

City of Laredo Utility Modernization Program

Scope of Work

City of Laredo

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Client: City of Laredo

1110 Houston Street

Laredo, Texas 78040

Consultant: E Source Companies, LLC

1321 Upland Drive, Suite 3413

Houston, Texas 77043

Program Introduction

The City of Laredo Utilities Department is undertaking a comprehensive utility modernization program to upgrade two foundational systems that underpin its meter-to-cash operations: its Customer Information System (CIS) and its Advanced Metering Infrastructure (AMI). These initiatives address the City's need for a modern, integrated technology environment capable of supporting accurate billing, efficient field operations, improved customer service, and a data-driven approach to water system management. Both workstreams are being advanced concurrently over an approximate 36-month program horizon, with E Source serving as the City's independent owner's advisor throughout.

E Source's role across both Work Orders is that of a trusted, independent advisor working exclusively on behalf of the City. E Source does not sell, implement, or represent any technology vendor. Our engagement is structured to give the City objective guidance, rigorous procurement oversight, and experienced implementation management — ensuring that vendor commitments are met, that City staff are prepared for operational change, and that the City's investment is protected at every stage of the program.

This combined document encompasses two Work Orders. **Work Order No. 1** covers the selection and implementation of a new CIS, Customer Self-Service (CSS), and Field Service Management (FSM) platform — addressing the City's need to modernize its billing, customer engagement, and field operations capabilities. **Work Order No. 2** covers AMI consulting and program management services, and is structured around two technology paths that the City will evaluate during Phase 1 of the AMI engagement. Track A explores optimizing the City's existing metering infrastructure — retaining and improving what is already in place — which carries a meaningfully lower cost for both the technology deployment and for E Source's owner's advisor services. Track B evaluates a full replacement of the metering system through an open, competitive procurement process, offering greater long-term flexibility at a higher level of investment. These tracks apply only to the AMI workstream — Work Order No. 1 proceeds independently on its own schedule. The Phase 1 assessment is specifically designed to give the City the evidence it needs to make a confident, well-supported decision between the two paths before any procurement begins. E Source's recommendation will be grounded in the City's specific infrastructure condition, operational priorities, and financial objectives — so the City enters whichever path it chooses with full clarity on what it is committing to.

Combined Work Order Cost Summary

The table below summarizes the combined fees for both Work Orders. Detailed pricing is contained within each respective Work Order.

Combined Program Cost Summary			
	Work Order No. 1 CIS / CSS / FSM	Work Order No. 2 AMI — Track A	Work Order No. 2 AMI — Track B
Labor	\$1,001,000	\$1,788,061	\$2,008,504
Est. Travel Expenses	\$124,200	\$92,000	\$105,800
10% Contingency (Labor and Travel)	\$112,520	\$188,006	\$211,430
Work Order Total	\$1,237,720	\$2,068,067	\$2,325,734
Combined Program Total (CIS plus AMI Track A)		\$3,305,787	
Combined Program Total (CIS plus AMI Track B)		\$3,563,454	
Note: Work Order No. 2 Track A and Track B are mutually exclusive. The City will select one path at the conclusion of Phase 1. Travel expenses billed at actual cost. CIS Phases 1 and 2 travel reflects 7 and 5 trips respectively.			

Note: Travel and reimbursable expenses billed separately at actual cost. 10% contingency included where noted in individual Work Orders.



City of Laredo

Utility Billing Modernization Consulting Services

Work Order #1

Client:	City of Laredo
Client Location:	1110 Houston Street
	Laredo, Texas 78040
Consultant:	E Source Companies, LLC
	1321 Upland Drive, Suite 3413
	Houston, Texas 77043



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1.0 Overview

THE PURPOSE OF THIS WORK ORDER ("WO") IS TO DOCUMENT THE AGREED SERVICES (AS DEFINED IN THE AGREEMENT) THAT E SOURCE COMPANIES, LLC (E SOURCE) SHALL PROVIDE IN RELATION TO THE PROJECT (AS DEFINED IN THIS WO) FOR THE CITY OF LAREDO (CLIENT). THIS WORK ORDER SHALL BE EFFECTIVE ON THE LATTER DATE SIGNED BELOW.

1.1 Controlling Provisions

This WO shall be governed by the Terms and Conditions as outlined in the XXXXXXXXXXXXXXX ("Agreement") as entered into this XX day of XXXX, 2026 between E Source and Client.

2.0 Definitions

All capitalized terms used and not defined herein shall have the same meanings given them in the WO between the parties.

Term	Definition
Business Requirements Catalog	Document that outlines the functional items required by Client to be accomplished by the new software application being proposed by Vendors/SI's.
Change Control	Formal process utilized to document changes to the scope of services outlined in this Work Order. This process is formal and must be in writing and mutually agreed to by each party.
CIS	Customer Information System.
Client	The City of Laredo. References all business units of the Client and their employees and authorized agents.
Core Team	Client employees dedicated to be available, as needed, to complete the Project.
CSS	Customer Self-service System
E Source Managing Consultant	Person assigned by E Source to provide project management services for the Project (CIS, CSS, FSM) Selection project to assist with management of the overall selection project activities (Phases 1,2).
E Source Project Manager	Person assigned by E Source to provide project management leadership services for the Implementation Project of the CIS, CSS, FSM software solutions (Phases 3,4,5).
E Source Resource(s)	References all E Source consultant(s) assigned by E Source to the Project.
Executive Sponsor	The Client's executive that is ultimately responsible for the Project.
FSM	Field Service Management



Term	Definition
Holiday	Client recognized holiday schedule.
iCue EPM for Selection	An internal Project Management Information Tool and a subset of iCue EPM for Implementation that E Source utilizes during the software selection projects. Client access to iCue for Selection is included in the fees charged for the Project.
Implementation Project	The project between the Client and Preferred Vendor that will result in the deployment/implementation of the CIS, CSS, FSM software systems. (Phases 3,4,5)
Microsoft Project	Microsoft application designed to assist with management of time, materials and work.
NavigateOne	E Source proprietary methodology, tools, work products, and software.
Preferred Vendor	Software Vendor or System Integrator, following the vendor demonstrations and scoring, that is selected by Client as the Vendor the Client desires to negotiate a contract.
Project	A series of tasks, deliverables and milestones to accomplish the selection of the Customer Information System, Customer Self-service system and Field Service Management (Phases 1,2)
Project Director	Client resource assigned to manage the overall activities for this Work Order. This person will be the primary contact with the E Source Managing Consultant.
Project Schedule	A Microsoft Project document that describes in detail, work activities, milestones, deliverables, and assignments that are required to complete the Project.
Statement of Work (SOW)	Document executed between Client and Preferred Vendor detailing scope, accountability and measurements for the Implementation Project.
Steering Committee	Executive group assigned to review Project related reports and activities. This group consists of senior executives from each area of the organization impacted by the Project, (e.g., Customer Service, Finance, Information Technology, Operations, etc.).
Subject Matter Expert (SME)	Client employees with detailed and specific knowledge related to how Client conducts business.
System Integrator	Implementation firms that provide implementation services for a specific software solution. They may provide/will provide CIS, CSS, FSM proposals to the Client for consideration.
Vendor	Software firms that may provide/will provide CIS, CSS, FSM proposals to the Client for consideration for the purchase and implementation of their specific software.
Work Order	This document that describes work to be performed, duties, responsibilities and pricing information for the work between Client and E Source.



3.0 General Assumptions

1. Client will provide a knowledgeable Core Team and Subject Matter Experts as needed to support the scope of the Project. Client Core Team and SME's are expected to be available as needed to complete the Project.
2. Client will authorize one person to manage this WO.
3. Issues that require a decision by Client or E Source, except as otherwise described herein will be made no later than five (5) business days (or a mutually agreeable time) after the party receiving the notice is notified to ensure that the Project timeline is maintained.
4. Client may request a change in the scope or nature of the services at any time. If needed, a mutually agreeable Change Control is required.
5. E Source will utilize the latest version of *MS Word*, *MS Excel*, and *MS PowerPoint* to produce deliverables according to E Source technical standards.
6. The work plan must conform to Client Holiday Schedule.
7. E Source Resources will not travel on-site during work-weeks when the Client has two days or more of Holiday's scheduled. If a one-day Holiday is scheduled, the E Source team members will travel on-site on a case-by-case basis as mutually agreed by the Client and E Source.
8. The E Source Managing Consultant and the Project Director will work together to schedule the specific on-site time for the E Source Resources.
9. Client is only contracting for Phase 1 under this Work Order. City will provide separate written authorization to proceed with additional phases.
10. Client has requested that Phase 1 be completed within four (4) calendar months of project official start. E Source and Client will collaborate to develop and mutually agree upon a project schedule designed to achieve timely completion of all Phase 1 deliverables within this period.

Client acknowledges that meeting the four-month timeline is contingent upon Client's timely cooperation, including making necessary personnel and resources available and attending all scheduled meetings. Any delay caused by Client's failure to provide required resources or attend scheduled meetings shall extend the Phase 1 completion date by a corresponding period.
11. The CIS, CSS and FSM software must be proposed by the same vendor.
12. All fees in this Work Order are stated in US Dollars.



3.1 Term of Work Order

The term of this Work Order shall be through the completion of Deliverable number 13. This Work Order may be extended by Client with sixty days notice, with agreement by both parties.

4.0 Scope

Client has embarked on the Project for the purpose of selecting and contracting for a new Customer Information System, Customer Self-service System and Field Service Management system. The intent of E Source's scope of work as described within this WO is two-fold. First, to provide CIS, CSS, FSM selection services and to assist Client in identifying and procuring the best CIS, CSS, FSM for its organizational needs. Second, to provide Project Management services to support Client in the implementation of the selected CIS, CSS, and FSM solutions.

4.1 Client Selection Project Responsibilities

4.1.1 General Responsibilities

Unless otherwise specifically stated, Client shall provide facilities, equipment, and support as described below, in performance of the work by E Source's Resources (as described in this WO) at Client's facilities, at no cost to E Source. These facilities and services will be made available to E Source's resources during Client's normal working hours, or as otherwise agreed. E Source shall follow any guidelines set forth by Client regarding access to its facilities and services, and unless otherwise agreed, E Source's Resources shall work within Client's normal working hours.

