. North Pine Street Trailers (2)						N/A	N/A
5. Rio Vista Water Treat. Plant (7)			N/A			N/A	N/A
6. Rockefeller						N/A	N/A
7. Summit Circle Buildings (2)					N/A	N/A	N/A
8. Water Resource Building						N/A	N/A

Holiday Schedule

- All Care Industries observes the following holidays and do not typically provide service. However, we can provide service in special circumstances for an additional nominal fee.
- New Years Day
- Thanksgiving Day
- Day After Thanksgiving
- Presidents' Day
- Memorial Day
- Independence Day
- Labor Day
- Veterans' Day
- Christmas Day
- Martin Luther King



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Key team member profiles

VICTOR LEE

*Director of Operations
Project Manager*

- Victor has started at All Care as an intern before transitioning to a full time position in 2011. Having studied business management at Boston University, he heads allocation of resources to build and integrate systems for site projects.
- Victor's consulting experience includes managing 43.2 million dollars in annual revenue within both the public and private sectors, and he acts as the primary in communications between clientele and All Care Industries.
- Victor spent two years working with leading digital marketers in a San Diego based advertising agency before being pulled to work in-house as the head channel product manager for a company annualizing 28 million in revenue.

BETO SAENZ

*Operations Manager
Supervisor*

- Beto worked at Metro Building Maintenance where he assumed full responsibility for 80 buildings and supervised 45 man crews including client management and communications.
- Beto's experience prior to Metro Building Maintenance was at Universal Maintenance where he acquired skillsets in painting, electrical, plumbing, and handyman work.
- Beto works with operations managers to strategize and implement processes to ensure cleaning and systems run smoothly.

WILLIAM BARK

*Regional Operations Manager
Alternate Supervisor*

- William graduated in 1985 with a Bachelor's Degree in business and has since segued into the building maintenance industry starting as an on site supervisor.
- William is well trained in equipment usage in addition to equipment repair. He has been in charge of incorporating a safety program, training proper and efficient cleaning techniques including operating equipment.
- William worked at C N C Maintenance from 1985 to 2000, Metro Building Maintenance from 2000 to 2002, and All Care Industries from 2002 to present.



Proposed management structure

All Care will provide SCV Water a project manager as a single point of accountability and customer service needs – including regular inspection reports, identified / remediated issues, and other relevant requests



To fulfill the janitorial and sanitation requirements for the six in-scope facilities, we propose staffing the project with two teams that will each be responsible approximately half of the total sq. footage.

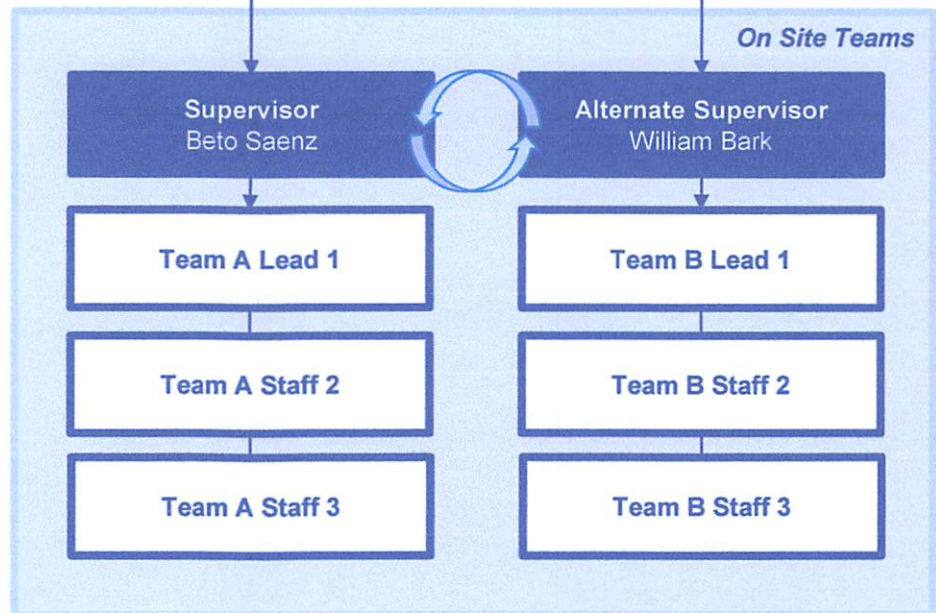
We will rotate supervisors to ensure site familiarity and coverage in the event of PTO, sick leave, etc.

Team A remit* will include:

- Earl Schmidt – 6,800 SF
- Golden Triangle – 5,040 SF
- North Pine St. – 142,30 SF
- North Pine Tr. – 1,288 SF
- Rockefeller – 10,391 SF
- Water Resource – 4,852 SF
- *Team A Total – 42,601 SF*

Team B remit* will include:

- Rio Vista Plant – 26,988 SF
- Summit Circle – 12,992 SF
- *Team B Total – 39,980 SF*



* Breakdown of which buildings each team will cover may evolve and become more efficient over time to minimize downtime (i.e. traffic patterns, etc.)



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Cost Proposal and Projections

Location	Annual Cost 2020	Annual Cost 2021	Annual Cost 2022
Earl Schmidt Filtration Plant (ESFP) 32700 N. Lake Hughes Road	\$13,116.00	\$13,509.48	\$13,914.76
Golden Triangle Warehouse 21110 Golden Triangle Road	\$18,396.00	\$18,947.88	\$19,516.31
North Pine Street 23780 North Pine Street	\$29,832.00	\$30,726.96	\$31,648.77
Rio Vista Water Treatment Plant (RVWTP) 27234 Bouquet Canyon Road	\$52,704.00	\$54,285.12	\$55,913.67
Rockefeller 24631 Avenue Rockefeller	\$22,416.00	\$23,088.48	\$23,781.13
Summit Circle 26521 and 26515 Summit Circle	\$25,536.00	\$26,302.08	\$27,091.14
Water Resources Building 26501 and 26505 Summit Circle	\$26,640.00	\$27,439.20	\$28,262.37

2020 Total: \$188,640.00

2021 Total: \$194,299.20

2022 Total: \$200,128.15

Note: See Attachment A



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All Care currently services over 50 sites in southern California with an above average percentage of multi-year renewals

Map of current client site locations (as of February 2020)



All Care Industries was founded in 2001 and has been operational since inception

Gross Revenue		% of Net New Business	
2017	\$2,414,080	2017	2.6%
2018	\$2,373,385	2018	7.3%
2019	\$2,395,533	2019	7.1%

ALL CARE INDUSTRIES, INC
FINANCIAL STATEMENTS
December 31, 2019

INTEGRAL CPAS & ASSOCIATES, INC
3130 Wilshire Blvd., Suite 309
Los Angeles, CA 90010

INTEGRAL CPAS & ASSOCIATES, INC

3130 Wilshire Blvd., Suite 309

Los Angeles, CA 90010

THE BOARD OF DIRECTORS
ALL CARE INDUSTRIES, INC
16747 1/2 S. PARKSIDE AVE
CERRITOS, CA 90703

Management is responsible for the accompanying financial statements of ALL CARE INDUSTRIES INC., which comprise the statement of assets, liabilities, and equity - tax basis as of December 31, 2019 and the related statements of operations and retained earnings - tax basis for the year then ended in accordance with the tax basis of accounting, and for determining that the tax basis of accounting is an acceptable reporting framework. We have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Service Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with tax basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all disclosures ordinarily included in financial statements prepared in accordance with the tax basis of accounting. If omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's assets, liabilities, equity, revenue, and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Integral CPAs & Associates

Integral CPAs & Associates, Inc

February 12, 2020

ALL CARE INDUSTRIES, INC
STATEMENT OF ASSETS, LIABILITIES, AND EQUITY-TAX BASIS
AS of December 31, 2019

Assets

Current Assets

Cash and cash equivalents	\$ 17,284.23
Due from Shareholders	161,770.80
Prepaid State Income Tax	<u>300.00</u>

Total Current Assets \$ 179,355.03

Property and Equipment

Machinery and equipment	25,500.00
Office Equipment	1,482.92
Less Accumulated depreciation	<u>(26,982.92)</u>

Total Property and Equipment -

Other Assets

Security Deposit	<u>2,300.00</u>
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Total Other Assets 2,300.00

Total Assets \$ 181,655.03

ALL CARE INDUSTRIES, INC
STATEMENT OF ASSETS, LIABILITIES, AND EQUITY-TAX BASIS
AS of December 31, 2019

Liabilities and Stockholders' Equity	
Current Liabilities	
Credit card payable	22,149.75
Payroll taxes payable	<u>4,274.63</u>
Total Current Liabilities	<u>\$ 26,424.38</u>
Total Liabilities	<u>26,424.38</u>
Stockholders' Equity	
Common stock	10,000.00
Retained earnings/(Deficit)	<u>145,230.65</u>
Total Equity	<u>155,230.65</u>
Total Liabilities and Stockholder's Equity	<u>\$ 181,655.03</u>

ALL CARE INDUSTRIES, INC
STATEMENT OF RETAINED EARNINGS-TAX BASIS
As of December 31, 2019

	<u>12 Months Ended</u> <u>December 31, 2019</u>	
Accumulated Adjustments Account		
Balance, Beginning	\$	106,676.03
Prior Period Adjustment		
Plus: Net Income		38,554.62
Less: Distribution Paid		
Balance, Ending	<u>\$</u>	<u>145,230.65</u>

ALL CARE INDUSTRIES, INC
STATEMENT OF OPERATIONS-TAX BASIS
December 31, 2019

	<u>12 Months Ended</u> <u>December 31, 2019</u>	<u>%</u>
Sales		
Sales	\$ <u>2,395,533.60</u>	<u>100.0%</u>
Net Sales	<u>2,395,533.60</u>	<u>100.0%</u>
Gross Profit	<u>2,395,533.60</u>	<u>100.0%</u>
Operating Expenses		
Total Operating Expenses	<u>2,356,978.98</u>	<u>98.4%</u>
Operating Income	<u>38,554.62</u>	<u>1.6%</u>
Income Before Taxes	<u>38,554.62</u>	<u>1.6%</u>
Income Tax	<u>-</u>	<u>0.0%</u>
Net income (loss)	<u>\$ <u>38,554.62</u></u>	<u>1.6%</u>

See Accountant's Compliance Report

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ALL CARE INDUSTRIES, INC
STATEMENT OF OPERATIONS-TAX BASIS
December, 31 2019

	12 Months Ended December 31, 2019	%
Operating Expenses		
Advertising and Promotion	\$ 3436.19	0.1%
Answering Service	1,100.00	0.0%
Automobile Expense	34,340.87	1.4%
Bank Service Charges	368.88	0.0%
Due and Subscriptions	180.00	0.0%
Equipment Lease	850.00	0.0%
Insurance	7,515.51	0.3%
Interest Expense	1,185.38	0.0%
Meals - 50%	9,531.61	0.4%
Office Supplies	1,393.56	0.1%
Outside Services	2,113,365.99	88.2%
Parking	621.28	0.0%
Payroll-Officers	72,000.00	3.0%
Payroll-Others	15,000.00	0.6%
Postage and Delivery	792.05	0.0%
Professional Services	3,090.00	0.1%
Rent Expense	16,938.00	0.7%
Supplies	55,947.65	2.3%
Taxes - Payroll	7,089.50	0.3%
Taxes & Licenses	50.00	0.0%
Telephone	7,561.73	0.3%
Travel	1,791.52	0.1%
Utilities	2,829.26	0.1%
Total Operating Expenses	\$ <u>2,356,978.98</u>	98.4%

ALL CARE INDUSTRIES, INC
FINANCIAL STATEMENTS
December 31, 2018

INTEGRAL CPAS & ASSOCIATES, INC
3130 Wilshire Blvd., Suite 309
Los Angeles, CA 90010

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3130 Wilshire Blvd., Suite 309

Los Angeles, CA 90010

THE BOARD OF DIRECTORS
ALL CARE INDUSTRIES, INC
16747 1/2 S. PARKSIDE AVE
CERRITOS, CA 90703

Management is responsible for the accompanying financial statements of ALL CARE INDUSTRIES INC., which comprise the statement of assets, liabilities, and equity - tax basis as of December 31, 2018 and the related statements of operations and retained earnings - tax basis for the year then ended in accordance with the tax basis of accounting, and for determining that the tax basis of accounting is an acceptable reporting framework. We have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Service Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with tax basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all disclosures ordinarily included in financial statements prepared in accordance with the tax basis of accounting. If omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's assets, liabilities, equity, revenue, and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Integral CPAs & Associates