4.1.2 Project-Related Responsibilities

Client will be responsible for the following activities.

- Review and acceptance of E Source deliverables, as defined in this WO
- Provide office (work) space for E Source Resources
- High speed internet access for E Source owned laptop computers (Mac and PC), when E Source is using Client facilities
- Telephone and access to other general office equipment when E Source is using Client facilities
- A conference/meeting room or office for E Source Resources will be provided as needed.

4.2 Project Stage Descriptions (Phase 1,2)

Sections 4.2.1 through 4.2.13 provide a general description of the various stages of the Project. The deliverables, section 5.2 provides further detail regarding each WO deliverable.

Phase 1



4.2.1 Project kick-off

E Source will conduct a project kick-off to formally start the project. During this formal session, in order to communicate the importance of the project work, client executives and project sponsors will be encouraged to participate. In this meeting, E Source will introduce our NavigateOne™ methodology to the team. Other kick-off activities will include project planning and scope review, review of draft project schedule, data gathering workshop, initiation of project charter, and other activities.

4.2.2 iCue for Selection Access and Training

E Source will work with Client to provide access to the iCue for Selection software. E Source will also provide training to Client for iCue for Selection.

4.2.3 Project Planning

Project planning is comprised of tasks and activities that focus on identifying major business drivers for the Project. Typical drivers include, for example, business limitations that result from: technology obsolescence, inflexible software, regulatory changes, deregulation, and cost of operations and maintenance.

At the beginning of the Project, E Source will introduce the NavigateOne™ tools that will be utilized during the Project. This tool set will serve as a common thread through the lifecycle of the Project, including requirement and business process identification, RFP development, RFP analysis, Vendor selection, and contracting. It is also likely that the concepts introduced during this stage will become a common frame of reference for well beyond the completion of the Project.

Stakeholder Interviews

E Source will conduct in-depth interviews with key Client management/staff in order to clearly understand Client's reasons for the project, business drivers, project organization, and other key areas to support the understanding of current challenges, project drivers, and expected outcomes which will support the development of a comprehensive Project Charter to guide the Project.

Develop Project Plan, including Timelines, Milestones and Deliverables

This step will consist of educational activities for Client and the development of the initial Project Schedule. E Source Resources will conduct multiple work sessions designed to capture all required input from stakeholders for the development of a complete and realistic Project Schedule.

E Source will also work with the Client to conduct a Project kick-off meeting with the Client to aid in facilitating Project awareness and end-user buy in.



Development of Project Direction – (Project Charter/Strategy):

- Project Charter
- Project Strategy
- Roles and responsibilities
- Technology direction
- Communication plan
- Core Team assignments
- Utility's materials research requirements (Items needed for business, functional and technical requirements)

Development of initial Project Schedule:

- Development of a Project Schedule
- Client/E Source resource assignments
- Task development with appropriate dependencies established
- Establishment of work tracking process
- Milestone tracking

4.2.4 CIS/CSS/FSM Education Workshop

E Source will conduct a CIS/CSS/FSM Industry Workshop for the Client Core Team and Subject Matter Experts. The intent of this workshop is to educate the team regarding the major vendors/SI's that provide solutions and services. The workshop will provide an overview of up to eight leading CIS/CSS/FSM vendors/SI's.

The CIS/CSS Industry Workshop will cover information critical to the selection process, such as:

- CIS/CSS/FSM Industry Overview
- Software Vendor Overview
- System Integrator Overview

4.2.5 Business Process and Requirements Analysis

Utilizing NavigateOne tools, E Source will lead Client through an in-depth assessment, prioritization and documentation of Client's CIS, CSS and FSM functional requirements.

The following are some of the main functional and technical areas explored through this comprehensive meter to cash research process:

Functional Areas

- Account/Customer Management
- Contact/Premise Management
- Payment Processing/Cash Receipts
- Billing
- Credit and Collections



- Service Orders
- Inventory
- Meter Reading
- Delinquency Management
- Bank Draft
- Budget Billing
- Payment Arrangements
- Credit History
- Bad Debt
- Deposits
- Adjustments
- Exception Processing
- Estimations
- Backflow
- Conservation
- Water Budgets
- Rates
- Bill Generation
- Letter Generation
- Batch Job / Process Scheduling
- Cashiering
- Social Media
- Customer Self-Service
- Field Service Management
 - Dispatch
 - Work Assignment & Scheduling
 - Resource Management
 - Optimization
 - Order Creation and Maintenance
 - Field Automation
 - Mobile Device
 - Integrations (CIS, WAMS, etc)

Business Issues

- CIS and Customer Service Strategic Goals
- Key Business Drivers
- Executive Management
- Strategic Planning Group
- Competing Initiatives
- Regulatory / Mandates / Compliance Issues

Technology



- Technology Requirements
- Security and Compliance
- Integration Requirements (CIS/CSS/FSM)
- Business Continuity and Disaster Recovery
- Service Level Agreements
- Reporting
- User Interface Functionality (API, ESB, SOA, etc.)
- IT Integration and Support
- Deployment Requirements (On-prem, Cloud, SaaS)
- Hardware and Related Resources

4.2.6 Organizational Staffing Assessment (OSA)

E Source will conduct an assessment regarding Client's staffing needs for the Implementation Project. The OSA will educate Client on the staffing, roles and experience needed to support Client's Implementation Project. The OSA will include a detailed staffing plan for each phase and month of the Implementation Project. The OSA will detail each role and the full-time equivalent required to fulfill the role. In addition, the role definition portion of the document discusses the skills and experience needed by each resource to successfully execute the requirements for that role.

4.2.7 Risk Register

As a component of the Project, E Source and Client will identify risks that should be considered in the selection and implementation of a new CIS, CSS and FSM software. E Source and the Client will document the risks in the Risk Register in iCue for Selection. These risks will be documented and presented to management so that mitigation strategies can be developed and planned by Client.

4.2.8 RFP Development

The process of developing the RFP will begin with our proven RFP template documents that have been developed specifically for utilities and will focus on the unique needs of Client's business, functional, technical and procurement areas.

The RFP template will also identify technology, interfaces and deployment needs, which Client may use to develop and pursue identified business strategies. The result is a concise and logical framework of content that clearly communicates Client's needs to potential Vendors/SI's. E Source will conduct the necessary workshops during the development of the RFP and will work with the Client Core Team to tailor and augment our tested RFP base package to include areas such as, but not limited to: instructions on how to respond, specific Client procurement and legal requirements, forms, functional matrices, technical information, business objectives, pricing lists, other Client-specific information.



The result is a comprehensive RFP package that is tailored to the specific needs of Client. The completed and final RFP package will be reviewed and approved by Client (Core Team, Procurement, etc.). E Source will work at Client's direction to release the RFP.

4.2.9 Development of Evaluation Scoring Framework

E Source, along with the Client Core Team, will develop an evaluation framework (Evaluation criteria and worksheet) and scoring matrices for evaluation of Vendor proposals. This process will take into account Client's current and long-term needs, which may include the following areas:

- Procurement Requirements
- Functional Requirements
- Technical Requirements
- Security Requirements
- Total Solution Costs
- Risk Identification
- Demonstration Results
- Support Requirements
- Vendor Demographics

4.2.10 Demonstration Script Development

Utilizing E Source's NavigateOne Demonstration Script database, that has been developed for water, wastewater, electric and gas software evaluation, E Source will lead Client in a series of meetings to tailor E Source's base demonstrations scripts to reflect Client's specific needs.

4.2.11 Development of Reference Questions

E Source will provide Client with E Source's NavigateOne reference check template and sample questions. E Source will work with Client to finalize reference questions and will work with Client to summarize the reference account responses.

Phase 2

4.2.12 Issuance and Management of the RFP Process

E Source will coordinate the release of the RFP with the appropriate Client department in accordance with Client requirements and procedures. E Source will also provide a list of Vendor's that E Source believes are well qualified to meet Client's stated requirements. Client may add to or delete Vendors from this list as needed.

Following the release of the RFP, E Source will assist Client in supporting Vendor inquiries regarding the Client's RFP. E Source will support Client with the preparation and management of a pre-bid call to educate the Vendor's on the Client's needs and expectation of the development of the proposal response.



4.2.13 Response Evaluation and Shortlist

Following the close of the RFP response period, Client Core Team will review the submitted proposals. Client Core Team and E Source will work together to evaluate and identify up to three Vendors/SI's that best meet the approved selection criteria as defined in the RFP. E Source will conduct the necessary workshops during the procurement stage to document and present the Core Team's findings to Client's Steering Committee and other stakeholders as required.

Factors considered in scoring and selecting a short-list of Vendors:

- Vendor company viability
- Vendor experience on similar projects
- Functional fit
- Technology fit
- Implementation methodology
- Staffing
- Vendor costs and 7-year total cost of ownership
- Demonstration of software's ability to meet Client's needs.
- References
- Contract language/exceptions

4.2.14 Executive Management Presentation

E Source will work with the Steering Committee and Client's Project Director to create an executive management presentation. The presentation will summarize the activities and present the RFP results with data and specifics on the criteria and the Core Team's recommended short-list of Vendors/SI's.

4.2.15 Demonstration Activities and Reference Checks

E Source, along with the Client Core Team, will develop a demonstration schedule. Internal demonstration participants may include Core Team, end users and/or executive staff. E Source will schedule and facilitate demonstrations consisting of and a two-day detailed product demonstration and a half-day Vendor company overview, technology and methodology review. These demonstration meetings will at least include the following:

- Vendor Profile
- Technical Architecture
- Implementation Strategy
- CIS, CSS, FSM Functional Review (demonstration)
- End-User Questions

E Source will then document demonstration results including summarization of scores. Demonstration documentation will then be added to the scoring matrix.



In addition to guiding demonstrations, E Source is able to assist Client in coordinating reference checks for the short-listed Vendors. Upon the completion of the reference checks, E Source will organize and update the scoring matrix to reflect the appropriate reference scores and comments.

4.2.16 Identify Preferred Vendor and Confirmation Activities

Develop Ranking of Vendors from Demonstrations and References

E Source's selection process will provide the necessary documentation and hands-on exposure to select the solution that best fits the needs of Client. E Source will conduct follow-up meetings to review the results of the demonstrations. In addition, E Source and Client will review reference results and document issues. E Source will then conduct the necessary workshops to update the scoring matrix to reflect the most recent procurement activity that will include the following scoring items:

- Requirements Matrix
- Procurement Requirements
- Technical Requirements
- Total Solution Costs
- Vendor Statistics
- Risk
- Support Requirements
- Demonstration Scores
- Demonstration Comments
- References

Preferred Vendor Confirmation

E Source will lead additional workshops with Client to identify the Preferred Vendor. Once the Preferred Vendor is identified, E Source will coordinate and conduct an on-site, three-to-four-day drill down of key requirements needed by Client. This additional three-to-four-day workshop (Confirmation Session) will be conducted with the Preferred Vendor to answer any questions, provide clarification, and identify and validate its understanding of the project scope and the following costs:

- Modifications
- Interfaces
- Conversion
- Implementation
- Process Engineering
- Support
- Third-Party Software
- Travel
- Licensing/Subscription Cost
- Managed Services



This process ensures that the Preferred Vendor has been given the opportunity to make certain they have a complete understanding of Client's requirements in order to provide an updated price based on the most accurate information. As the Preferred Vendor knows the information gathered will be included in the Statement of Work and contract, it helps prevent the Preferred Vendor from saying that they did not have a complete understanding of Client's scope and requirements once the implementation project has started. E Source will conduct the necessary on-site workshops to document the Core Team's findings and participate in or conduct the presentation of the Core Team's results to members of Client management team.

Summary of Confirmation Activities

- Schedule drill down / Preferred Vendor preparation
- Conduct three-to-four-day drill down working sessions (Confirmation Session) to include detailed Project discussions (Preferred Vendor only)
- Preferred Vendor provides updated proposal
- E Source will develop total cost to implement & seven (7) year operating cost projections
- Present Preferred Vendor recommendation

4.2.17 Contract Development and Negotiations

In preparation for contract and Statement of Work negotiations, E Source will lead Client in a negotiation strategies workshop. E Source will assist Client in contract negotiations with the Preferred Vendor. In support of the negotiation process, E Source will support Client in negotiations. E Source will support Client in the development of a Client-focused Statement of Work. E Source does not provide legal advice.

E Source's contract and statement of work support is limited to 200 hours.

Contract Negotiations

- Negotiation Strategies Workshop
- Statement of Work development
- Conduct price and term negotiations
- Contract key issues



5.0 Project Deliverables

5.1 Overview

In some instances, E Source will provide “draft” deliverables. The intent of “draft” deliverables is to ensure that the development of the required deliverables is consistent with Client’s expectations. “Draft” deliverables are not subject to a time limit for review. It is expected that review of “draft” deliverables is not formal in nature; therefore, “draft” reviews will generally be completed in a shorter time frame and are not scheduled in the plan.

E Source will schedule one walk through meeting for key deliverables (as deemed necessary by Client and E Source) prior to the formal submission.

All E Source deliverables will require significant input from the Core Team. For the purpose of this WO, electronic media will be Microsoft Word, Microsoft Project or other compatible Microsoft Office documents.

5.2 Deliverable Descriptions

Once a final delivery is made for each deliverable listed below, Client will have five (5) business days, or a mutually agreeable timeframe, to review and accept the deliverable. If the deliverable is not accepted, Client will provide description of the deficiencies at a reasonable level of detail to assist E Source in the correction of the deliverable.

The schedule for and order of completion of the following list of deliverables is subject to change based upon the development and acceptance of the Project plan/schedule as described in Deliverable 3.

Phase 1 Deliverables

Del. #	Deliverable Name	Description & Acceptance Criteria	Approximate Length	E Source Role	Client Role	Anticipated Notification / Deliverable Type
1	Project Kick-off	E Source will conduct a project kick-off to formally start the project. E Source will introduce our NavigateOne™ methodology to the team. Other kick-off activities will include project planning and scope review, review of draft project schedule, data gathering workshop, initiation of project charter, and other activities.	Multiple activities and documents	Lead	Support	Microsoft Word, Excel, PowerPoint
2	Project Charter / Strategy Document	The Project Charter will include descriptions of the major project	25 to 35 pages	Lead	Support	Microsoft Word



		components, scope, establishment of the steering committee board, identified core team, assumptions, risks, and other information.				
3	Project Plan	An approved document used to guide both project execution and control. Identifies milestones and key phases of the project to assist with project planning activities.	2 to 5 pages	Lead	Support	Managed Via iCue for Selection
4	CIS/CSS/FSM Industry Workshop	Workshop by E Source for the Client Core Team and executives. The intent of this workshop is to educate the team regarding the major vendors that provide CIS/CSS/FSM solutions and services. The workshop will provide an overview of selected software vendors and ancillary applications. Up to 8 vendors/SIs will be profiled in this workshop. E Source will provide a summary of the presentation for executive leadership outlining the key differences of the CIS/CSS/FSM vendors being considered.	10 to 20 slides	Lead	Support	Microsoft PowerPoint
5	Client-Specific CIS/CSS/FSM Business Requirements Catalog	Completed review and documentation of the Process Catalog containing CIS (meter to cash), CSS and FSM processes containing more than 2,500 CIS, CSS, FSM industry best practice requirements. The requirements are tailored to the business and functional needs of the Client. The Business Requirements Catalog will capture and prioritize the Client's current and future requirements.	Determined by Client Requirements Gathering Sessions	Lead	Support	Microsoft Excel
6	Organizational Staffing Assessment	A document that summarizes Client's organizational and staffing needs and readiness to support its future state alternatives.	5 to 10 slides	Lead	Support	Microsoft PowerPoint / Excel
7	Risk Register	A document that identifies risks for which the Client needs to be aware in order to develop mitigation strategies.	1-2 Pages	Lead	Support	iCue for Selection
8	RFP Template Document	RFP template that lists major categories of information that may be included in Client specific RFP. Sections include: business purpose of project, utility history, utility statistics, technical requirements and template vendor/SI required response format.	5 to 10 Pages	Lead	Support	Microsoft Word



9	Final RFP Document	Document that is a derivative of Deliverable 8. This document builds on the template information from Deliverable 8 and is updated based Client's data gathering and meetings with E Source. This document will be specific to the Client's specific requirements.	50 to 100 pages	Lead	Co-Lead	Microsoft Word
10	Evaluation Scoring Framework	Completed evaluation scoring framework and worksheet that reflects Client's scoring criteria and weights for each phase of the Project.	5 to 20 Pages	Lead	Co-Lead	Microsoft Excel
11	Base Product Demo Scripts	Templates - Document that defines the functionality from Deliverable 5 that will be used to create information to be used to guide CIS, CSS, FSM vendor/SI through a functional presentation of their software.	15 to 35 pages	Lead	Co-Lead	Microsoft Excel
12	Client-Specific Product Demo Scripts	E Source and the Client will work together to create the appropriate level of detail for data and various business rules to be included in these scripts using the templates as a starting point from Deliverable 11. The Client and E Source will also mutually determine which components of the Business Requirements Catalog will be included based on the Client's level of importance. These scripts will only use portions of Deliverable 5 in order to accommodate the time allocated for software presentations. In addition to these scripts, E Source will provide a suggested agenda for the vendor meetings.	15 to 35 Pages	Lead	Co-Lead	Microsoft Word/Excel
13	Client-specific Reference Questions	E Source will provide Client with its NavigateOne Reference Check Questions/Questionnaire. E Source will lead Client through one meeting to answer questions and finalize reference questions.	1-3 Pages	Lead	Support	Microsoft Word

Phase 2 Deliverables



Del. #	Deliverable Name	Description & Acceptance Criteria	Approximate Length	E Source Role	Client Role	Anticipated Notification / Deliverable Type
14	Vendor Pre-bid	E Source will support Client in the preparation and delivery of the Pre-bid meeting.	1 Hour	Support	Lead	Microsoft Word
15	Clarification Document	E Source will issue to all vendors a clarification document(s) prior to the vendor RFP response.	2 to 5 pages	Lead	Co-Lead	Microsoft Word and or Excel
16	All Functional Scores & Project Solution Costs	Documents that summarize and ranks vendor responses from the RFP for both Functional and Cost information.	5 to 10 Pages	Support	Lead	Microsoft Excel
17	Selection of Vendor Finalists based on Scores	Rankings for selection of the Vendor/SI finalists. (Short list – up to 3 vendor/SI).	1 to 2 Pages	Lead	Co-Lead	Microsoft Word
18	Executive Management/Steering Committee Presentation	E Source will prepare an executive level presentation that summarizes the selection decision for the Client's Executive Management and/or Steering Committee. E Source will conduct this presentation or support the Client with the presentation, based on the Client's preference.	15-25 Slides	Co-Lead	Co-Lead	Microsoft PowerPoint
19	Demonstration Agenda and Schedules	Document that outlines the schedule for demonstrations for each vendor. The document will also outline the major topics to be presented by the vendor/SI based on the Client's requirements.	2 to 10 Pages	Lead	Co-Lead	Microsoft Word/Excel
20	Completion of the Vendor Demonstrations	The short-listed vendors that participated in the demonstrations have completed their presentations.	N/A	Lead	Co-Lead	N/A
21	Reference Checks	Client has completed all reference checks, E Source has summarized results.	5 to 20 Pages	Co-Lead	Lead	Microsoft Word and or Excel
22	Summarization Score Ranking of Vendor/SI Based on Completed Demonstrations and All Information	Documents that summarize and rank vendor/SI for the demonstrations. All scoring criteria is computed, and the vendor/SI finalist is identified.	Based on Number of Scoring Criteria	Lead	Co-Lead	Microsoft Word/Excel
23	Selection of Preferred Vendor	Meeting conducted to review score/ranks and review the final selection. E Source will provide a document to summarize the meeting minutes.	Based on the spirit of the meeting	Co-Lead	Co-Lead	Microsoft Word/Excel