Integral CPAs & Associates, Inc
February 12, 2020

ALL CARE INDUSTRIES, INC
STATEMENT OF ASSETS, LIABILITIES, AND EQUITY-TAX BASIS
AS of December 31, 2018

Assets

Current Assets

Cash and cash equivalents	\$ 16,624.90
Due from Shareholders	118,760.90
Prepaid State Income Tax	<u>300.00</u>

Total Current Assets **\$ 135,685.80**

Property and Equipment

Machinery and equipment	25,500.00
Office Equipment	1,482.92
Less Accumulated depreciation	<u>(26,982.92)</u>

Total Property and Equipment **-**

Other Assets

Security Deposit	<u>2,300.00</u>
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Total Other Assets **2,300.00**

Total Assets **\$ 137,985.80**

ALL CARE INDUSTRIES, INC
STATEMENT OF ASSETS, LIABILITIES, AND EQUITY-TAX BASIS
AS of December 31, 2018

Liabilities and Stockholders' Equity

Current Liabilities		
SEP IRA Payable	\$	15,000.00
Credit card payable		3,808.78
Payroll taxes payable		<u>2,500.99</u>
Total Current Liabilities		<u>\$ 21,309.77</u>
Total Liabilities		<u>21,309.77</u>
Stockholders' Equity		
Common stock		10,000.00
Retained earnings/(Deficit)		<u>106,676.03</u>
Total Equity		<u>116,676.03</u>
Total Liabilities and Stockholder's Equity		<u><u>\$ 137,985.80</u></u>

ALL CARE INDUSTRIES, INC
STATEMENT OF RETAINED EARNINGS-TAX BASIS
As of December 31, 2018

	<u>12 Months Ended</u> <u>December 31, 2018</u>	
Accmulated Adjustments Account		
Balance, Beginning	\$	86,946.41
Prior Period Adjusment		
Plus: Net Income		19,729.62
Less: Distribution Paid		
Balance, Ending	<u>\$</u>	<u>106,676.03</u>

ALL CARE INDUSTRIES, INC
STATEMENT OF OPERATIONS-TAX BASIS
December 31, 2018

	<u>12 Months Ended</u> <u>December 31, 2018</u>	<u>%</u>
Sales		
Sales	\$ <u>2,373,384.91</u>	<u>100.0%</u>
Net Sales	<u>2,373,384.91</u>	<u>100.0%</u>
Gross Profit	<u>2,373,384.91</u>	<u>100.0%</u>
Operating Expenses		
Total Operating Expenses	<u>2,353,655.29</u>	<u>99.2%</u>
Operating Income	<u>19,729.62</u>	<u>0.8%</u>
Income Before Taxes	<u>19,729.62</u>	<u>0.8%</u>
Income Tax	<u>-</u>	<u>0.0%</u>
Net income (loss)	<u>\$ <u>19,729.62</u></u>	<u>0.8%</u>

See Accountant's Compliance Report

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ALL CARE INDUSTRIES, INC
STATEMENT OF OPERATIONS-TAX BASIS
December, 31 2018

	<u>12 Months Ended</u> <u>December 31, 2018</u>	<u>%</u>
Operating Expenses		
Answering Service	\$ 1,100.00	0.0%
Automobile Expense	29,246.78	1.2%
Bank Service Charges	383.03	0.0%
Due and Subscriptions	581.00	0.0%
Insurance	12,628.07	0.5%
Meals - 50%	6,946.91	0.3%
Office Supplies	3,481.04	0.1%
Outside Services	2,135,918.43	90.0%
Parking	63.60	0.0%
Payroll-Officers	72,000.00	3.0%
Pension Expense	15,000.00	0.6%
Postage and Delivery	387.50	0.0%
Professional Services	3,290.00	0.1%
Rent Expense	16,059.00	0.7%
Supplies	35,936.51	1.5%
Taxes - Payroll	5,886.00	0.2%
Taxes-FTB	800.00	0.0%
Taxes & Licenses	856.19	0.0%
Telephone	8,031.14	0.3%
Travel	3,848.97	0.2%
Utilities	1,211.12	0.1%
Total Operating Expenses	\$ <u>2,353,655.29</u>	99.2%

See Accountants' Compilation Report

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[See Attachment C]



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CERTIFICATE OF LIABILITY INSURANCE

DATE (MMDDYYYY)
09/26/19

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
GOLDEN BELLS INSURANCE AGENCY
1151 N. MAGNOLIA AVE., #101
ANAHEIM, CA 92801
GOLDEN BELLS INSURANCE

714-828-5810
714-503-6394

CONTACT NAME:	
PHONE:	
FAX:	
MAILING ADDR.:	
E-MAIL:	
ADDRESS:	
INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: LIBERTY MUTUAL INSURANCE	10836
INSURER B: EMPLOYERS COMPENSATION INS. CO	11512
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

INSURED
ALL CARE INDUSTRIES, INC
16747 1/2 PARKSIDE AVE.
CERRITOS, CA 90703

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

TYPE	TYPE OF INSURANCE	ADDITIONAL SUBS (INSR) (N/A)	POLICY NUMBER	POLICY EFF (MMDDYYYY)	POLICY EXP (MMDDYYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	<input checked="" type="checkbox"/>	BK659764736	04/23/19	04/23/20	EACH OCCURRENCE \$ 1,000,000
	DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000					
	GENL AGGREGATE LIMIT APPLIES PER <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC					MED EXP (Any one person) \$ 15,000
	AUTOMOBILE LIABILITY ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/>					PERSONAL & ADV INJURY \$ 1,000,000
	UMBRELLA LIAB EXCESS LIAB DED <input type="checkbox"/> RETENTION \$					GENERAL AGGREGATE \$ 2,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	<input type="checkbox"/> Y <input type="checkbox"/> N	EIG2002828 08	08/19/19	08/19/20	COMBINED SINGLE LIMIT (Ea accident) \$
	BODILY INJURY (Per person) \$					
	BODILY INJURY (Per accident) \$					
A	PROPERTY		BK659764736	04/23/19	04/23/20	PROPERTY DAMAGE (Per accident) \$
						PRODUCTS - COMP/OP AGG \$ 2,000,000
						AGGREGATE \$
						E.L. EACH ACCIDENT \$ 1,000,000
						E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
						E.L. DISEASE - POLICY LIMIT \$ 1,000,000
						BPP 13,132
						DED 100

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
THE CERTIFICATE HOLDER IS NAMED AS ADDITIONAL INSURED.

CERTIFICATE HOLDER

CANCELLATION
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
AUTHORIZED REPRESENTATIVE
Stan Grom

ATTACHMENT A – PRICE SUMMARY (Revised 1/22/20)

LOCATION	UNIT	APPROX. SQ. FT.	MONTHLY HOURS	MONTHLY UNIT PRICE	MONTHS	ANNUAL COST
Earl Schmidt Filtration Plant (ESFP) 32700 N. Lake Hughes Road	Per Month	6,800 SF	37	\$ 1093.00	X12	\$ 13,116.00
Golden Triangle Warehouse 21110 Golden Triangle Road	Per Month	5,040 SF	52	\$ 1533.00	X12	\$ 18,396.00
North Pine Street 23780 North Pine Street	Per Month	15,518 SF	84	\$ 2486.00	X12	\$ 29,832.00
Rio Vista Water Treatment Plant (RWTP) 27234 Bouquet Canyon Road	Per Month	26,988 SF	148	\$ 4392.00	X12	\$ 52,704.00
Rockefeller 24631 Avenue Rockefeller	Per Month	10,391 SF	62	\$ 1868.00	X12	\$ 22,416.00
Summit Circle 26521 and 26515 Summit Circle	Per Month	12,992 SF	72	\$ 2128.00	X12	\$ 25,536.00
Water Resources Building 26501 and 26505 Summit Circle	Per Month	4,852 SF	75	\$ 2220.00	X12	\$ 26,640.00

TOTAL ANNUAL COST \$ 188,640.00
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THIS PAGE MUST BE COMPLETED AND SUBMITTED WITH FP BY 4:00 p.m. (PST), FEBRUARY 12, 2020
FAILURE TO SUBMIT THIS FORM MAY RESULT IN REJECTION OF YOUR PROPOSAL.

ATTACHMENT C

References

Submit with your bid, the Client References form with at least three references for which bidder has provided similar services.

Bidder Name: All Care Industries, Inc.

Company Name: City of Palos Verdes Estates	Contact Person: Ken Rukavina
Address: 340 Palos Verdes Drive West	Telephone Number: (310) 378-3083
City, State, Zip: Palos Verdes Estates, CA 90274	E-mail Address: krukavina@pvestates.org
Services Provided / Date(s) of Service: June 2015 – Present (5 ½ Years) <ul style="list-style-type: none"> • General Cleaning • Carpet cleaning & shampoo • Upholstery cleaning & shampoo • Floor care (scrubbing, stripping & waxing) • Window cleaning 	

Company Name: Otis College	Contact Person: Claude Nica
Address: 9045 Lincoln Blvd	Telephone Number: (310) 665-6870
City, State, Zip: Los Angeles, CA 90045	E-mail Address: cnica@otis.edu
Services Provided / Date(s) of Service: June 2004 – Present (16 ½ Years) <ul style="list-style-type: none"> • General Cleaning • Carpet cleaning & shampoo • Upholstery cleaning & shampoo • Floor care (scrubbing, stripping & waxing) • Window cleaning 	

Company Name: Sunrider International	Contact Person: Silvia Frank
Address: 1625 Abalone Ave	Telephone Number: (310) 222-9169
City, State, Zip: Torrance, CA 90501	E-mail Address: silvia.franklin@sunrider.com
Services Provided / Date(s) of Service: September 2003 – Present (17 Years) <ul style="list-style-type: none"> • General Cleaning • Carpet cleaning & shampoo • Upholstery cleaning & shampoo • Floor care (scrubbing, stripping & waxing) • Window cleaning 	

THIS PAGE MUST BE COMPLETED AND SUBMITTED WITH RFP BY 4:00 p.m. (PST), FEBRUARY 5, 2020
FAILURE TO SUBMIT THIS FORM MAY RESULT IN REJECTION OF YOUR PROPOSAL.

ATTACHMENT C

References

Submit with your bid, the Client References form with at least three references for which bidder has provided similar services.

Bidder Name: All Care Industries, Inc.

Company Name: RadNet Imaging Centers	Contact Person: Debra Eames
Address: 25455 Medical Drive	Telephone Number: (951) 696-4230
City, State, Zip: Murrieta, CA 92562	E-mail Address: debra.eames@radnet.com
Services Provided / Date(s) of Service: January 2014 – Present (7 Years) <ul style="list-style-type: none"> • General Cleaning • Carpet cleaning & shampoo • Upholstery cleaning & shampoo • Floor care (scrubbing, stripping & waxing) • Window cleaning 	

Company Name: Samuelson and Fetter Management	Contact Person: Monica Masucci
Address: 602 East Huntington Drive	Telephone Number: (626) 305-5530
City, State, Zip: Monrovia, CA 91016	E-mail Address: monica@samuelsonandfetter.com
Services Provided / Date(s) of Service: January 2011 – Present (9 Years) <ul style="list-style-type: none"> • General Cleaning • Carpet cleaning & shampoo • Upholstery cleaning & shampoo • Floor care (scrubbing, stripping & waxing) • Window cleaning 	

Company Name: Downtown Mercedes-Benz	Contact Person: Tim Muzika
Address: 1801 S. Figueroa St	Telephone Number: (213) 425-3100
City, State, Zip: Los Angeles, CA 90015	E-mail Address: tmuzyka@dtlamotors.com
Services Provided / Date(s) of Service: November 2016 – Present (4 Years) <ul style="list-style-type: none"> • General Cleaning • Carpet cleaning & shampoo • Upholstery cleaning & shampoo • Floor care (scrubbing, stripping & waxing) • Window cleaning 	

THIS PAGE MUST BE COMPLETED AND SUBMITTED WITH RFP BY 4:00 p.m. (PST), FEBRUARY 5, 2020
FAILURE TO SUBMIT THIS FORM MAY RESULT IN REJECTION OF YOUR PROPOSAL.

ATTACHMENT E

Non-Collusion

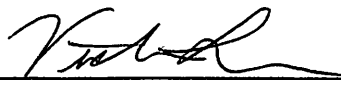
Note: To be executed by Proposer and submitted with proposal.

State of California
(the State of the place of business)

County of Los Angeles
(the County of the place of business)

Victor Lee, being first duly sworn, deposes and
(name of the person signing this form)
says that he/she/it Director of Operations
(title of the person signing this form)
All Care Industries, Inc., the party making the foregoing bid
(name of bidding company)

that such bid is not made in the interest of or on the behalf of any undisclosed person, partnership, company, association, organization or corporation; that such bid is genuine and not collusive or sham; that said bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that said bidder has not in any manner directly or indirectly sought by agreement, communication, or conference with anyone to fix the bid price of said bidder or of any other bidder or to fix any overhead profit, or cost element of such bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in such bid are true, and further, that said bidder has not directly or indirectly submitted his bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid and will not pay any fee in connection therewith, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, or to any other individual except to any person or persons as have a partnership or other financial interest with said bidder in the general business.

By: 
(signature)
Printed Name: Victor Lee
(name of the person signing this form)
Title: Director of Operations
(title of the person signing this form)

Notary is not required for this bid.

Addendum

FUNCTIONAL REQUIREMENT

1. SCOPE OF WORK

CONTRACTOR RESPONSIBILITIES

1. STAFFING, TRAINING, SUPERVISION

- Contractor shall furnish only employees who are authorized, competent and skilled for work under this contract.
- All janitorial contract personnel are required to receive all appropriate safety training in all aspects of custodial operations from the janitorial company. Records to substantiate these requirements must be made available to the Agency within 24 hours of a request.
- If, in the opinion of SCV Water, an employee of the Contractor is incompetent or disorderly, refuses to perform in accordance with the terms and conditions of the contract, threatens or uses abusive language while on SCV Water property, or is otherwise unsatisfactory, upon SCV Water's request, the Contractor shall remove that employee from all work under this contract.

2. SECURITY

- Contractor shall be responsible for securing/locking the interior and exterior portions of the building during hours to be specified by the Santa Clarita Valley Water Agency (SCV Water) representative or its designee. Contractor employees will be provided security keys and alarm codes by the Agency to access the facilities and areas within the sites.
- It is mandatory that all janitorial contract personnel working in security sensitive areas (as determined by the Agency) pass a background check and be bondable. Results from background checks must be submitted to the Agency for each person before contract in the facilities with security sensitive areas can take effect. Vendors will be responsible to pay the cost of background checks.
- Janitorial Services contractor employees shall be required to wear a uniform and name badge for identification purposes. Uniforms will at all times be clean and neat in appearance.

3. PERFORMANCE

- The Janitorial Services contractor is responsible for the cleanliness and sanitation of the building. The description of each service area, as shown below, is to be used as a guideline for the Janitorial Services contractor. The description does not attempt to describe every detail or feature of the facility that is to be maintained by the Janitorial Services contractor.
- Contractor must inspect the facilities monthly and forward each written inspection report to the Agency representative or its designee during the last week of each month.

Notwithstanding any other provisions of this proposal, the Janitorial Services contractor warrants that the services furnished shall be of the most suitable quality specified in this RFP.

A. ENTRANCES AND EXTERIOR AREAS

These areas will be open and visible to the public and must be maintained at a high level to give an outstanding first impression of this facility. They must remain visually attractive and be in a clean and sanitary condition at times of normal public access estimated to be from 7:30 AM to 5:30 PM.

Minimum Quality and Frequency Standards

At a minimum, the following tasks must be performed at the described quality standards and frequencies. If additional servicing is required to maintain the area in a clean and sanitary condition, this shall be the responsibility of the contractor without additional compensation.

A. 1 Trash Containers

- **Task:** Empty all trash containers, replacing trash container liners at each servicing. Clean and disinfect exterior and interior surfaces of trash containers and areas immediately adjacent to the trash containers. Remove trash to dumpster location. Break down all cardboard.
- **Frequency:** Each day on schedule to maintain quality standard so that the area is ready to be used.
- **Quality Standard:** Keep trash containers and the area around the containers in a clean and sanitary condition, free of odors, residues and stains. Outdoor areas shall be serviced so that they are in a clean, sanitary and visually attractive condition.

A. 2 General Litter and Debris in Outdoor Areas

- **Task:** Remove litter and debris, including gum, cobwebs and food/drink residues from all outdoor areas including but not limited to walking surfaces, planters, seating areas and sidewalks. Keep areas free of odors and undesirable residues such as urine, vomit, and other excrement that may arise from persons or wildlife using the area for other than the intended purposes. Disinfect areas as appropriate to eliminate odors and health hazards.
- **Frequency:** Each day on schedule, outdoor areas shall be serviced so that they are in a clean, sanitary and visually attractive condition. Ensures the area is ready to be used.

- **Quality Standard:** Outdoor areas shall be serviced so that they are in a clean, sanitary, and visually attractive condition.

A. 3 Seating Areas and Tables

- **Task:** Clean and sanitize seating areas, tables, and drinking fountains so that users can enjoy these features at all times.
- **Frequency:** Each day on schedule.
- **Quality Standard:** Seating areas and tables will be in a clean and sanitary condition.

A. 4 Restrooms

- **Task:** Routine cleaning, sanitizing and disinfecting of floors, traps, drains, fixtures, mirrors, doors, walls, ceilings, toilets, sinks, personal hygiene disposal containers, dispensers and any other items that are a part of a functioning restroom. Stocking of restroom supplies including paper towels, toilet paper, feminine hygiene products, toilet seat covers, soap, and other supplies, deep cleaning of areas as needed to maintain the desired conditions. Stripping and coating of floors occurs as needed to maintain the original luster of the floors, only where applicable. Do not strip or polish natural surface floors.
- **Frequency:** Each day on schedule. Flush floor traps/drains weekly.
- **Quality Standard:** Restrooms remain in an as new condition, with fixtures and features that are maintained in a clean, sanitary, and odor free condition.

A. 5 Drinking Fountains

- **Task:** Clean, sanitize and maintain drinking fountains so those users can enjoy these features at all times.
- **Frequency:** Each day on schedule. Areas are to receive routine cleaning.
- **Quality Standard:** Drinking fountains are in a clean and sanitary condition during business hours.

B. INTERIOR AREAS

Office Area – Minimum Quality and Frequency Standards

Employees occupy work areas five days per week.

To maintain a positive work environment, the employees are expecting a product that allows them to be proud of their association with their building and work space. A high standard of cleaning will be necessary to meet or exceed the expectations of the people working in these areas.

At a minimum, the following tasks must be performed at the described quality standards and frequencies.

B. 1 Public Lobbies, Corridors, and Interview Rooms

These areas must be maintained in an exceptional condition, as they will be the most visited parts of the building.

- **Task:** Clean entrance areas to the building, including but not limited to glass, doors, partition glass, doorjamb, wall surfaces, walkways, steps, emblems, and entrance mats. In corridors, vacuum, spot clean and deep-clean carpeted areas; sweep, mop, and maintain surface luster of all hard surfaced floor areas. Clean wall surfaces to maintain areas free of scuffmarks, handprints or other residues.

- **Frequency:** Each day on schedule for routine cleaning. Spot removal of carpeted areas as needed. Deep cleaning on a monthly basis or more often, if needed. Work is to be performed during non-business hours.
- **Quality Standard:** Entrances are to be clean, sanitary, polished as appropriate to maintain the original surface luster and odor free. Floor and wall surfaces are maintained in a manner to extend the life of the surfaces as well as maintain a high quality visual appearance.

B. 2 Book Shelves

- **Task:** Dust, spot clean, maintain surface luster intended for all hard surfaced areas.
- **Frequency:** Monthly. Dust removal as needed.
- **Quality Standard:** Shelve surfaces are maintained in a manner to extend the life of the surfaces as well as maintaining a high quality visual appearance.

B. 3 Trash Containers

- **Task:** Empty all trash containers, replacing trash container liners at each servicing. Clean exterior and interior surfaces of the trash containers and areas immediately adjacent to the trash containers. Disinfect containers as necessary to eliminate odors. Remove trash to dumpster.
- **Frequency:** Each day on schedule.
- **Quality Standard:** Keep trash containers and the area around the containers in a clean and sanitary condition, free of odors, residues and stains. **Recycled items** in the blue containers shall be placed in the appropriate dumpster.

B. 4 General Litter and Debris

- **Task:** Remove litter and debris, including gum and other food residues, from corridor areas including but not limited to walking surfaces and seating areas. Remove cobwebs on interior and exterior surfaces.
- **Frequency:** Each day on schedule.
- **Quality Standards:** Areas shall be serviced so that they are in a clean, sanitary, and visually attractive condition.

B. 5 Restrooms/Showers

- **Task:** Routine cleaning, sanitizing and disinfecting of floors, traps, drains, showers, fixtures, mirrors, doors, walls, partitions, ceilings, toilets, urinals, sinks, personal hygiene disposal containers, dispensers and any other items that are a part of a functioning restroom. Stocking of restroom supplies including paper towels, toilet paper, feminine hygiene products, toilet seat covers, soap, and other supplies, deep cleaning of areas as needed to maintain the desired conditions. Stripping and coating of floors occurs as needed to maintain the original luster of the floors, only where applicable. Do not strip or polish natural surface floors.
- **Frequency:** Each day on schedule. Flush floor traps/drains weekly.
- **Quality standard:** Restrooms remain in an as new condition, with fixtures and features that are maintained in a clean, sanitary, and odor free condition.

B. 6 Light Fixtures

- **Task:** Clean lenses or coverings on fixtures.
- **Frequency:** As-needed. Clean lenses or coverings and vacuum tracks of suspended overhead lighting, on an annual basis.

- **Quality Standards:** Lights are illuminating areas as designed.

B. 7 Seating Areas, Tables, Drinking Fountains, Snack Bars, and Dining Areas

- **Task:** Clean and sanitize seating areas including tables and chairs, and maintain drinking fountains so those users can enjoy these features at all times.
- **Frequency:** Each day on schedule. Areas are to receive routine cleaning.
- **Quality Standard:** Seating areas, tables, chairs and drinking fountains are in a clean and sanitary condition during business hours.

B. 8 Public Counters and Surrounding Areas

- **Task:** Maintain public access counters in a clean and sanitary condition. Wipe down counters to remove fingerprints smudges and other residues. Keep areas below counters wiped down and generally free of marks and other surface blemishes. Pay particular attention to the high traffic areas leading to and in front of the counters to ensure that they are in a clean and visually attractive condition. Deep clean areas leading to, and adjacent to the counters on a monthly basis or more often if needed. Deep cleaning includes the use of buffing and/or extraction equipment.
- **Frequency:** Each day on schedule.
- **Quality Standards:** Counters and areas associated with the counters are maintained in a clean, sanitary and attractive condition.

B. 9 Window Ledges, Windows, Window Coverings

- **Task:** Dust window ledges. Dust hard surface window coverings. Clean interior windows. Maintain blinds or other window coverings in a clean and sanitary condition, spot cleaning as necessary.
- **Frequency:** Each day on schedule.
- **Quality Standard:** Window and window coverings remain in a clean, sanitary and attractive condition.

B. 10 Chairs and Furniture

- **Task:** Clean chairs, including seating, arms, backs, rollers, and other components. Place chairs, at the end of the cleaning, with arms and seat (if able based on seat height) partially under the desk so that the workstations have a uniform appearance. Clean and polish chrome, aluminum and hard furniture tables and table legs.
- **Frequency:** Each day on schedule, also check chairs for stains and debris. Take action as necessary to maintain chairs in an as new condition. Vacuum/clean chairs on a monthly basis to remove dirt and dust from the surfaces. Wipe down non-fabric surfaces on a monthly basis and polish component as appropriate. Deep clean with extraction equipment annually.
- **Quality Standard:** Chairs are maintained in a clean, sanitary and odor free condition. Chairs are placed appropriately after each cleaning.