24	Negotiation Strategies Workshop	In preparation of contract negotiations, E Source will conduct a presentation to Client outlining contract negotiation strategies and will inform Client of expected vendor positions.	15-25 Slides	Lead	Support	Microsoft Powerpoint
25	Preferred Vendor Confirmation	Three to four day in depth review of Preferred Vendor proposed solution with the intent to confirm completeness of solution as related to RFP requirements. Product demonstration and implementation methodology review.	Three to Four Day Meetings	Lead	Co-lead	N/A
26	Solution Cost Summary	Document that outlines the Preferred Vendor cost summary and evaluates for completeness. This document is used as a component of the Preferred Vendor negotiations and for governing body approval. This document is delivered prior to the start of vendor negotiations.	Based on the Number of Scoring Criteria	Lead	Support	Microsoft Word & Excel
27	Governing Body Approval Presentation	E Source will prepare an executive level PowerPoint presentation that summarizes the selection decision for the Client's governing body. E Source will conduct this presentation or support the Client with the presentation, based on the Client's preference.	15-25 Slides	Support	Lead	Microsoft PowerPoint
28	Contract Key Issues	E Source will provide a document outlining the major business issues that should be reviewed by Client. Client will be required to have legal counsel evaluate all contracts from a legal perspective, as E Source does not render legal advice.	5 to 10 Page Review of the Preferred Vendors contract documents (including SOW).	Lead	Support	Microsoft Word
29	Statement of Work (SOW)	E Source will support the development of the NavigateOne SOW that reflects Client's specific project information with the Preferred Vendor. (Statement of Work Support is limited to 200 hours and must be completed in two months).	50 to 100 Pages (Not including Appendices)	Lead	Support	Microsoft Word/Excel



6.0 Selection Project Payment Milestones

E Source will provide the services agreed to in this Work Order based on the fixed price schedule below. Each milestone payment is based on a listed Deliverable from Section 5.2 of this Work Order. The milestone payments are for cash flow management purposes and not representative of the cost or effort of the deliverable.

Phase 1 Payment Milestones

Milestone Payment #	Deliverable #	Deliverable Payment	Payment Amount (USD)
1	1	Project Kick-off	\$18,125
2	2	Project Charter	\$18,125
3	4	CIS/CSS/FSM Educational Workshop	\$18,125
4	5	Client-specific CIS/CSS/FSM Business Requirements Catalog	\$18,125
5	9	Final RFP Document	\$18,125
6	10	Client-specific Evaluation Scoring Framework	\$18,125
7	12	Client-specific Product Demonstration Scripts	\$18,125
8	13	Client-specific Reference Questions	\$18,125
		Total Fixed-Fee for Utility Billing Modernization Consulting Services (Phase 1)	\$145,000
		10% Contingency (Phase 1)	\$14,500
		Total Fixed-Fee (including contingency) for Utility Billing Modernization Consulting Services (Phase 1)	\$159,500

Note:

E Source recommends 7 consultant trips for the E Source consultants to travel to Client site. The estimated travel costs are outlined in the below table for Phase 1.

Total Consultant Trips	Estimated Cost Per Trip	Estimated Travel Cost	Contingency	TOTAL
7	\$2,300	\$16,100	\$1,610 (10%)	\$17,710



Phase 2 Payment Milestones

Milestone Payment #	Deliverable #	Deliverable Payment	Payment Amount (USD)
9	12	Pre-Bid Meeting	\$20,000
10	14	All Functional Scores and Project Solution Costs	\$20,000
11	20	Completion of Vendor Demonstrations	\$20,000
12	23	Selection of Preferred Vendor	\$20,000
13	28	Statement of Work Development (Limited to 200 hours and must be completed in two months)	\$20,000
		Total Fixed-Fee for Utility Billing Modernization Consulting Services (Phase 2)	\$100,000
		10% Contingency (Phase 2)	\$10,000
		Total Fixed-Fee (including contingency) for Utility Billing Modernization Consulting Services (Phase 2)	\$110,000

Note:

E Source recommends 5 consultant trips for the E Source consultants to travel to Client site. The estimated travel costs are outlined in the below table for Phase 2.

Total Consultant Trips	Estimated Cost Per Trip	Estimated Travel Cost	Contingency	TOTAL
5	\$2,300	\$11,500	\$1,150 (10%)	\$12,650

7.0 E Source Project Implementation Leadership Services (Phases 3,4,5)

7.1 Implementation Project Assumptions

1. E Source consultants will lead Client in their respective areas if empowered by Client. If Client does not allow E Source to lead in their respective areas, E Source will support Client.
2. E Source Resources designated as on-site will be on-site at the project location(s) based on a 3/4/5 travel program which means that E Source Resources shall travel to the Client



site on Monday morning and return to their home on Thursday evening/Friday morning, working from their home office on Friday.

3. E Source Resources will not travel on-site during work-weeks when the Client has two days or more of Holiday's scheduled. If a one-day Holiday is scheduled, the E Source Resources will travel on-site on a case-by-case basis as mutually agreed by E Source and the Client Project Director.
4. The E Source Project Manager and the Client Project Director will work together to schedule the specific on-site time for the E Source Resources.
5. The Implementation Project duration will encompass the Implementation Project timeline agreed to in the Vendor SOW including three months of post go-live support.
6. E Source Project Manager will be on-site a maximum of two (2) weeks per month; however, this may be higher during specific phases of the project if agreed to by the E Source Project Manager and the Client Project Director.
7. Due to IRS regulations, E Source Resources are required to be off-site for a period greater than three consecutive weeks within a 12-month calendar year. E Source's consultant(s) will be working for Client while off-site. E Source will coordinate with Client to schedule off-site time so as not to affect the Project.
8. The CIS, CSS, and FSM software must be implemented as part of the CIS implementation project.

7.2 General Responsibilities

Unless otherwise specifically stated, Client shall provide facilities, equipment and support, as described below, in performance of the Services by E Source's Resources (as described in this WO) at Client's facilities, at no cost to E Source. These facilities and services will be made available to E Source's Resources during Client's normal working hours, or as otherwise agreed. E Source shall follow any guidelines set forth by Client regarding access to its facilities and services, and unless otherwise agreed, E Source's Resources shall work within Client's normal working hours.

7.3 Implementation Project-Related Responsibilities

- Provide Client-specific resources as needed
- Provide office (work) space for E Source Resources



- High speed internet access for E Source owned laptop computers (Mac and PC), when E Source is using Client facilities
- Client network access as needed with prior approval of the Client to support this WO
- Telephone and access to other general office equipment when E Source is using Client facilities
- A conference/meeting room or office for E Source Resources will be provided as needed. This conference room should be a suitable meeting space for up to eight people.

7.4 E Source Resource Descriptions

The following sections provide a description of the various roles E Source will be providing for the Implementation Project. E Source will provide leadership, guidance, and drive their respective areas, with support of Client. Certain work activities will require input and approval from both the Client and the Vendor/SI.

7.4.1 E Source Project Manager (PM) - Major Activity Descriptions

E Source will assign a full-time PM on behalf of the Client acting as the Client representative from the Vendor's perspective. The E Source PM will report to the Client Project Director.

Sections 7.4.1.1 – 7.4.1.7 provide a general description of the activities and responsibilities to be provided during the Implementation Project.

Project Management Responsibilities

Pre-Implementation Responsibilities

- Review and understand the statement of work and contract with the Vendor
- Review and understand all deliverables
- Assist with logistics planning for the City project team
- Participate in pre-planning activities
- Develop Project Schedule with support from the Vendor/SI and Vendor Project Scheduler

Implementation Responsibilities

- Day-to-day management of the Project, acting as the City's Project Manager
- Provide day-to-day direction to the City staff assigned to the project
- Provide day-to-day direction to software vendor/system integrator project manager assigned to the project
- Manage the project Statement of Work and contracts to ensure vendor compliance and accountability
- Manage the Project Schedule with Vendor/SI/Project Scheduler making all updates to the Project Schedule
- Direct and oversee all project management plan activities including testing, training, data conversion, and integrations
- Manage project budget
- Inspection of key deliverables



- Evaluate the project risk log and make recommendations as needed
- Oversee the issue and defect logs and perform regular reporting
- Lead risk assessments and manage the identification and tracking processes
- Provide project improvement recommendations throughout the project
- Prepare monthly report that outlines the status of the project
- Present status report to the Steering Committee on a monthly basis
- Support the City with issues that may be escalated between the Vendor/ system integrator and other vendors participating in the project and the City
- Attend the City Management/Board meetings to discuss project status as needed

Post Implementation Responsibilities

- Manage Open Items list
- Manage the completion of all deliverables
- Manage oversight of project schedule, budget, deliverables and quality throughout the implementation
- Communication of project status to project team and steering committee

7.4.1.1 Planning

The E Source PM will lead weekly planning meetings, in order to support the development of the Implementation Project schedule that will contain the activities, their dependencies, as well as resources required to successfully implement the solution. The Implementation Project Schedule will be developed and maintained by the Project Scheduler with support from the Project Manager. Progress against this schedule will be tracked based on objective criteria to assess whether the Implementation Project is on track to identify and initiate any corrective actions necessary. The overall Implementation Project Schedule will be a detailed view of all activities as defined in the Vendor Statement of Work.

7.4.1.2 Contract Management

Using the available tools, the E Source PM will manage the overall deliverable review and facilitate the Client acceptance of Vendor's deliverables, as defined in the Vendor's Statement of Work with Client. This will also include oversight of the Vendor contract, elevating variances as needed to the Client Project Director. If the E Source PM believes any of these Implementation Project components are not substantially compliant to the Vendor's Statement of Work, the E Source PM will provide notice to the Client Project Director of such non-compliance.

7.4.1.3 Day to Day Project Activities

The E Source PM will be responsible for overseeing both the Client and Vendor Project teamwork activities. The E Source PM will lead, with support of Client, the day-to-day tactical project management decisions required throughout the Project. The E Source PM will provide feedback to the Client Project Director and will lead the direction and review of the Implementation Project Schedule (The Vendor Project Scheduler is responsible for the update



and management of the Implementation Project Schedule). The E Source PM will lead, with support of Client, internal team communications.