B. 11 General Floor Care

- **Task:** Vacuum, spot clean, and deep clean carpeted areas; sweep, mop and maintain surface luster of all hard surfaced areas.
- **Frequency:** Each day on schedule for routine cleaning of carpets in common areas and hard-surfaced areas. Perform stain, scuff or spot removal as needed. Deep clean carpeted areas with extraction equipment on a quarterly basis or more often if needed. Lobby and break room carpeting monthly. Machine scrub and buff all hard surfaced areas to maintain original luster. Buff weekly.

- **Quality Standard:** Floor surfaces are maintained in a manner to extend the life of the surfaces as well as to maintain a high quality visual appearance.

B. 12 Conference Rooms/Meeting Rooms

- **Task:** Set-up (on request), clean and return to a usable condition all features within conference rooms/meeting rooms. Clean and sanitize all table areas, chairs, whiteboards, cabinets, retractable walls and other features within conference rooms/meeting rooms. Dust all ledges, shelves and other visible areas. Return all chairs.
- **Frequency:** Each day on schedule.
- **Quality Standard:** Conference rooms/meeting rooms are ready for use at the beginning of each workday and all features are in a clean, sanitary and orderly condition.

B. 13 Work Stations and Office Spaces

- **Task:** Clean and sanitize workstations and private office spaces. Clean and sanitize telephones. Vacuum and spot clean fabric panels as needed. Remove heel and chair marks from carpet guards. Dust and wipe down areas without disrupting the papers and other items present in these areas (excluded - computers).
- **Frequency:** Each day on schedule.
- **Quality Standard:** Areas remain in a presentable condition. No buildup of stains, smudges, marks or other debris is allowed to occur.

B. 14 Baseboards and Wainscoting

- **Tasks:** Clean baseboards and wainscoting areas so that they are free of marks, grime, smudges, handprints, and other visual blemishes.
- **Frequency:** Each day on schedule.
- **Quality Standard:** Walls, baseboards and wainscoting remain in a clean, sanitary and visually attractive condition.

B. 15 Kitchen/Coffee Makers

- **Task:** Thoroughly clean, de-grease, and sanitize kitchen/coffee maker and areas including counter tops, ovens, sinks, microwaves, appliances, floors, exhaust filters and flues. Maintain soap and paper products. Wash dishes in sink and put them in a drying rack or dishwasher.
- **Frequency:** Each day on schedule. Filters must be cleaned monthly and flues must be cleaned once per year. **Refrigerators and freezers to be cleaned the last Friday of the month.**
- **Quality Standard:** No residue or debris is present which would limit the use of these features by building occupants. These features are kept in a clean, sanitary, and highly presentable condition.

B. 16 Custodial Closets

- **Task:** Clean and maintain custodial closets.
- **Frequency:** Each day on schedule or more often as-needed to maintain quality standard.
- **Quality Standard:** Closets are maintained in a clean and organized condition and readily accessible to the SCV Water's Buildings and Grounds Supervisor or his/her designee. All materials are stored in labeled containers including those containers used for the application of chemicals. Roof access must be

unhindered in closets that have them. Mops should be periodically sanitized to minimize mold, mildew and associated odors.

B. 17 HVAC Registers

- **Task:** HVAC registers are to be kept clean and free of visible dust.
- **Frequency:** Monthly, or more frequently as-needed.
- **Quality Standard:** No visible dust or smudges on the registers.

B. 18 Walls and Doors

- **Task:** All walls, doors, push plates and jambs will be spot cleared to remove all dirt, fingerprints, smudges and spills. Dust high and low in corners for cobwebs.
- **Frequency:** Each day on schedule.
- **Quality Standards:** No visible dirt or smudges on surfaces.

B. 19 Elevators (if applicable)

- **Task:** Thoroughly mop and remove spots. Clean and polish all components, remove dust, cobwebs, fingerprints, smudges and streaks to leave bright condition.
- **Frequency:** Each day on schedule.
- **Quality Standards:** Elevators to remain in a clean, sanitary and visually attractive condition.

B. 20 Stairwells (if applicable)

- **Task:** Thoroughly vacuum or wet mop and remove spots, dust, remove cobwebs and clean handrails.
- **Frequency:** Each day on schedule.
- **Quality Standards:** Stairwells to remain in a clean, sanitary and visually attractive condition.

B. 21 Recycle Containers

- **Task:** Empty all recycle containers, DO NOT INSTALL liners in blue recycle containers. Clean exterior and interior surfaces of recycle containers and areas immediately adjacent to the containers. Disinfect containers as necessary to eliminate odors. Recycle material will not be mixed with trash and will be placed in approved disposal containers.
- **Frequency:** As often as necessary to ensure shredded material is not overflowing containers and quality standards are met. All recycle containers will be serviced.
- **Quality Standards:** Keep recycling containers and the area around the containers in a clean and sanitary condition, free of odors, residues, and stains. Recycle containers are to be emptied on a schedule so that the debris does not overflow the container capacity.

B. 22 Office Shredders

- **Task:** Empty all shredder containers and install new liners.
- **Frequency:** As often as necessary to ensure shredded material is not overflowing containers and quality standards are meet.
- **Quality Standards:** Keep shredder containers and the area around the containers in a clean condition, free of shredded material.

C. DAILY WORK EFFORTS

Unless otherwise specified. Vendor will be required to empty all waste and recycling containers to nearest dumpster. Dust or wipe down cabinets, tables, and window ledges. Vacuum the floor, floor mats and rugs. Clean, sanitize and stock the restrooms with proper cosmetics, toiletries, and hygienic supplies. Clean kitchen/lunchroom counter tops, stove tops, utilities and stock sanitary supplies.

D. WEEKLY WORK EFFORTS

Unless otherwise specified. Maintain daily work efforts. Damp mop floor with cleaning solution and water and allow to dry. Do an inventory of janitorial supplies. Check that there is an ample supply of cleaning supplies, wipes, sponges, and other items as necessary. Re-order if there is less than a one-month stock. Replace cleaning supplies such as wipes and mop heads which show dirt, fungus or mildew after rinsing. Sponges and wipes which are shedding visible particles should be replaced as well.

E. MONTHLY WORK EFFORTS

Unless otherwise specified. Maintain weekly work efforts. A complete and detailed wipe down of furniture and upholstery will be performed as well as thorough vacuuming of the floor and floor care to hard surface flooring. Once a month, a more intensive cleaning including tops, bottoms and underneath cabinets, general area desks and utility counters will be completed including polishing wood surfaces and granite countertops. Hand scrubbing of dirty general work surfaces/floors with abrasive pads and cleaning solution primarily to remove scuff marks or other material which is too permanent to be removed by the normal daily/weekly wipe downs.

F. CLEANING EVERY 6 MONTHS

Unless otherwise specified. Maintain monthly work efforts. Steam clean carpeted areas (no chemicals). Floor stripping and re-waxing will be applied to appropriate flooring areas. Once every six months, or as required, strip floors using abrasive pads and stripping solution. This will most likely involve a floor scrubbing machine. Re-wax in three separate coats, allowing to dry between successive coats where suitable. Hand scrub where floor cleaning machine is unable to reach, or near delicate electronic equipment. Also damp clean with solution all exposed vents, pipes, conduits, ducts, tubing, drop curtains, windows, tables, benches, carts, chairs, ledges, moldings, baseboards, doors, door frames, shelves, exterior of equipment and machines, etc. Clean outside windows every six (6) months.

- **Frequency:** Each day on schedule for routine cleaning. Spot removal of carpeted areas as needed. Deep cleaning on a monthly basis or more often, if needed. Work is to be performed during non-business hours.
- **Quality Standard:** Entrances are to be clean, sanitary, polished as appropriate to maintain the original surface luster and odor free. Floor and wall surfaces are maintained in a manner to extend the life of the surfaces as well as maintain a high quality visual appearance.

B. 2 Book Shelves

- **Task:** Dust, spot clean, maintain surface luster intended for all hard surfaced areas.
- **Frequency:** Monthly. Dust removal as needed.
- **Quality Standard:** Shelf surfaces are maintained in a manner to extend the life of the surfaces as well as maintaining a high quality visual appearance.

B. 3 Trash Containers

- **Task:** Empty all trash containers, replacing trash container liners at each servicing. Clean exterior and interior surfaces of the trash containers and areas immediately adjacent to the trash containers. Disinfect containers as necessary to eliminate odors. Remove trash to dumpster.
- **Frequency:** Each day on schedule.
- **Quality Standard:** Keep trash containers and the area around the containers in a clean and sanitary condition, free of odors, residues and stains. **Recycled items** in the blue containers shall be placed in the appropriate dumpster.

B. 4 General Litter and Debris

- **Task:** Remove litter and debris, including gum and other food residues, from corridor areas including but not limited to walking surfaces and seating areas. Remove cobwebs on interior and exterior surfaces.
- **Frequency:** Each day on schedule.
- **Quality Standards:** Areas shall be serviced so that they are in a clean, sanitary, and visually attractive condition.

B. 5 Restrooms/Showers

- **Task:** Routine cleaning, sanitizing and disinfecting of floors, traps, drains, showers, fixtures, mirrors, doors, walls, partitions, ceilings, toilets, urinals, sinks, personal hygiene disposal containers, dispensers and any other items that are a part of a functioning restroom. Stocking of restroom supplies including paper towels, toilet paper, feminine hygiene products, toilet seat covers, soap, and other supplies, deep cleaning of areas as needed to maintain the desired conditions. Stripping and coating of floors occurs as needed to maintain the original luster of the floors, only where applicable. Do not strip or polish natural surface floors.
- **Frequency:** Each day on schedule. Flush floor traps/drains weekly.
- **Quality standard:** Restrooms remain in an as new condition, with fixtures and features that are maintained in a clean, sanitary, and odor free condition.

B. 6 Light Fixtures

- **Task:** Clean lenses or coverings on fixtures.
- **Frequency:** As-needed. Clean lenses or coverings and vacuum tracks of suspended overhead lighting, on an annual basis.

- **Quality Standards:** Lights are illuminating areas as designed.

B. 7 Seating Areas, Tables, Drinking Fountains, Snack Bars, and Dining Areas

- **Task:** Clean and sanitize seating areas including tables and chairs, and maintain drinking fountains so those users can enjoy these features at all times.
- **Frequency:** Each day on schedule. Areas are to receive routine cleaning.
- **Quality Standard:** Seating areas, tables, chairs and drinking fountains are in a clean and sanitary condition during business hours.

B. 8 Public Counters and Surrounding Areas

- **Task:** Maintain public access counters in a clean and sanitary condition. Wipe down counters to remove fingerprints smudges and other residues. Keep areas below counters wiped down and generally free of marks and other surface blemishes. Pay particular attention to the high traffic areas leading to and in front of the counters to ensure that they are in a clean and visually attractive condition. Deep clean areas leading to, and adjacent to the counters on a monthly basis or more often if needed. Deep cleaning includes the use of buffing and/or extraction equipment.
- **Frequency:** Each day on schedule.
- **Quality Standards:** Counters and areas associated with the counters are maintained in a clean, sanitary and attractive condition.

B. 9 Window Ledges, Windows, Window Coverings

- **Task:** Dust window ledges. Dust hard surface window coverings. Clean interior windows. Maintain blinds or other window coverings in a clean and sanitary condition, spot cleaning as necessary.
- **Frequency:** Each day on schedule.
- **Quality Standard:** Window and window coverings remain in a clean, sanitary and attractive condition.

B. 10 Chairs and Furniture

- **Task:** Clean chairs, including seating, arms, backs, rollers, and other components. Place chairs, at the end of the cleaning, with arms and seat (if able based on seat height) partially under the desk so that the workstations have a uniform appearance. Clean and polish chrome, aluminum and hard furniture tables and table legs.
- **Frequency:** Each day on schedule, also check chairs for stains and debris. Take action as necessary to maintain chairs in an as new condition. Vacuum/clean chairs on a monthly basis to remove dirt and dust from the surfaces. Wipe down non-fabric surfaces on a monthly basis and polish component as appropriate. Deep clean with extraction equipment annually.
- **Quality Standard:** Chairs are maintained in a clean, sanitary and odor free condition. Chairs are placed appropriately after each cleaning.