7.4.1.4 Vendor Management

The E Source PM will lead, with support of Client, the management of the Vendor SOW on behalf of the Client to validate compliance and manage the Implementation Project. Issues will be escalated to the Client Project Director and/or Steering Committee as necessary.

7.4.1.5 Risk Management

The E Source PM will be responsible for leading risk assessments on a monthly basis, or mutually agreeable schedule with the Client and Vendor as part of the Implementation Project management process. Risks will be tracked through available tools of the Client and will be managed by E Source in conjunction with the Vendor. Dependent on the specifics of the risk, different project team members may be assigned to assess and develop plans to address these risks as necessary, at the discretion of the Project Managers.

7.4.1.6 Steering Committee Meeting

The E Source PM will lead the monthly Steering Committee meetings, with support from Client and Vendor.

7.4.1.7 Post Implementation Management

With the support of the Vendor, the E Source PM will be responsible for overseeing both the Client and Vendor post implementation activities for the Implementation Project. The E Source PM will manage the day-to-day activities necessary to bring the Implementation Project to closure.

7.5 E Source Implementation Leadership Services Pricing

E Source's implementation leadership services will be provided for a fixed monthly fee as indicated in the below table.

#	RESOURCE DESCRIPTION	PROJECT ALLOCATION	Monthly fee for E Source Resource
1.	E Source Project Manager – (Full-time)	100%	\$36,000

The timeline and costs for each phase are outlined in the below tables for Phases 3, 4 and 5.



Phase 3 – Implementation Oversight

#	Resource Description	Project Allocation	Monthly fee for E Source Resource	Number of Months	Total	Contingency	TOTAL
1.	E Source Project Manager (Full-time)	100%	\$36,000	15	\$540,000	\$54,000 (10%)	\$594,0000

Phase 4 – Cutover Preparation, Go-live Readiness, Parallel Billing

#	Resource Description	Project Allocation	Monthly fee for E Source Resource	Number of Months	Total	Contingency	TOTAL
1.	E Source Project Manager (Full-time)	100%	\$36,000	3	\$108,000	\$10,800 (10%)	\$118,800

Phase 5 – Post Go-live (implementation) Support

#	Resource Description	Project Allocation	Monthly fee for E Source Resource	Number of Months	Total	Contingency	TOTAL
1.	E Source Project Manager (Full-time)	100%	\$36,000	3	\$108,000	\$10,800 (10%)	\$118,800

7.6 E Source Implementation Leadership Services Travel Pricing

The E Source Project Manager is available to be on site at the City of Laredo up to two weeks per month for phases 3, 4, and 5. E Source has outlined our travel assumptions in section 11. The estimated cost of travel for Phases 3, 4, and 5 is outlined in the below table.

Resource Description	Number of Months	Number of Trips per Month	Total Trips	Estimated Cost Per Trip	Estimated Travel Cost	Contingency	TOTAL
E Source Project	21	2	42	2,300	\$96,600	\$ 9,660(10%)	\$106,260



Manager (Full-time)							
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8.0 Acceptance of Services

8.1 The acceptance process set forth in this Section 8 shall apply and govern with respect to all Services provided by E Source hereunder for which E Source requests acceptance. E Source will notify Client with respect to Services as and when requesting acceptance, which Client understands will generally be requested monthly with invoices for Services. If Client accepts the Services, it will return a signed Acceptance Certificate to E Source. Client shall notify E Source in writing within five (5) business days following E Source’s notification to Client, if Client believes E Source has not substantially satisfied the applicable requirements of this WO with respect to such Services. To the extent that Client rejects any Services, it shall specify the reasons therefore to a reasonable level of detail and such reasons must be based specifically on E Source’s failure to substantially satisfy the applicable requirements of this WO.

7.2 Following a written notification to E Source described above that applicable Services fail to substantially meet the applicable requirements of this WO, then, subject to E Source verifying any such failure, within ten (10) business days, or mutually agreeable time in light of the nature and severity of the deficiency and the sequencing of the Project, E Source shall remedy the identified failure and provide remedied Services which substantially meets the applicable requirements of this WO. Following the delivery by E Source of the remedied Services, then Client shall again have five (5) business days to review the remedied Services and the provisions of this Section 8 shall control the acceptance thereof.

9.0 Dispute Resolution Process

The Dispute Resolution Process shall consist of a three-step approach to resolve disputes related to this Work Order. If a dispute is identified between the parties, the following steps shall be taken:

Step 1 – The initiating party’s assigned Project Manager/Director will inform the other party’s Project Manager/Director in writing that a dispute exists. The Project Manager and Project Director 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 Manager and Project Director will inform their senior managers that a dispute exists. The party that initiated the dispute will clearly document their concern in writing to the other party and outline what their expectations are related to the desired cure for the outstanding issue. The party being requested to cure the problem will have ten (10) business days, or other mutually agreeable timeframe, to resolve the matter. If the matter has not been resolved after this step, the issue will be escalated to Step 3.

Step 3 – The information documented from Step 2 and any other clarifications from Step 2 will be provided via certified mail to the party that is being requested to cure the issue. The party that has initiated the dispute resolution process will allow the other party ten (10) business days,



or mutually agreeable timeframe, to resolve the matter. If at the end of this step the matter is not resolved, either party may pursue all other available rights and remedies.

10.0 E Source Resources General

10.1 Client's Right to Request Personnel Replacement

If Client experiences difficulties, concerns or other legitimate objections with E Source assigned personnel, Client shall discuss any concerns with the designated E Source VP. Client will allow E Source to attempt to resolve any issues or concerns with the resource in question, to Client's satisfaction. Failing to resolve the issues or concerns within a thirty-day period of time, Client may request and E Source will remove the assigned consultant and replace the resource with another qualified consultant. Both parties will work together to minimize any negative impact to the project due to a resource replacement.

11.0 Charges and Payment

This section of the Work Order describes the charges and payments for travel and per diem expenses related to the scope of services covered by this Work Order.

11.1 Travel Expenses

Travel expenses will be billed monthly as incurred.

Travel and living expenses based on actual expenses include (Receipts are required):

- Air Travel Ordinarily all 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 Client account.
- Hotels E Source will select business class hotels in the vicinity of the Client's offices or other Client -approved location. Generally, Hampton Inn, Courtyard, Fairfield, Marriott, Hilton, and Double Tree are chosen. E Source will work to negotiate rates with hotels and E Source will make every reasonable effort to stay at the negotiated properties. E Source will endeavor to procure the best available rates.
- Auto rental expenses and the associated taxes or rideshare services.
- Fuel and the associated taxes.
- Long Term Parking and tolls and the associated taxes.
- Mileage if employees drive their own car (in lieu of rental car), based on IRS standard mileage rate.

Per Diem:



E Source will bill per diem expenses for meals and incidental expenses while traveling to the Client site or other Client approved travel.

The table below outlines the per diem-based expenses for travel.

#	Item	Description	Method
1.	Meals	While E Source employees are away from their home offices, traveling on Client business related to the project, a daily meal per diem is charged to the Client project.	\$63.00 / day
2.	Incidental Allowance	E Source employees may incur additional non-meal related costs for personal expenses while away from their home offices for Client -project related travel. E Source has a fixed daily incidental allowance of \$5.00 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.	\$5.00 / Day

END OF WO No. 1 CONTENT



Signature Page

IN WITNESS WHEREOF, intending to be legally bound hereby, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first set forth above.

City of Laredo

E Source Companies, LLC.

Signature:

Signature:

Name (Printed):

Name (Printed):

Title:

Title:

Date:

Date:



Appendix 1

E Source

Acceptance Certificate

Description of Services	[Insert Service descriptions as applicable]
Work Period	[Insert the period of time the work was done]

E Source has achieved and/or completed the above Project Services during the above stated time period.

Client has reviewed the Services and has confirmed that the Services have been achieved and/or completed in accordance with the Agreement by and between E Source Companies, LLC (“**E Source**”) and the City of Laredo (“**Client**”), dated [insert date of Agreement], and the related **Work Order #__** by and between E Source and Client dated [insert date of applicable Work Order]. Thus, Client accepts the Services.

City of Laredo

By: _____

Name: _____

Title: _____

Date: _____

E Source Companies, LLC

By: _____

Name: _____

Title: _____

Date: _____



AMI Consulting and Program Management Services

WORK ORDER #2

City of Laredo

Advanced Metering Infrastructure (AMI)

Consulting and Program Management Services

Client: City of Laredo

1110 Houston Street

Laredo, Texas 78040

Consultant: E Source Companies, LLC

1321 Upland Drive, Suite 3413

Houston, Texas 77043



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Introduction

The City of Laredo Utilities Department is undertaking two parallel modernization initiatives: (1) an AMI program to either optimize or fully replace the City's existing Neptune metering platform, and (2) the selection and implementation of a new Customer Information System (CIS). The City intends to advance both initiatives concurrently over an approximate 36-month program horizon.

Within the AMI workstream, this engagement is structured around two distinct technology tracks:

- **Track A — Neptune Optimization** retains the City's existing Neptune infrastructure, utilizing compatible meters and network devices already in place while systematically retiring non-compatible components, offering the potential for significant cost savings by building upon the City's prior investment.
- **Track B — Full AMI Replacement** retires the existing Neptune platform in favor of a new solution selected through open, competitive procurement.

Phase 1 — Assessment is the same for both tracks. By the end of this phase, the City will have a clear, evidence-based view of infrastructure condition, capital and operating costs, expected benefits, and implementation complexity for each option, enabling a confident technology decision. Track A is expected to have lower overall program costs and a more focused consulting scope, while Track B represents a larger effort in cost, schedule, and organizational commitment.

This Scope of Work addresses the AMI workstream only. CIS requirements development is addressed within the parallel CIS engagement. All AMI-related activities and deliverables described in RFQ 2026-049 are fully addressed herein.