B. 11 General Floor Care

- **Task:** Vacuum, spot clean, and deep clean carpeted areas; sweep, mop and maintain surface luster of all hard surfaced areas.
- **Frequency:** Each day on schedule for routine cleaning of carpets in common areas and hard-surfaced areas. Perform stain, scuff or spot removal as needed. Deep clean carpeted areas with extraction equipment on a quarterly basis or more often if needed. Lobby and break room carpeting monthly. Machine scrub and buff all hard surfaced areas to maintain original luster. Buff weekly.

- **Quality Standard:** Floor surfaces are maintained in a manner to extend the life of the surfaces as well as to maintain a high quality visual appearance.

B. 12 Conference Rooms/Meeting Rooms

- **Task:** Set-up (on request), clean and return to a usable condition all features within conference rooms/meeting rooms. Clean and sanitize all table areas, chairs, whiteboards, cabinets, retractable walls and other features within conference rooms/meeting rooms. Dust all ledges, shelves and other visible areas. Return all chairs.
- **Frequency:** Each day on schedule.
- **Quality Standard:** Conference rooms/meeting rooms are ready for use at the beginning of each workday and all features are in a clean, sanitary and orderly condition.

B. 13 Work Stations and Office Spaces

- **Task:** Clean and sanitize workstations and private office spaces. Clean and sanitize telephones. Vacuum and spot clean fabric panels as needed. Remove heel and chair marks from carpet guards. Dust and wipe down areas without disrupting the papers and other items present in these areas (excluded - computers).
- **Frequency:** Each day on schedule.
- **Quality Standard:** Areas remain in a presentable condition. No buildup of stains, smudges, marks or other debris is allowed to occur.

B. 14 Baseboards and Wainscoting

- **Tasks:** Clean baseboards and wainscoting areas so that they are free of marks, grime, smudges, handprints, and other visual blemishes.
- **Frequency:** Each day on schedule.
- **Quality Standard:** Walls, baseboards and wainscoting remain in a clean, sanitary and visually attractive condition.

B. 15 Kitchen/Coffee Makers

- **Task:** Thoroughly clean, de-grease, and sanitize kitchen/coffee maker and areas including counter tops, ovens, sinks, microwaves, appliances, floors, exhaust filters and flues. Maintain soap and paper products. Wash dishes in sink and put them in a drying rack or dishwasher.
- **Frequency:** Each day on schedule. Filters must be cleaned monthly and flues must be cleaned once per year. **Refrigerators and freezers to be cleaned the last Friday of the month.**
- **Quality Standard:** No residue or debris is present which would limit the use of these features by building occupants. These features are kept in a clean, sanitary, and highly presentable condition.

B. 16 Custodial Closets

- **Task:** Clean and maintain custodial closets.
- **Frequency:** Each day on schedule or more often as-needed to maintain quality standard.
- **Quality Standard:** Closets are maintained in a clean and organized condition and readily accessible to the SCV Water's Buildings and Grounds Supervisor or his/her designee. All materials are stored in labeled containers including those containers used for the application of chemicals. Roof access must be

unhindered in closets that have them. Mops should be periodically sanitized to minimize mold, mildew and associated odors.

B. 17 HVAC Registers

- **Task:** HVAC registers are to be kept clean and free of visible dust.
- **Frequency:** Monthly, or more frequently as-needed.
- **Quality Standard:** No visible dust or smudges on the registers.

B. 18 Walls and Doors

- **Task:** All walls, doors, push plates and jambs will be spot cleared to remove all dirt, fingerprints, smudges and spills. Dust high and low in corners for cobwebs.
- **Frequency:** Each day on schedule.
- **Quality Standards:** No visible dirt or smudges on surfaces.

B. 19 Elevators (if applicable)

- **Task:** Thoroughly mop and remove spots. Clean and polish all components, remove dust, cobwebs, fingerprints, smudges and streaks to leave bright condition.
- **Frequency:** Each day on schedule.
- **Quality Standards:** Elevators to remain in a clean, sanitary and visually attractive condition.

B. 20 Stairwells (if applicable)

- **Task:** Thoroughly vacuum or wet mop and remove spots, dust, remove cobwebs and clean handrails.
- **Frequency:** Each day on schedule.
- **Quality Standards:** Stairwells to remain in a clean, sanitary and visually attractive condition.

B. 21 Recycle Containers

- **Task:** Empty all recycle containers, DO NOT INSTALL liners in blue recycle containers. Clean exterior and interior surfaces of recycle containers and areas immediately adjacent to the containers. Disinfect containers as necessary to eliminate odors. Recycle material will not be mixed with trash and will be placed in approved disposal containers.
- **Frequency:** As often as necessary to ensure shredded material is not overflowing containers and quality standards are met. All recycle containers will be serviced.
- **Quality Standards:** Keep recycling containers and the area around the containers in a clean and sanitary condition, free of odors, residues, and stains. Recycle containers are to be emptied on a schedule so that the debris does not overflow the container capacity.

B. 22 Office Shredders

- **Task:** Empty all shredder containers and install new liners.
- **Frequency:** As often as necessary to ensure shredded material is not overflowing containers and quality standards are meet.
- **Quality Standards:** Keep shredder containers and the area around the containers in a clean condition, free of shredded material.

C. DAILY WORK EFFORTS

Unless otherwise specified. Vendor will be required to empty all waste and recycling containers to nearest dumpster. Dust or wipe down cabinets, tables, and window ledges. Vacuum the floor, floor mats and rugs. Clean, sanitize and stock the restrooms with proper cosmetics, toiletries, and hygienic supplies. Clean kitchen/lunchroom counter tops, stove tops, utilities and stock sanitary supplies.

D. WEEKLY WORK EFFORTS

Unless otherwise specified. Maintain daily work efforts. Damp mop floor with cleaning solution and water and allow to dry. Do an inventory of janitorial supplies. Check that there is an ample supply of cleaning supplies, wipes, sponges, and other items as necessary. Re-order if there is less than a one-month stock. Replace cleaning supplies such as wipes and mop heads which show dirt, fungus or mildew after rinsing. Sponges and wipes which are shedding visible particles should be replaced as well.

E. MONTHLY WORK EFFORTS

Unless otherwise specified. Maintain weekly work efforts. A complete and detailed wipe down of furniture and upholstery will be performed as well as thorough vacuuming of the floor and floor care to hard surface flooring. Once a month, a more intensive cleaning including tops, bottoms and underneath cabinets, general area desks and utility counters will be completed including polishing wood surfaces and granite countertops. Hand scrubbing of dirty general work surfaces/floors with abrasive pads and cleaning solution primarily to remove scuff marks or other material which is too permanent to be removed by the normal daily/weekly wipe downs.

F. CLEANING EVERY 6 MONTHS

Unless otherwise specified. Maintain monthly work efforts. Steam clean carpeted areas (no chemicals). Floor stripping and re-waxing will be applied to appropriate flooring areas. Once every six months, or as required, strip floors using abrasive pads and stripping solution. This will most likely involve a floor scrubbing machine. Re-wax in three separate coats, allowing to dry between successive coats where suitable. Hand scrub where floor cleaning machine is unable to reach, or near delicate electronic equipment. Also damp clean with solution all exposed vents, pipes, conduits, ducts, tubing, drop curtains, windows, tables, benches, carts, chairs, ledges, moldings, baseboards, doors, door frames, shelves, exterior of equipment and machines, etc. Clean outside windows every six (6) months.

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ATTACHMENT 4

RESOLUTION NO. ____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CLARITA VALLEY WATER AGENCY DIRECTING AWARD OF A CONTRACT TO VALLEY MAINTENANCE CORP. FOR JANITORIAL SERVICES

WHEREAS, the Santa Clarita Valley Water Agency (SCV Water) solicited proposals from qualified vendors through a Request for Proposals process; and

WHEREAS, staff finds that Valley Maintenance Corp. to provide excellent, thorough and cost-effective services; and

WHEREAS, staff recommends the use of Valley Maintenance Corp. due to its cost-effective proposal; and

WHEREAS, the Board finds, after considering the recommendation of staff and the Finance and Administration Committee, that Valley Maintenance Corp., offers janitorial services that meets the Agency needs.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the Santa Clarita Valley Water Agency does hereby authorize the General Manager to execute a one-year contract in an amount not to exceed \$201,405 with Valley Maintenance Corp., with two one-year options to extend the contract not to exceed \$622,523.

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ITEM NO.
11

Monthly Financial Report

JANUARY 2020

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Statements of Revenues and Expenses

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SCV Water - Regional
Statement of Revenues and Expenses
For the 7th Period Ending 1.31.20

(in \$000)

	(A)		(B)		(C)		(D)	(E)		(F)	(G)
	Actual	Budget	Actual	Budget	Actual	Budget		Year-to-Date	Variance		
(1)	\$1,904	\$1,889	\$15				\$15,819	\$14,769	\$1,050	7%	(1)
(2)	\$1,904	\$1,889	\$15				\$15,819	\$14,769	\$1,050	7%	(2)
(3)	262	174	88				1,375	1,083	292	27%	(3)
(4)	439	429	10				2,842	3,282	(440)	(13%)	(4)
(5)	275	123	152				1,166	904	262	29%	(5)
(6)	221	234	(13)				1,696	1,924	(228)	(12%)	(6)
(7)	100	93	7				660	615	45	7%	(7)
(8)	482	352	130				4,980	4,895	85	2%	(8)
(9)	604	541	63				3,474	3,162	312	10%	(9)
(10)	\$2,383	\$1,946	\$437				\$16,193	\$15,865	\$328	2%	(10)
(11)	(\$479)	(\$57)	(\$422)				(\$374)	(\$1,096)	\$722	(66%)	(11)
(12)	\$4,354	\$3,453	\$901				\$20,507	\$21,819	(\$1,312)	(6%)	(12)
(13)	(4,719)	(1,500)	(3,219)				(15,190)	(10,362)	(4,828)	47%	(13)
(14)	(4,206)	(3,874)	(332)				(24,196)	(23,897)	(299)	1%	(14)
(15)	(\$4,571)	(\$1,921)	(\$2,650)				(\$18,879)	(\$12,440)	(\$6,439)	52%	(15)
(16)	(\$5,050)	(\$1,978)	(\$3,072)				(\$19,253)	(\$13,536)	(\$5,717)	42%	(16)

Large Disbursement Check Registers

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SCV Water - Regional Division
Ten Largest Check Disbursements
From: Jan 1, 2020 to Jan 31, 2020

No.	Vendor Name	Check Number	Check Date	Description	Amount
	DEPARTMENT OF WATER RESOURCES	41349	01/14/2020	NOV 2019 VARIABLE	644,792.00
1	DEPARTMENT OF WATER RESOURCES				644,792.00
	CALPERS	41473	01/23/2020	OPEB CONTRIBUTION OCT-DEC	392,197.91
2	CALPERS				392,197.91
	NOSSAMAN LLP	41514	01/23/2020	PERCHLORATE DEC 19-NWD	44,762.39
				PERCHLORATE DEC 19-SCWD	44,762.39
				PERCHLORATE DEC 19-VWD	44,762.39
				PERCHLORATE DEC 19	44,762.39
				PERCH INS. DEC 2019	1,129.90
3	NOSSAMAN LLP				180,179.46
	SOUTHERN CALIFORNIA EDISON	41428	01/14/2020	BOUQUET PM 11/19-12/19	12.99
				CAMP PLENTY 10/29-11/27	21.28
				EARL SCHMIDT FILTRATION PLANT PS 10/29-11/27	10,384.94
				EARL SCHMIDT INTAKE PUMP STATION SERVICE 10/29-11/27	422.34
				RECH20 METER 10/28-11/26	2,835.62
				RECH20 RESERVOIR 10/29-11/27	25.55
				HONBY PM 10/29-11/27	12.29
				HONBY PS 10/29-11/27	38.15
				LAKE HUGHES PM 10/29-11/27	18.03
				LOWER MESA PM 10/29-11/27	69.88
				SC LOW VOLTAGE METER 10/29-11/27	69.89
				N2 TOURNOUT 10/29-11/27	94.94
				NEWHALL PM 10/29-11/27	11.02
				RIO VISTA INTAKE PUMP STATION SERVICE	-4,236.77
				RIO VISTA INTAKE PUMP STATION SERVICE 10/28-11/26	81,329.91
				RIO VISTA WATER TREATMENT PLANT GTE 10/29-11/27	81.33
				SC11 TOURNOUT 10/29-11/27	21.82
				SC7 TOURNOUT 11/13-12/13	48.15
				SCPS 10/29-11/27/19	-4,024.93
				SCPS 10/29-11/27/19	69,640.81
				SCR 10/29-11/27/19	140.68
				SUMMIT CIR 10/23-11/22	436.12
				SUMMIT CIR 10/24-11/23	14.79
				V8 MCBEAN 10/29-11/27	12.44
				WELLS S-1 10/8-11/8	-423.67
				WELLS S-1 11/8-12/10	8,844.67
				WELLS S-2 10/29-11/27	-423.67
				WELLS S-2 10/29-11/27	8,550.32

SCV Water - Regional Division
Ten Largest Check Disbursements
 From: Jan 1, 2020 to Jan 31, 2020

No.	Vendor Name	Check Number	Check Date	Description	Amount
4	SOUTHERN CALIFORNIA EDISON				174,028.92
	KENNEDY/JENKS	41642	01/30/2020	ON-CALL ENGINEERING AND/OR CONSTRUCTION MNGT. AND INSPECTION SERVICES 107425	114,275.55
5	KENNEDY/JENKS				114,275.55
	EVOQUA WATER TECHNOLOGIES, LLC.	41361	01/14/2020	RESIN CHANGEOUT 12/27	108,162.36
6	EVOQUA WATER TECHNOLOGIES, LLC.				108,162.36
	X-ACT TECHNOLOGY SOLUTIONS, INC.	41453	01/14/2020	DEC - AGREEMENT MANAGED IT SUPPORT SERVICES - HELP DESK SUPPORT; NETWORK MONITORING, RESPONSE, SECURITY & MAINT.; ADMIN SERVICES; SCADA SERVER MONITORING; MOBILE DEVICES MONITORING, USER APPLICATIONS ASSISTANCE	24,300.00
				CISCO LICENSE FY19/20	33,750.00
				CLOUD BACKUP DEC	4,075.00
				HP Z2 WORKSTATIONS	3,899.57
				OFFICE 365 LICENSE - DEC	6,062.50
				POE SWITCH SERVICE	10,000.00
				SAN REPLACEMENT PARTS	1,066.99
				WIFI ADDITION INSTALLATION	10,000.00
7	X-ACT TECHNOLOGY SOLUTIONS, INC.				93,154.06
	SEMITROPIC WATER STORAGE DISTRICT	41426	01/14/2020	WATER BANKING & EXCHANGE	84,562.98
8	SEMITROPIC WATER STORAGE DISTRICT				84,562.98
	X-ACT TECHNOLOGY SOLUTIONS, INC.	41543	01/23/2020	JAN - AGREEMENT MANAGED IT SUPPORT SERVICES - HELP DESK SUPPORT; NETWORK MONITORING, RESPONSE, SECURITY & MAINT.; ADMIN SERVICES; SCADA SERVER MONITORING; MOBILE DEVICES MONITORING, USER APPLICATIONS ASSISTANCE	24,300.00
				JULY - AGREEMENT MANAGED IT SUPPORT SERVICES - HELP DESK SUPPORT; NETWORK MONITORING, RESPONSE, SECURITY & MAINT.; ADMIN SERVICES; SCADA SERVER MONITORING; MOBILE DEVICES MONITORING, USER APPLICATIONS ASSISTANCE	14,823.00
				CLOUD BACK-UP JAN	4,075.00
				OFFICE 365 LIC - JAN	7,101.00

SCV Water - Regional Division
 Ten Largest Check Disbursements
 From: Jan 1, 2020 to Jan 31, 2020

No.	Vendor Name	Check Number	Check Date	Description	Amount
9	X-ACT TECHNOLOGY SOLUTIONS, INC.				50,299.00
	GSI WATER SOLUTIONS, INC.	41493	01/23/2020	PROP 68 GRANT SUPPORT	4,640.00
				ENGINEERING/HYDROGEOLOGY SVCS FOR SCR V EAST SUB-BASIN GSP DEVELOPMENT	43,817.20
				FIELD INVESTIGATION OF POTENTIAL RECHARGE SITES	567.50
10	GSI WATER SOLUTIONS, INC.				49,024.70
Summary-Largest Ten Checks Paid During January 2020					1,890,676.94
Summary-All Checks Issued During January 2020					3,377,204.34
Largest Ten Vendor Payments as Compared to Total					56%

SCV Water

Newhall Water Division

Ten Largest Disbursements

From: January 1, 2020 to January 31, 2020

No.	Vendor Name	Check Number	Check Date	Description	Amount
	SCV WATER	113908	01/10/2020	DUE TO/FROM - SHARED PAYROLL AND SERVICES 11/19	532,830.39
				LAB FEES 12/19	1,064.00
1	SCV WATER				533,894.39
	SCV WATER	113965	01/30/2020	DUE TO/FROM - SHARED PAYROLL AND SERVICES 12/19	341,743.87
2	SCV WATER				341,743.87
	SCV WATER	113929	01/16/2020	PURCHASED WATER 12/19	8,868.40
				PURCHASED WATER 12/19 - SAUGUS WELL # 1 & 2	15,400.56
				FIXED WATER CHARGE 12/19	133,872.30
3	SCV WATER				158,141.26
	SCV WATER	113886	01/02/2020	EXPENSE ALLOCATION 11/19	67,821.00
				EXPENSE ALLOCATION 12/19	58,003.00
4	SCV WATER				125,824.00
	WESTRUX INTERNATIONAL INC	113971	01/30/2020	(1) INTERNATIONAL DUMP TRUCK - UNIT # 27 300-1074	125,783.82
5	WESTRUX INTERNATIONAL INC				125,783.82
	SCV WATER - SANTA CLARITA WATER	113930	01/16/2020	NOVEMBER 2019 CHARGES	36,698.01
6	SCV WATER - SANTA CLARITA WATER DIVISION				36,698.01
	SCV WATER - SANTA CLARITA WATER	113946	01/24/2020	OCTOBER 2019 CHARGES	26,112.31
7	SCV WATER - SANTA CLARITA WATER DIVISION				26,112.31
	FAMCON PIPE AND SUPPLY INC	113954	01/30/2020	INVENTORY	6,004.54
				INVENTORY	3,429.54
				INVENTORY	2,907.66
				INVENTORY	1,863.69
				(84) GASKETS, (16) BOLT & NUT SET	2,896.93
8	FAMCON PIPE AND SUPPLY INC				17,102.36
	ROSEMOUNT INC	113907	01/10/2020	(12) ROSEMOUNT GAGE & ABSOLUTE PRESSURE	12,100.59
9	ROSEMOUNT INC				12,100.59
	EDISON CO	113953	01/30/2020	A/C # 2-40-708-3344 12/19	11,558.60
10	EDISON CO				11,558.60

Summary - Largest Ten Checks Paid During January 2020 **1,388,959.21**

Summary - All Checks Issued During January 2020 **1,531,314.91**

Largest Ten Vendor Payments as Compared to Total **91%**

SCV WATER
Santa Clarita Water Division
Ten Largest Disbursements
From: January 1, 2020 to January 31, 2020

#	Vendor Name	Check Number	Check Date	Transaction Description	Transaction Amount
	SANTA CLARITA VALLEY WATER AGENCY	94321	1/15/2020	AAC FMS ASSESS/SELEC	\$5,445.15
ACWA SUMMIT KA				\$789.96	
ATKINS PFAS EXPENSES				\$85.04	
BENEFITS				\$69,625.34	
BURDEN & BENEFITS OCTOBER				\$781.16	
CF 20-0024				(\$26,125.00)	
CF 20-0025				(\$15,836.00)	
CF 20-0026				(\$26,125.00)	
ENEL SERVICE THROUGH 12/31				\$750.00	
GOLDMAN XXIV OCTOBER 19				\$10,914.48	
GOLDMAN XXVIII OCTOBER 19				\$39,786.35	
JULY-NOVEMBER 2019 MEDICAL REIMBURSEMENT				\$46,633.74	
LUHDORFF PO 2027				\$788.44	
NOSSAMAN SEPTEMBER 2019				\$32,541.73	
NOVEMBER 2019 DENTAL				\$886.27	
NOVEMBER 2019 PAYROLL - CJ				\$5,090.04	
NOVEMBER 2019 PAYROLL - MR				(\$3,395.47)	
NOVEMBER 2019 RET MED CALPERS				\$1,997.72	
P/R				\$737,869.36	
PCARD EB AMAZON				\$789.07	
PCARD EB MARIA BONITA				\$47.00	
PCARD EB PITNEY BOWES				\$194.51	
PCARD KA BLACK BEAR				\$36.06	
PCARD KA CHICKFILA				\$18.87	
PCARD KA GOKOKU				\$58.86	
PCARD KA LA COCINA				\$29.58	
PCARD KA RATTLETS				\$34.00	
PCARD LQ AWWA DT				\$665.00	
PCARD LQ AWWA MA				\$665.00	
PCARD LQ AWWA RB				\$665.00	
PCARD LQ COLDSTONE				\$149.91	
PCARD LQ OCT WATER EDUCATION				\$800.00	
PCARD LQ OCT WATER VT				\$800.00	
PCARD LQ SOUTHWEST DT				\$292.96	
PCARD LQ SOUTHWEST MA				\$292.96	
PCARD LQ SOUTHWEST RB				\$292.96	
PCARD LQ VONS				\$18.98	
PCARD LT COLDSTONE	\$77.94				
PCARD LT CORNER BAKER	\$361.70				
PCARD LT FLAME SKEWER	\$1,332.85				
PCARD LT GARYS AUTO	\$516.95				
PCARD LT SMART FINAL	\$184.93				
PCARD RH JACK BOX	\$82.65				
PCARD RH JOINT POWERS	\$190.00				
PCARD SH AMAZON	\$359.72				
PROCORE SFTWRE SUBSCR	\$15,000.00				
RMG INV # 1018B	\$3,126.20				
PFAS STUDY	\$1,167.07				
SCADA LAPTOP CHARGER	\$88.88				
WAGWORKS OCTOBER 2019	\$67.60				
WAXIE JANITOR SUPPLY	\$663.27				
1	SANTA CLARITA VALLEY WATER AGENCY				\$911,573.79

SCV WATER
Santa Clarita Water Division
Ten Largest Disbursements
From: January 1, 2020 to January 31, 2020

#	Vendor Name	Check Number	Check Date	Transaction Description	Transaction Amount
	SANTA CLARITA VALLEY WATER AGENCY	94319	1/15/2020	DECEMBER LAB	\$2,694.00
				DECEMBER SAUGUS	\$42,000.00
				DECEMBER VARIABLE	\$163,235.26
				FIXED DECEMBER	\$650,408.39
				VISTA CYN RCH-POTABLE WATER PHASE 2 (RESERVED)	\$168.00
				TRACT 60299 - SKYLINE RANCH PARDEE	\$72.00
				TRACT 69164 VISTA CYN/KB HOMES POTABLE WATER IMPROVEMENTS	\$24.00
				4 INCH FIRE SERVICE LINE @ 16465 SIERRA HIGHWAY OFFICE BUILDING	\$24.00
2	SANTA CLARITA VALLEY WATER AGENCY				\$858,625.65
	SANTA CLARITA VALLEY WATER AGENCY	94409	1/29/2020	#1 AAC FMS	\$900.00
				#10 WAGEWORKS NOVEMBER	\$65.56
				#11/12NOOSAMAN	\$57,021.47
				#2 SAGE GORMAN	\$796.10
				#3CITY OF SC CF REFUND	\$14,494.00
				#4 DMV RENEWAL	\$250.00
				#5 RICHARD PO 2271	\$470.33
				#6 WAXIE	\$343.83
				#7 LUHDORFF PO 2027	\$326.25
				#8/9 GOLD SACHS NOVEMBER	\$36,288.14
				ACTIVE SHOOTER SNACKS	\$1,120.43
				BOOSTER PARTS	\$476.88
				CAR WASH S3	\$12.00
				CPS HR STAFF MEETING	\$423.95
				CREDIT FOR INV 8466	(\$44,367.68)
				DDW MEETING KA,MS,SC	\$64.79
				DECEMBER ACWA JPIA DENTAL	\$932.50
				DECEMBER RETIREE MED	\$3,714.29
				EB ENGINEERING SERVICES SECTION SUPPLIES	\$417.79
				EB LUNCH FOR TEMP EMPLOYEE	\$101.58
				ENGRAVING RETIREMENT	\$120.00
				FCF	(\$39,584.00)
				FRAMES FOR PINE STREET	\$315.72
				GARBAGE DISPOSAL	\$119.36
				GREEN BOOKS CREW	\$386.71
				GREEN BOOKS OFFICE	\$229.78
				HYD SENSOR SOFTWARE UPGRADE	\$495.00
				IGOE/MBI CR JULY/NOVEMBER	(\$6,714.35)
				JR AWA EDUCATION PROGRAM	\$2,495.00
				KA 2019 ACWA PARKING	\$10.00
				KA AFC19 CONFRENCE	\$131.20
				KA AFC19 CONFRENCE RF	(\$108.20)
				LT RETIREMENT	\$160.61
				LT RETIREMENT	\$20.79
				LUNCH MEETING KA GH	\$33.86
				MAN MEETING SNACKS	\$1,649.97
				MEDICAL	\$71,855.16
				MISC PARTS	\$91.82
				NEW MODULAR ITEMS	\$1,141.13
				OFFICE SUPPLIES	\$12.79
				P/R	\$502,826.07
				PARTS FOR UNIT 25	\$146.53
				PAYCHEX INVOICES	\$6,143.34
				PINE ST BIRTHDAYS	\$166.11