AMI Scope of Work – Structure and Program Overview

Phase	Description	Track A — Neptune Optimization	Track B — Full AMI Replacement
Phase 1	Assessment	<i>Common to both tracks. Technology path decision made at conclusion.</i>	
Phase 2	Procurement	Neptune contract and scope negotiation with existing ecosystem vendors. ~4–6 months.	Full open-market RFP, competitive evaluation, vendor selection, and contract negotiation. ~8–10 months.
Phase 3	Implementation Support	Vendor management, deployment QA, testing, data management, OCM, and training.	All Track A activities plus pilot program execution, full replacement deployment management, and greater OCM scope.
E Source Consulting Duration		18 months base case	20 months base case
Vendor Implementation Period	<i>Estimated full deployment timeline managed by selected vendor(s)</i>	~18–24 months assumed	~30–36 months assumed



Phase 1 – Assessment

Phase 1 is a focused, time-bound engagement with a single purpose: to provide the City with a well-supported recommendation on the most viable path forward for its AMI program. E Source will assess the City's current metering infrastructure and operational environment, define the scope of each technology option, develop credible capital and operating cost estimates, and analyze the relative benefits, risks, and implementation timelines associated with Track A and Track B. All work performed in Phase 1 supports and leads to that recommendation.

Phase 1 Summary	Details
Estimated Duration	4 months from Notice to Proceed
Fee Structure Options	Fixed Fee
Engagement Output	Findings and Recommendations — a viable path recommendation supported by budget estimates, risk analysis, and implementation roadmap
Phase Authorization	Written Notice to Proceed from the City required prior to commencement

Task	Name	Purpose
Task 1	Project Kickoff and Mobilization	Establish project governance, issue the data request, confirm the team, and build the project schedule.
Task 2	Discovery	Understand the City's organization, decision-making structure, competing priorities, and program readiness.
Task 3	Current State Analysis	Assess metering infrastructure condition, failure patterns, read accuracy, meter replacement strategy, IT systems, and business processes.
Task 4	Future State	Define program goals, objectives, product and service requirements, success criteria, and the City's vision for how AMI should perform — informed by current industry capabilities.
Task 5	Scenario Development	Define the specific scope of Track A and Track B for Laredo's environment — what each path entails.
Task 6	Financial Analysis	Develop CapEx, OpEx, and benefits estimates for each scenario to support the path recommendation.



Task 7	Recommendations and Roadmap	Compile and synthesize all analysis into a recommended path with a companion implementation roadmap — the single engagement output.
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Task 1 – Project Kickoff and Mobilization

Following the City's written Notice to Proceed, E Source will convene a kickoff meeting with the City's Project Manager and Core Team to review scope, schedule, reporting relationships, and governance. E Source will confirm Core Team and SME composition, issue a comprehensive data request covering metering infrastructure, system and network data, operational records, financial data, and existing vendor contracts, and establish the project collaboration environment. A project schedule will be developed in Microsoft Project and project risks will be formally logged. Kickoff establishes the working foundation for all subsequent Phase 1 tasks.

Assumptions

- The City will designate a qualified Project Manager prior to the kickoff meeting with authority to coordinate City resources and facilitate timely decisions. Data requests will be managed in a timely manner.
- The City will identify Core Team members and SMEs at or prior to the kickoff meeting.

Task 2 – Discovery

E Source will engage the City through structured interviews, working sessions, and document review to understand the organization's people, decision-making structure, competing priorities, and program readiness. Where applicable, E Source will coordinate with the parallel CIS consulting team to leverage existing discovery outputs and avoid duplication of City staff time. Departments engaged will include at a minimum Billing and Customer Service, Meter Reading and Field Services, Finance, Engineering, Water Operations, IT, and Conservation. Discovery provides the organizational and operational context that informs every subsequent task.

Assumptions

- Discovery sessions will be conducted virtually unless the City requests on-site visits, which will be accommodated subject to travel cost reimbursement.
- The City will make appropriate staff available within the agreed project schedule.
- E Source will coordinate with the CIS consulting team to align discovery activities and avoid duplication of City staff time.

Task 3 – Current State Review

The Current State Review is the primary analytical task of Phase 1, providing the factual foundation for scenario definition, cost estimation, and the technology path recommendation. E Source will lead structured interviews, workshops, and data reviews across four areas. All raw analysis and data gathered in this task flows directly into the Findings and Recommendations Report as a single consolidated deliverable. CIS discovery outputs will be leveraged where applicable to avoid duplicating City staff time.

3.1 – Metering Infrastructure Analysis

E Source will conduct a comprehensive analysis of the City's existing meter population and associated infrastructure, including:

- **Meter population inventory** — age, type, size, register type, and AMI/endpoint compatibility
- **Failure pattern and read accuracy analysis** — recurring endpoint failures, missed and estimated reads, and downstream billing impacts



- **Neptune endpoint and network condition** — endpoint generations, firmware currency, network coverage and performance, and product roadmap compatibility
- **System of record review** — meter asset data quality in NaviLine, including completeness, accuracy, and gaps
- **Service order review** — recurring field visit drivers and underlying failure patterns
- **Meter testing programs** — philosophy, frequency, and results for small and large meters
- **Small meter appurtenances and set conditions** — configurations, valves, lids, boxes, and setter conditions
- **Large meter review** — types, configurations, vault conditions, and bypass arrangements

3.2 – Meter Replacement Strategy Review

E Source will review the City's existing meter replacement strategy, assess current replacement criteria and prioritization logic, and develop recommended improvements aligned with the City's operational priorities and AMI program direction. For Track A, the review will specifically identify which Neptune components should be retained, optimized, or retired.

3.3 – IT Systems and Network Analysis

E Source will review the City's current technology environment as it relates to the AMI ecosystem, drawing on CIS engagement outputs where available. Systems to be reviewed include the Neptune AMI headend and MDMS, NaviLine CIS, GIS/ArcGIS, SCADA, work management systems, and relevant customer-facing and payment processing integrations. Key integration dependencies and risks for each scenario will be identified and incorporated into Scenario Development.

3.4 — Business Process Review

E Source will conduct a focused, advisory review of core meter-to-cash business processes — billing and read validation, meter exchange and retrofit, field services workflows, and exception management — to identify the operational changes the City should anticipate under each scenario. Together, the four areas of the Current State Review provide the factual basis for scenario definition and cost estimation.

Assumptions

- The City will provide access to NaviLine data, Neptune system data, GIS files, service order history, financial records, and infrastructure documentation prior to or at kickoff.
- The City will make SMEs available for Current State Review workshops, with a minimum of two (2) hours per department assumed.
- E Source will coordinate with the CIS consulting team to leverage existing discovery outputs.
- The Business Process Review is observational and advisory. Full business process re-design is a Phase 3 activity.

Task 4 – Future State

E Source will facilitate a workshop with City executives, project sponsors, and key SMEs to define and document the AMI program's strategic drivers, product and service requirements, and success criteria. This session may include an industry education component covering current AMI market capabilities, what peer utilities are achieving, and how available solutions map to the City's stated requirements. The output of this task directly shapes the criteria against which each scenario is evaluated and the benefits analysis that supports the recommendation.

Assumptions

- City executive leadership and project sponsor(s) will be made available for this workshop.
- Product and service requirements will emerge from these workshops



Task 5 – Scenario Development

Drawing on Discovery, Current State Review, and Program Goals outputs, E Source will define the specific scope of each technology scenario for the City of Laredo. For each scenario E Source will document: what the solution encompasses for Laredo's specific environment; what work must be performed; what gets retained, optimized, or replaced; key underlying assumptions; and major risks the City should weigh. Scenario definition is the direct input into Financial Analysis and ensures that cost estimates are grounded in a clearly understood scope. E Source will not commence financial modeling until scenario scopes are confirmed by City leadership.

Assumptions

- Scenario scopes will be reviewed and confirmed by the City prior to commencement of Financial Analysis.
- Two (2) primary scenarios will be developed. One (1) additional tailored scenario may be developed

Task 6 — Financial Analysis

The Financial Analysis provides a focused, decision-support comparison of the two defined scenarios to give City leadership the financial clarity needed to commit to a technology path with confidence. E Source will develop the analysis across four dimensions for each scenario:

Capital Expenditure (CapEx) — high-level capital cost estimates for meters, endpoints, network infrastructure, MDMS, integration, and implementation services, presented as ranges with supporting assumptions

Operating Expenditure (OpEx) — high-level operating cost profile covering system maintenance, vendor support, network operations, staffing implications, and licensing or subscription costs

High-Level Scope and Benefits — what the City is committing to under each scenario, approximate timeline, and key benefits including revenue protection, labor efficiency, non-revenue water reduction, customer service improvements, and system reliability

Analysis and Comparison — side-by-side decision-support comparison of Track A and Track B across all four dimensions, highlighting total cost of ownership differential, relative benefit potential, financial risk profile, and alignment with the City's product and service requirements

Note: E Source's financial models are proprietary and copyrighted intellectual property of E Source Companies LLC. The City of Laredo retains full ownership of all data inputs and output reports.

Assumptions:

- The financial analysis is a supporting analysis for the path recommendation.
- CapEx and OpEx estimates will be presented as ranges.

Task 7 — Recommendations and Roadmap

E Source will compile and synthesize the outputs of all preceding tasks into a single, cohesive document. Rather than a compilation of individual analyses, this document is a synthesis — distilling the most important findings into a clear recommendation and a practical implementation roadmap that the City can act on. The document will provide sufficient supporting analysis to give City leadership confidence in the recommendation without overwhelming them with technical detail.

E Source will issue a Draft document to the City for review and comment. Upon receipt of consolidated written comments, E Source will finalize the document and deliver a formal executive presentation. The presentation is the culminating event of Phase 1 and the vehicle through which the technology path decision will be made.

Assumptions:

- The City will provide a single consolidated set of written comments on the Draft within ten (10) business days of delivery.



- One (1) executive presentation to City leadership is included. Additional presentations may be scoped as a change order.

Primary Deliverable:

Recommendations and Roadmap — a document comprising: (1) a summary of the current state analysis and financial findings; (2) a clear recommendation on the most viable technology path with supporting rationale; and (3) a 3–5-page implementation roadmap for the recommended path inclusive of phasing, key milestones, schedule, and estimated cash outlays by phase.



Track Option A – Neptune Optimization

Phase 2 - Procurement

Phase 2 covers the procurement activities required to contract for Neptune system optimization, expansion, and implementation services. E Source will structure and execute a fast-track, streamlined procurement that satisfies Texas public procurement requirements while leveraging existing contract mechanisms between the City and existing Vendor(s). This scope includes a single procurement for ancillary services and products that may not be able to be procured through existing contracts. The goal is a defensible, efficient procurement that enables the City to purchase all necessary components for project execution.

Task 1 — Requirements Refinement and Procurement Strategy

E Source will work with the City to refine and finalize AMI system requirements based on Phase 1 findings, confirming scope boundaries, technical specifications, and any gaps identified since the assessment. E Source will develop a procurement strategy outlining the recommended competitive process structure, evaluation criteria, timeline, and approach to leveraging existing contract vehicles where permissible under Texas procurement law. The strategy will be reviewed and approved by the City's purchasing and legal staff before any solicitation is released.

E Source will review applicable state and local procurement rules and identify any cooperative purchasing agreements or existing contracts that may streamline the competitive process, advising the City on the most efficient compliant path to contract execution.

Assumptions:

- The City's purchasing and legal staff will be available to review and approve the procurement strategy prior to release of solicitation documents.
- E Source will advise on procurement structure, but the City retains responsibility for all final procurement decisions and legal compliance determinations.
- Cooperative purchasing agreements or existing contract mechanisms will be leveraged to the greatest possible extent.
- Estimated Duration: 4–6 months from Notice to Proceed. (Dependencies on Public Procurement Process)

Task 2 — Solicitation Development and Administration

E Source will develop a streamlined solicitation document — structured as a light RFP or competitive bid as appropriate for the City's procurement requirements — that accurately reflects the AMI system requirements, implementation expectations, and contract terms. Tailored to the Neptune optimization scope, the solicitation will include requirements, evaluation criteria, pricing structure, and draft contract terms. E Source will support the full solicitation cycle including pre-proposal coordination, vendor questions and addenda management, and proposal receipt.

The solicitation is designed to be efficient for both the City and respondents — a targeted process calibrated to the defined scope of a Neptune optimization program, not a broad open-market RFP.

Assumptions:

- The City will publish and administer the solicitation through its standard procurement platform and processes.
- E Source will draft solicitation content; the City's purchasing division is responsible for formal release and administration.
- The solicitation timeline will be agreed upon with the City's purchasing team prior to document finalization.

Task 3 — Proposal Evaluation and Vendor Selection

E Source will support the City's evaluation committee through a structured, documented evaluation of all responses received. E Source will develop evaluation scorecards, facilitate proposal review sessions, conduct



cost normalization, and produce a best-value recommendation package that clearly documents the evaluation process and supports the City's selection decision. Reference checks will be conducted as needed.

Given the targeted nature of this procurement, the evaluation is expected to be more streamlined than a full open-market selection. E Source will structure the process to be thorough, defensible, and efficient.

Assumptions:

- The City will appoint an evaluation committee prior to proposal receipt (if required)
- E Source will facilitate but will not vote in the evaluation process. All selection decisions are the City's responsibility.
- Reference checks will be conducted virtually

Task 4 — Contract and Scope of Work Negotiations

Following vendor selection, E Source will serve as the City's technical advisor through contract and scope of work negotiations. Drawing on current market knowledge of AMI system pricing, implementation costs, service level standards, and contract terms, E Source will work to secure the most favorable pricing, performance commitments, warranty terms, and contractual protections available. E Source will review all contract documents, identify risk exposures, and participate in negotiation sessions on the City's behalf.

E Source will develop a detailed Statement of Work defining vendor responsibilities, acceptance criteria, milestone payments, and performance standards. The SOW is the contractual blueprint for Phase 3 and will be negotiated to protect the City's interests throughout implementation..

Assumptions:

- E Source will provide technical and commercial input on contract terms. The City's legal counsel is responsible for final legal review and contract execution.
- Negotiation sessions will be conducted virtually or on-site as agreed.

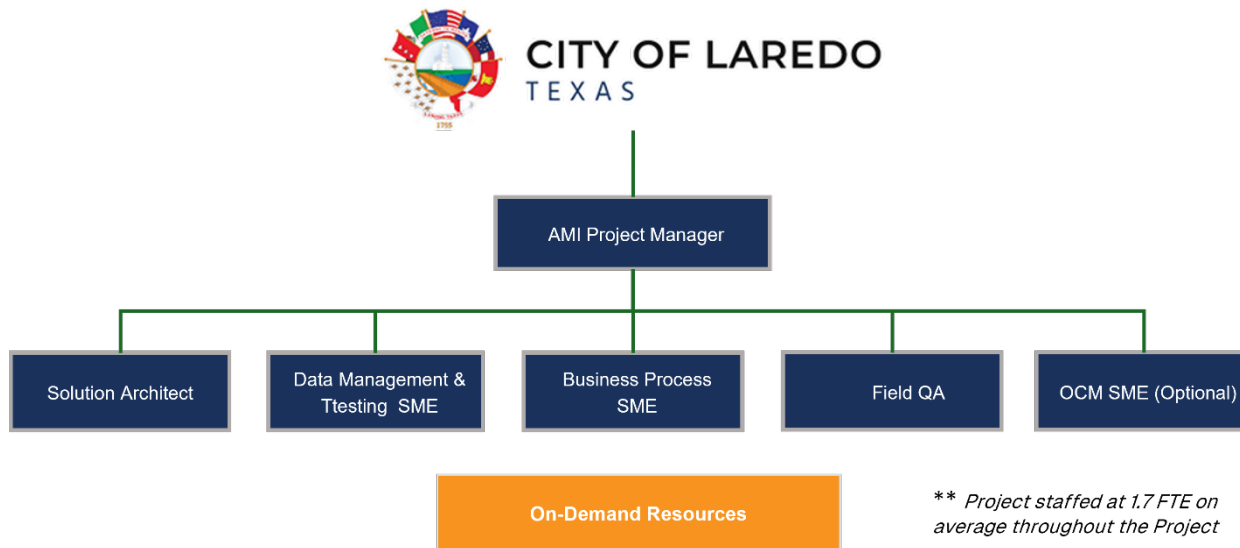
Phase 3 – Implementation Support

A dedicated E Source AMI Project Manager with direct AMI implementation experience will be assigned at the start of Phase 3. All E Source Phase 3 project managers are seasoned professionals with direct AMI program experience. The PM serves as the City's primary representative during implementation, overseeing both the City's project team and the vendor's delivery activities.

E Source's Phase 3 team is organized to bring the right subject matter expertise to each area of implementation. The SMEs engaged across Tasks 1 through 8 are not only active participants in their respective work areas — they are accountable to the PM for monitoring the development, quality, and timely completion of the vendor and City-developed project documents described at the end of this section. The PM coordinates this cross-functional oversight and escalates issues to City leadership as needed.



E Source Implementation Team



Task 1 — Project and Vendor Management

E Source will provide full-time project management on behalf of the City throughout Phase 3. The E Source PM will serve as the City's day-to-day representative overseeing both the City project team and vendor delivery activities. Core responsibilities include integrated schedule management, SOW compliance monitoring, risk and issue tracking, steering committee reporting, budget oversight, and coordination across all workstreams. The PM is the central accountability point for program progress and is empowered to escalate vendor performance issues directly to City leadership.

The PM will coordinate the E Source SME team across all Phase 3 tasks, ensuring the right expertise is deployed at the right time and that SME engagement is efficiently managed relative to the program schedule and budget.

Assumptions:

- The E Source PM will be a dedicated Phase 3 resource with AMI implementation experience. Resumes will be provided for City approval prior to Phase 3 commencement.
- The City will designate a City PM as the primary City-side counterpart to the E Source PM.
- Steering committee meetings will be held monthly at minimum, with increased frequency during critical milestones.

Task 2 — Solution Architecture and Integration Oversight

E Source will oversee the design and validation of the AMI solution architecture, ensuring all system integrations are designed correctly, documented thoroughly, and implemented per approved specifications. E Source will validate that the architecture aligns with the City's IT environment, cybersecurity requirements, and operational needs from Phase 1, and will review the vendor's solution architecture document, integration specifications, and data flow designs at agreed milestones.

Integration oversight is a continuous Phase 3 activity. E Source will track integration development against the project schedule, conduct design reviews at key milestones, and flag deviations or risks to the City PM for resolution.

**Assumptions:**

- The vendor will provide solution architecture and integration documentation at agreed milestones as defined in the Phase 2 SOW.
- The City's IT staff will be available for integration review sessions and to approve architecture decisions affecting City systems.

Task 3 — Initial Deployment and Ramp-Up

Prior to full-scale deployment, E Source will oversee an initial deployment and ramp-up period in which a representative set of meters and endpoints are installed and validated. This is not a formal pilot phase gate but a structured ramp-up designed to confirm system configuration, validate data flows, identify installation quality issues, and verify billing integration performance before full deployment proceeds. E Source will establish ramp-up success criteria with the City and vendor and will provide a written go/no-go assessment before authorizing full deployment scale-up.

E Source will provide field QA support during ramp-up, reviewing installation quality, verifying meter configuration, and auditing data accuracy. Issues identified will be formally logged and tracked to resolution before scale-up begins.

Assumptions:

- Ramp-up scope and meter count will be agreed upon with the City and vendor prior to Phase 3 commencement.
- Ramp-up success criteria will be documented and approved by the City before initial deployment begins.
- Full deployment will not commence until the E Source go/no-go assessment is accepted by the City.

Task 4 — Full Deployment Management and Field QA Support

E Source will provide oversight and quality assurance support throughout full-scale meter and endpoint deployment. E Source's role is to monitor vendor and installer performance, conduct periodic field QA inspections, review deployment data quality, audit installation reports, and escalate performance or quality issues to the City PM. E Source will track deployment progress against the approved plan and provide regular deployment status updates to City leadership.

While the depth and duration of deployment support under Track A is less than Track B — given that the Neptune infrastructure is familiar and much of it is already in place — E Source will maintain active oversight throughout to protect the City's investment and ensure program quality.