SCV WATER
Santa Clarita Water Division
Ten Largest Disbursements
From: January 1, 2020 to January 31, 2020

#	Vendor Name	Check Number	Check Date	Transaction Description	Transaction Amount
				RETURN	(\$119.80)
				RYAN BYE AWA ED PRG	\$37.50
				WORK FOR NEWHALL WATER DIVISION	\$3,915.62
				WORK FOR REGIONAL	\$2,835.35
				4 INCH FIRE SERVICE LINE @ 16465 SIERRA HIGHWAY OFFICE BUILDING	\$550.00
				FY 19/20 SCADA	\$211.07
				PFAS STUDY	\$228.13
				SCADA PARTS	\$53.56
				SUNSCREEN CREW	\$71.11
				SYMPHATHY CARDS	\$13.78
				TOOL BOX LINERS	\$76.50
				VARIOUS MEETINGS	\$94.74
				WA INCORECT PURCHASE	\$5.99
3	SANTA CLARITA VALLEY WATER AGENCY				\$623,970.16
	KENNEDY/JENKS CONSULTANTS	94386	1/29/2020	KENNEDY JENKS - ON CALL PSA	\$741.84
				2 WATER TANKS FOR SKYLINE RANCH	\$8,302.50
				PFAS STUDY	\$247,841.22
4	KENNEDY/JENKS CONSULTANTS				\$256,885.56
	SANTA CLARITA VALLEY WATER AGENCY	94322	1/15/2020	BUILDING & GROUNDS	\$3,609.00
				DUES & MEMBERSHIP	\$7,631.00
				FUEL	\$23,122.00
				INTERNAL RELATIONS	\$2,362.00
				LEGAL	\$1,684.00
				OFFICE EQUIP R&M	\$2,876.00
				PUBLIC RELATIONS	\$3,542.00
				RECRUITMENT	\$72.00
				SAFETY	\$6,501.00
				TECH SERVICES	\$38,017.00
				UNIFORMS & APPAREL	\$2,126.00
				VEHICLE MAINTENANCE	\$14,655.00
				WATER USE EFFICIENCY	\$4,922.00
5	SANTA CLARITA VALLEY WATER AGENCY				\$111,119.00
	SO. CALIFORNIA EDISON CO.	94323	1/15/2020	4652 DECEMBER 2019	\$30,163.53
				7457 DECEMBER 2019	\$38,287.98
6	SO. CALIFORNIA EDISON CO.				\$68,451.51
	RICK FRANKLIN CONSTRUCTION, INC	94355	1/22/2020	ASPHALT 26238 FRIENDL	\$3,289.00
				ASPHALT 28070 BOUQUET	\$3,450.00
				ASPHALT GOLDEN VALLEY	\$24,971.00
				FY 19/20 PIPELINE REPLACEMENTS WEST NEWHALL ALLEY	\$32,493.00
7	RICK FRANKLIN CONSTRUCTION, INC				\$64,203.00
	NEWHALL WATER DIVISION-SCVWA	94352	1/22/2020	7/12/19-12/27/19 LABOR	\$29,412.46
				8" PIPES MAIN RELOCATE	\$987.53
				CATERING PAYROLL HCM	\$81.10
				LABOR 12/13 SERVICE LEAK	\$323.57
				LABOR OT MAIN LINE LEAK	\$2,321.46
				LABOR REGULAR MAIN LINE	\$2,310.09
				TIMBER BOUQUET BRIDGE	\$101.49
				WATER QUALITY INVOICE	\$2,800.14
8	NEWHALL WATER DIVISION-SCVWA				\$38,337.84

SCV WATER
 Santa Clarita Water Division
 Ten Largest Disbursements
 From: January 1, 2020 to January 31, 2020

#	Vendor Name	Check Number	Check Date	Transaction Description	Transaction Amount
	AQUA METRIC SALES CO.	94341	1/22/2020	1" I-PERL T/R METER	\$15,560.38
				3/4" I-PERI TR/PL METERS	\$14,662.48
				4" OMNI TR METER 100CF	\$5,446.22
9	AQUA METRIC SALES CO.				\$35,669.08
	ARC DOCUMENT SOLUTIONS, LLC	94274	1/15/2020	TECHNOLOGY UPGRADES AND REPLACEMENTS FY19/20	\$35,403.05
10	ARC DOCUMENT SOLUTIONS, LLC				\$35,403.05

Summary - Largest Ten Payments Made During January 2020 **\$3,004,238.64**

Summary - All Checks Issued During January 2020 **\$3,237,991.10**

Largest Ten Vendor Payments as Compared to Total **93%**

SCV Water - Valencia Water Division

Ten Largest Disbursements

From: Jan 1, 2020 to Jan 31, 2020

No.	Vendor Name	Check #	Check Date	Apply_To_Doc_Number	Description	Total
1	SANTA CLARITA VALLEY WATER AGENCY	221487	1/16/2020	DUE TO REGIONAL NOV	DUE TO REGIONAL, NOV 2019	593,138.86
				RECYCLED WATER DEC	Recycle water, Dec	15,385.92
				RECYCLED WATER NOV	Recycle water, Nov.	44,492.55
				2000006	Water Softening lab fees, Dec.	80.00
				2000004	Lab fees, Dec	4,086.00
			010620B	Fixed water charge, Dec	474,570.71	
			010620 A	Variable water charge, Dec.	138,322.24	
	SANTA CLARITA VALLEY WATER AGENCY	221487 Total				1,270,076.28
2	SANTA CLARITA VALLEY WATER AGENCY	221537	1/30/2020	DUE TO, DEC19	DUE TO REGIONAL, DEC.19	544,074.35
	SANTA CLARITA VALLEY WATER AGENCY	221537 Total				544,074.35
3	NFP PROPERTY & CASUALTY SRVCS	221505	1/23/2020	394019	DIC-EQ,EQSL,Flood 01/20-01/21	245,365.50
				394023	DIC-E/Q,EQSL,Flood 01/20-01/21	114,188.00
	NFP PROPERTY & CASUALTY SRVCS	221505 Total				359,553.50
4	X-ACT TECHNOLOGY SOLUTIONS, INC.	221476	1/10/2020	22301	SAN REPLACEMENT JOB#6753	95,000.00
				22303	HOST REPLACEMENT EQUIP JOB6754	65,000.00
	X-ACT TECHNOLOGY SOLUTIONS, INC.	221476 Total				160,000.00
5	CORE & MAIN LP	221528	1/30/2020	L552012	Upgrades, Tanks, wells. pums	10,081.31
				L551855	Upgrades, Tanks, Wells, Pumps	15,162.39
				L672829	3/4" meters (598)	73,914.95
					flanges (20)	6,308.52
				L391079	OLD STYLE UC#83	9,707.17
	CORE & MAIN LP	221528 Total				115,174.34
6	SOUTHERN CALIFORNIA EDISON CO	221477	1/16/2020	2-40-708-4979 12/27	Purchased power	101,137.85
	SOUTHERN CALIFORNIA EDISON CO	221477 Total				101,137.85
7	SANTA CLARITA VALLEY WATER AGENCY	221473	1/10/2020	ALLOCATION,DEC	December Allocation	98,895.00
	SANTA CLARITA VALLEY WATER AGENCY	221473 Total				98,895.00
8	CORE & MAIN LP	221470	1/10/2020	L365155	(48) 5 Gallon Calcium	3,595.84
				L294767	DRYTEC GRANULAR CHLORINE	2,720.16
				L364012	DRYTEC GRANULAR CHLORINE 5LB	2,720.16
				L562239	FL36F FIBRELYTE LID	4,956.19
				L628404	5 GALLON DRUM CAPTOR CALCIUM	3,595.84
				L632361	5 GALLON DRUM CAPTOR CALCIUM	3,595.84
				L688273	5 GALLON DRUM CALCIUM	3,595.84
				L647472	5 GALLON DRUM CALCIUM	3,595.84
				L639032	HYDRANT MTR	2,274.33
				L363975	5 Gallon calcium thiosulfate	3,595.84
				L382941	(48) 5 Ga Calcium	3,595.84
				K775622	(12) Gaskets and Alloy B&N	637.43
				L483325	Polymeer concrete boxes	3,276.11
				L647191	(3) CLOW HYD2-1/2 HOSEX4 PUMP	4,971.26
				L556048	(10) CLA-VAL TANKS REPAIRS	2,510.62
			L594314	Clow HYD 2-1/2 Hosex4 PUMP	4,971.26	
	CORE & MAIN LP	221470 Total				54,208.40
9	CANNON	221497	1/23/2020	70960	Services thru Nov19	9,144.00
				70959	CONSTRUCTION INSPECTOR	14,260.00
	CANNON	221497 Total				23,404.00
10	NEWHALL WATER DIVISION	221472	1/10/2020	11380	WELL U-4, 206, 207	1,857.24
					JOB438, Sept-Oct	2,585.28
					JOB6750,, Sept-Oct	1,139.00
					Job 6730,, Sept-Oct	1,831.24
					Job 6731,, Sept-Oct	970.68
					Hach,water quality testing mat	2,699.87
					CLA VAL repairs, various locs	5,499.43
					Diablo, 2' svc repair	621.00
					Vela Ct, angle stop repair	20.00
					Seco svc repair	313.50
					Riverbridge svc repair	471.30
					Internal labor Sept-Oct	3,591.08
				Tournament/Oakdale Hydrant rep	1,665.48	
				Melissa D. Roth IRA Oct	50.00	
	NEWHALL WATER DIVISION	221472 Total				23,315.10

Summary - Largest Ten Checks Paid During January 2020 2,749,838.82

Summary - All Checks Issued During January 2020 2,957,855.12

Largest Ten Vendor Payments as Compared to Total 93%

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Director Stipends

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Director Lynne Plambeck

Date	Meeting	Amount
01/07/20	Regular Board Meeting	\$228.15
01/09/20	Special Engineering and Operations Committee Meeting	\$228.15
01/10/20	Lunch with the General Manager	\$228.15
01/16/20	Public Outreach and Legislation Committee Meeting	\$228.15
01/21/20	Regular Board Meeting	\$228.15
01/22/20	SoCal Water Dialogue Meeting	\$228.15
	Stipend Total	\$1,368.90
	Total Paid Days	6
	Total Meetings	6

TOTAL PAID DAYS	59
TOTAL MEETINGS	59
TOTAL STIPENDS	\$13,460.85

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Director Reimbursements

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CA Govt. Code Section 53065.5

List of Reimbursement for "Individual Charges" = \$100 or more

Annual Disclosure for Fiscal Year 1: AP Transactions Updated as of: 1/31/2020

DIRECTORS

P- Card (VISA) Transactions Updated as of: 12/31/19 - **Dec P-Card transactions affect Jan cash.

Date	Recipient of Reimbursement	Reason for Reimbursement	Amount
01/27/20	Mortensen, Daniel	ACWA Fall Conference, San Diego 12/3/19-12/6/19 - Expense (Meals, Lodging)	756.11
01/27/20	Mortensen, Daniel	ACWA Fall Conference, San Diego 12/3/19-12/6/19 - Travel Expense (Mileage, Parking)	299.88
01/31/20	Atkins, B.J.	P-CARD (VISA) - SCV Chamber Installation Dinner, 2/24/20 - Registration	125.00
01/31/20	Atkins, B.J.	P-CARD (VISA) - UWI Conference, Palm Springs, 2/19/20-2/21/20 - Registration	575.00
01/31/20	Colley, Kathy	P-CARD (VISA) - SCV Chamber Installation Dinner, 2/24/20 - Registration	125.00
01/31/20	Cooper, Bill	P-CARD (VISA) - SCV Chamber Installation Dinner, 2/24/20 - Registration	125.00
01/31/20	Gutzeit, Maria	P-CARD (VISA) - UWI Conference, Palm Springs, 2/19/20-2/21/20 - Expense (Lodging)	388.22
01/31/20	Kelly, R.J.	P-CARD (VISA) - SCV Chamber Installation Dinner, 2/24/20 - Registration	125.00
01/31/20	Martin, Gary	P-CARD (VISA) - UWI Conference, Palm Springs, 2/19/20-2/21/20 - Registration	575.00
01/31/20	Martin, Gary	P-CARD (VISA) - UWI Conference, Palm Springs, 2/19/20-2/21/20 - Expense (Lodging Dep.)	194.11
01/31/20	Martin, Gary	P-CARD (VISA) - SCV Chamber Installation Dinner, 2/24/20 - Registration	125.00
01/31/20	Mortensen, Daniel	P-CARD (VISA) - UWI Conference, Palm Springs, 2/19/20-2/21/20 - Registration	575.00
01/31/20	Mortensen, Daniel	P-CARD (VISA) - UWI Conference, Palm Springs, 2/19/20-2/21/20 - Expense (Lodging Dep.)	194.11

4,182.43

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**Finance and Administration Committee
Planning Calendar
FY 2019/20**

Item	July 2 Board	July 15 Comm	July 17 SPECIAL Comm	Aug 6 Board	Aug 19 Comm	Sept 3 Board	Sept 16 Comm	Oct 1 Board	Oct 15 Board	Oct 21 Comm	Nov 5 Board	Nov 19 Board	Nov 18 Comm	Dec 16 Comm - cancelled	Dec 17 Board	Dec 23 SPECIAL Committee	Jan 7 Board	Jan 13 SPECIAL Comm	Jan 21 Board	Feb 4 Board	Feb 10 SPECIAL Comm	Feb 18 Board	Mar 3 Board	Mar 16 Comm	April 7 Board	April 20 Comm	May 5 Board - cancelled	May 18 Comm	May 19 Board	June 2 Board	June 15 Comm	ITEM NO. 12				
1	Recommend Approval of Resolution Authorizing July 2019 Water Supply Contract Payment (consent)	C																																		
2	Recommend Approval of Resolutions Setting Santa Clarita Valley Water Agency Tax Rate for FY 2019/20 and Requesting Levy of Tax by Los Angeles County and Ventura County	C																																		
3	Recommend Approval of a Resolution Amending the Agency's Letter of Credit Reimbursement Agreement with Wells Fargo Bank	C																																		
4	Recommend Receiving and Filing of March 2019 Monthly Financial Report (consent)	C																																		
5	Recommend Receiving and Filing of April 2019 Monthly Financial Report (consent)	C																																		
6	Interview Ratepayer Advocate Candidates and Recommend Approval of a Resolution to Enter into a Contract with Final Selection of Ratepayer Advocate		C																																	
7	Recommend Approval of a Resolution to Enter into a Contract for Ratepayer Advocate			C																																
8	Recommend Approval of a Resolution Amending the FY 2019/20 Budget				C	C																														
9	Recommend Approval of a Resolution Authorizing FY 2019/20 Water Supply Contract Payments (consent)				C	C																														
10	Recommend Approval of a Revised Purchasing Policy				C	C																														
11	Recommend Approval of a Driving and Vehicle Policy				C	C																														
12	Discuss Audio Visual Options for Board Meetings				C																															
13	Quarterly Review of Financial Forecast				C																															
14	Recommend Receiving and Filing of May 2019 Monthly Financial Report (consent)				C	C																														
15	Recommend Receiving and Filing of June 2019 Monthly Financial Report (consent)				C	C																														
16	Recommend Approval of Establishing a Community Facilities District (CFD) for the Spring Canyon Development						C																													
17	Discuss Updated Facility Capacity Fee (FCF) Study						C																													
18	Recommend Approval of a Resolution to Enter into an Enterprise License Agreement with ESRI						C	C																												
19	Continue Discussion of Audio Visual Options for Board Meetings						C																													
20	Recommend Approval of a Revised Record Retention Schedule						C																													

**Finance and Administration Committee
Planning Calendar
FY 2019/20**

Item	July 2 Board	July 15 Comm	July 17 SPECIAL Comm	Aug 6 Board	Aug 19 Comm	Sept 3 Board	Sept 16 Comm	Oct 1 Board	Oct 15 Board	Oct 21 Comm	Nov 5 Board	Nov 19 Board	Nov 18 Comm	Dec 16 Comm - cancelled	Dec 17 Board	Dec 23 SPECIAL Committee	Jan 7 Board	Jan 13 SPECIAL Comm	Jan 21 Board	Feb 4 Board	Feb 10 SPECIAL Comm	Feb 18 Board	Mar 3 Board	Mar 16 Comm	April 7 Board	April 20 Comm	May 5 Board - cancelled	May 18 Comm	May 19 Board	June 2 Board	June 15 Comm			
21	Recommend Receiving and Filing of July 2019 Monthly Financial Report (consent)						C	C																										
22	Approve (1) Posting of Audio Recordings of SCV Water Board Meetings on Agency Website and (2) a Revised Record Retention Schedule						C		C																									
23	Discuss Debt Refinancing Options									C																								
24	Review Strategic Plan Performance Metrics									C																								
25	Project Update for Financial Management Information System (FMIS)									C																								
26	Recommend Approval of a Resolution to Enter Into A Contract with Equatton Technologies for Project Management Services									C																								
27	Recommend Receiving and Filing of August 2019 Monthly Financial Report (consent)									C																								
28	Recommend Approval of Revised Facility Capacity Fees (FCF)																																	
29	Review Draft Community Facilities District (CFD) Policy																																	
30	Recommend Approval of (1) Fully Funding OPEB Obligations and (2) Consolidating Accounts into One Trust Account																																	
31	Continue Discussion of Debt Refinancing Options																																	
32	Approve Financing Plans and Hiring of An Underwriter																																	
33	Recommend Receiving and Filing of September 2019 Monthly Financial Report (consent)																																	
34	Recommend Approval of Revised Facility Capacity Fees (FCF)																																	
35	Recommend Approval of a Ticket Distribution Policy (consent)																																	
36	Recommend Receiving and Filing of October 2019 Monthly Financial Report (consent)																																	
37	Recommend Approval of a Resolution Authorizing (1) the Issuance of One or More Series of Revenue Bonds by the Upper Santa Clara Valley Joint Powers Authority; (2) the Execution of Certain Documents; and (3) Certain Other Actions																																	
38	Recommend Approval of a Customer Service Policy and Revised Fees for Reconnection of Service																																	
39	Recommend Approval of a Community Facility District (CFD) Policy																																	
40	Discuss Retail Cost-of-Service and Rate Design																																	
41	Recommend Approval of a Resolution to Enter Into a Contract with Fieldman Rolapp																																	
42	Status of State Water Contract Fund (every Feb)																																	

**Finance and Administration Committee
Planning Calendar
FY 2019/20**

Item	July 2 Board	July 15 Comm	July 17 SPECIAL Comm	Aug 6 Board	Aug 19 Comm	Sept 3 Board	Sept 16 Comm	Oct 1 Board	Oct 15 Board	Oct 21 Comm	Nov 5 Board	Nov 19 Board	Nov 18 Comm	Dec 16 Comm - cancelled	Dec 17 Board	Dec 23 SPECIAL Committee	Jan 7 Board	Jan 13 SPECIAL Comm	Jan 21 Board	Feb 4 Board	Feb 18 Board	Feb 10 SPECIAL Comm	Mar 3 Board	Mar 16 Comm	April 7 Board	April 20 Comm	May 5 Board - cancelled	May 18 Comm	May 19 Board	June 2 Board	June 15 Comm			
43	Recommend Approval of a Revised Investment Policy - (Annually adopted via reso) (consent)																																	
44	Recommend Approval of a Ticket Distribution Policy (consent)																																	
45	Discuss Components of Monthly Financial Packet																																	
46	Review and Discuss Revised Facility Capacity Fees (FCF)																																	
47	Recommend Approval of Revised Facility Capacity Fees (FCF)																																	
48	Recommend Approval of DLT Solutions, LLC Pricing Quotation for Oracle Enterprise Cloud Service																																	
49	Discuss Contract with Emtec, Inc. for Customization and Implementation of the FMIS																																	
50	Recommend Approval of an Intercompany Expense Allocation for PFAS Treatment																																	
51	Recommend Receiving and Filing of December 2019 Monthly Financial Report (consent)																																	
52	Recommend Receiving and Filing of SCV Water June 30, 2019 Financial Statement (consent)																																	
53	Recommend Approval of a Resolution Awarding a Contract to Emtec Consulting Services, LLC for Customization and Implementation of the FMIS																																	
54	Recommend Approval of Position Control for FY 2020/21																																	
55	Review FY 2020/21 Budget Calendar																																	
56	Discuss Financing Plan and 1% Property Tax Revenues																																	
57	Request Disbursements from the OPEB Prefunding Plan																																	
58	Review Annual List of Professional Services Contracts (consent)																																	
59	Recommend Approval of an Intra-Agency Expense Allocation for PFAS Treatment																																	
60	Recommend Approval of a Resolution Awarding a Contract to Valley Maintenance Corp. for Janitorial Services																																	
61	Recommend Receiving and Filing of January 2020 Monthly Financial Report (consent)																																	
62	Recommend Approval of a POS... Official language to follow																																	
63	Recommend Approval of a Proposed Cost of Living Adjustment (COLA) for FY 2020/21																																	
64	Review of Long-Term Financial Forecast																																	

**Finance and Administration Committee
Planning Calendar
FY 2019/20**

Item	July 2 Board	July 15 Comm	July 17 SPECIAL Comm	Aug 6 Board	Aug 19 Comm	Sept 3 Board	Sept 16 Comm	Oct 1 Board	Oct 15 Board	Oct 21 Comm	Nov 5 Board	Nov 19 Board	Nov 18 Comm	Dec 16 Comm - cancelled	Dec 17 Board	Dec 23 SPECIAL Committee	Jan 7 Board	Jan 13 SPECIAL Comm	Jan 21 Board	Feb 4 Board	Feb 10 SPECIAL Comm	Feb 18 Board	Mar 3 Board	Mar 16 Comm	April 7 Board	April 20 Comm	May 5 Board - cancelled	May 18 Comm	May 19 Board	June 2 Board	June 15 Comm				
65	Review status of Employee Compensation and Classification Plan Study																																		
66	Recommend Receiving and Filing of February 2020 Monthly Financial Report (consent)																																		
67	Recommend Approval of a Resolution Re-Adopting the FY 2020/21 Budget																																		
68	Approve a Resolution Adopting the Appropriation of All As-Yet Unappropriated Funds for FY 2019/20 (consent)																																		
69	Approve a Resolution Adopting the Appropriation Limit for FY 2020/21 (consent)																																		
70	Discuss Retail Cost-of-Service and Rate Design																																		
71	Recommend Receiving and Filing of March 2020 Monthly Financial Report (consent)																																		
72	Recommend Approval of Participating in a Community Facilities District (CFD) for the Spring Canyon Development																																		
73	Recommend Approval of Resolution Authorizing July 2020 Water Supply Contract Payment																																		
74	Continue Discussion of Retail Cost-of-Service and Rate Design																																		
75	Review Strategic Plan Performance Metrics																																		
76	Recommend Receiving and Filing of April 2020 Monthly Financial Report (consent)																																		