Assumptions:

- Physical installation is the responsibility of the selected vendor and/or installer. E Source's role is QA oversight, not direct installation management.
- Frequency of E Source field QA visits will be agreed upon at the start of Phase 3 and adjusted based on deployment needs

Task 5 — Testing Support

E Source will support the City through all phases of system testing including system integration testing, user acceptance testing, billing calculation validation, and performance testing. E Source will review vendor-developed test plans for completeness, facilitate City staff participation in user acceptance testing, document test results, and track defect resolution. E Source will provide an independent assessment of testing completeness before recommending system acceptance.

E Source's independent testing oversight — separate from the vendor's own quality assurance — is a critical safeguard for the City. No system will be accepted into production without E Source's written testing completeness assessment.

Assumptions:

- The vendor is responsible for developing and executing system and integration testing. E Source will oversee and independently validate results.
- The City will make appropriate staff available for user acceptance testing.



Task 6 — Data Management

E Source will guide the City through AMI data management planning and execution, covering data flows from meter to headend to MDMS to CIS, exception handling, alert and alarm management, read validation, and billing data quality assurance. E Source will work with City staff and the vendor to ensure accurate, complete, and timely data throughout deployment and into steady-state operations.

E Source will monitor data quality metrics throughout deployment and flag anomalies or systemic issues for correction before they affect billing or operations. Data quality is foundational to the City's ability to realize AMI program benefits.

Assumptions:

- The vendor is responsible for MDMS configuration and data flow development. E Source will review and validate data quality outcomes.
- The City will designate a data management lead from billing and IT staff to work with E Source throughout this task.

Task 7 —Business Process Design

E Source will facilitate workshops with City staff to confirm and document future state business processes governing AMI-enabled operations. Building on Phase 1 observations, this task moves to active process design — working with billing, field services, customer service, and finance staff to define how work will be performed in the new environment. E Source will review vendor-proposed process changes for alignment with City policy and operational needs and will flag any conflicts or gaps.

Process design decisions made here directly affect system configuration, training, and go-live readiness. E Source will ensure City staff are actively engaged in these decisions rather than defaulting to vendor-standard configurations.

Assumptions:

- City SMEs from billing, field services, customer service, and finance will be made available for process design workshops.
- Final process design decisions are the City's responsibility. E Source will facilitate and advise.

Task 8 — Operational Transition and Training Support

E Source will support the City's transition to steady-state AMI operations including review of vendor-developed training materials, validation of role-based training coverage, go-live readiness assessment support, and monitoring of the initial production period. E Source will confirm that all staff who will operate or interact with the AMI system have been trained and that operational procedures are documented before system acceptance.

Operational transition includes coordination with the CIS workstream to confirm meter-to-cash data flows are validated and billing is functioning correctly in the integrated environment. A formal program closeout will include lessons learned documentation and a final status report to City leadership.

Assumptions:

- Training delivery is the vendor's responsibility. E Source will review training materials and validate coverage.
- A written go-live readiness assessment will be provided to City leadership before system acceptance.
- Post-go-live hyper-care support duration will be agreed upon with the City and vendor at the start of Phase 3.

Recommended Vendor and City Developed Project Documents

The following documents are expected to be developed collaboratively by the selected vendor and City stakeholders during Phase 3. These are not E Source deliverables. E Source's role is to ensure that the right City subject matter experts are engaged in the development of each document, to review key documents for completeness and alignment with the City's requirements, and to monitor — through the Project Manager — that



all documents are developed, reviewed, and approved on schedule. The Project Manager will track document status as a standing agenda item in program status reporting.

Document	Description	Primary Owner	E Source Role	Related Task
Project Charter	Defines scope, governance, roles, decision authority, and escalation procedures	City / Vendor	Facilitate and review	Task 1
Integrated Project Schedule	Master schedule encompassing all vendor and City activities through program closeout	Vendor	Review and monitor	Task 1
Risk and Issue Log	Living document tracking all program risks, issues, owners, mitigation actions, and status	E Source / City	Maintain and report	Task 1
Monthly Status Reports	Regular written updates on schedule, budget, risks, issues, and upcoming milestones	E Source	Author and distribute	Task 1
Solution Architecture Document	AMI system architecture including network design, integrations, data flows, and cybersecurity approach	Vendor	Review and approve	Task 2
Integration Specifications	Detailed specifications for each system integration including data mapping and interface design	Vendor	Review and validate	Task 2



Meter Configuration Workbook	Configuration parameters for all meter types and sizes to ensure accurate billing data	Vendor / City	QA. Facilitate and review	Tasks 2–3
Deployment Plan	Detailed plan for meter and endpoint installation sequencing, logistics, and quality checkpoints	Vendor	QA. Review. Monitor.	Tasks 3–4
Test Strategy and Plans	Testing approach, test phases, responsibilities, entry/exit criteria, and defect management process	Vendor / City	QA. Review. Facilitate Workshops	Task 5
Data Management Plan	AMI data flows, exception handling, read validation, alert management, and billing data quality assurance	Vendor / City	Review and advise	Task 6
Future State Process Documentation	Redesigned meter-to-cash workflows reflecting AMI capabilities and City operational decisions	City with Vendor support	Review and advise. Facilitate workshops	Task 7
Training Plan and Materials	Role-based training plan, course materials, job aids, and train-the-trainer approach for all affected staff	Vendor	Review and validate	Task 8
System Acceptance Documentation	Formal documentation of system acceptance, open items resolution, and transition to steady-state operations	City / Vendor	QA. Support and review	Multiple Tasks



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Track Option B – Full AMI Replacement

Phase 2 - Procurement

The E Source approach to procurement includes a comprehensive set of deliverables including vendor qualification criteria, RFP specifications that are traceable to the Phase 1 assessment, total cost comparisons for proposed solutions, and vendor negotiation strategies. These deliverables facilitate vendor selection based on technical and risk assessments, commercial and cost evaluation, and reference checks and site visits. They also provide key materials for negotiations with the vendors, including contract Statement of Work, technical specifications, and service level agreements.

Our procurement strategy employs best practices that assure the City of deploying a system that meets requirements, including long-term viability and integration with existing infrastructure, and delivers the highest value over the entire period of ownership.

Estimated Duration: 8-10 months from Notice to Proceed.

Task 1 — Requirements and Procurement Strategy

E Source's approach to the procurement of technology is premised on the need to identify tight, detailed requirements. E Source has developed a detailed set of technical and business requirements tested through many procurement efforts conducted previously. Our team will work with the City to tailor those technical and business requirements necessary to fulfill the City's planned use cases and provide specifications based on the project scope.

In addition to the compilation of these requirements, our team will lead a procurement strategy review to inform the City's team on the various elements that can, or should, be included in the RFP and the ways those elements can be procured. Our team will work with the City to document this strategy for the release and solicitation of proposals. It will specify a number of factors, including: IT practices, physical infrastructure, staffing, software development, software support, software integration, data management, security, and project management; RFP policies, administration, cost considerations, terms and conditions, vendor communications, and timeline; and appendices, attachments, vendor response format, and evaluation methodology.

Assumptions:

- The City desires to procure an entirely new AMI / Meter system, salvaging only meters less than five years old
- The City's purchasing and legal staff will be available to review and approve the procurement strategy prior to release.
- E Source will advise on procurement structure, but the City retains responsibility for all final procurement decisions and legal compliance determinations.

Task 2 — RFP Development

E Source will work with the City to prepare the RFP with the intent to provide the vendor community with the essential information to prepare a robust response tailored to the City. E Source will incorporate the SOW into the City's standard RFP boilerplate and review with the City team — including representatives of purchasing and legal — to ensure that all requirements are accurately



reflected. It is anticipated that there will be several iterations of the RFP draft creation and review until the RFP is complete and acceptable for publication.

E Source will also compile a comprehensive list of potential proposers — which may or may not include Telecom/Network, AMI, MDMS, Meters/Materials, and Installation — that would represent viable options to satisfy the goals and requirements of the City. Our team will also work with the City to develop the approach and accompanying materials to be used by the evaluation committee to score and rank the respondents to the RFP.

Assumptions:

- The City will publish and administer the RFP through its standard procurement platform and processes.
- E Source will draft RFP content; the City's purchasing division is responsible for formal release and administration.
- The RFP timeline will be agreed upon with the City's purchasing team prior to document finalization.

Task 3 — RFP Administration Support

E Source will assist the City with those tasks to be managed once the RFP is released including, as applicable, setting the agenda and participating in the pre-proposal meeting, participating in a service area field tour, and receiving and responding to vendor questions in conjunction with the City. E Source will work with the City to prepare the evaluation team for vendor response review, evaluation, and scoring. We will also review our recommended shortlist interview strategy and approach and assist the City in the necessary preparation activities.

Assumptions:

- The City will appoint an evaluation committee prior to proposal receipt.
- E Source will facilitate evaluation preparation but will not vote in the evaluation process.

Task 4 — Response Evaluation Support

Prior to the receipt of responses, the E Source PM will work with the City PM to organize and schedule the proposal review process. As responses are received, E Source's team of SMEs will immediately start the evaluation process alongside the City's designated Evaluation Team. E Source will summarize key components of each proposal in matrices to allow for easy comparison across different areas of the solicitation. E Source will provide a comprehensive, systematic note-taking methodology that will allow evaluators to document and compare notes, questions, and concerns.

E Source will analyze each cost proposal, applying cost normalization to enable apples-to-apples comparison across vendor responses. E Source will work with the City throughout the evaluation process to arrive at a shortlist of recommended candidates, customize the shortlist interview agenda, and outline questions for each vendor interview. E Source will attend the shortlist interviews and ensure that candidates answer questions comprehensively. E Source will also assist the City with reference checks and, if requested, arrange site visits to obtain feedback from the experiences of other water utilities. At the end of the evaluation process, E Source will work with the City team to weigh the pros and cons of each shortlist candidate and arrive at a final selection recommendation.

Assumptions:

- E Source will review vendor responses but will not act as part of the City's evaluation team or score responses.



Task 5 — Contract Negotiations

E Source will serve as technical advisor to the City through contract and scope of work negotiations with the selected vendor(s), including service level agreements, performance criteria, warranties, scheduling, and pricing. E Source personnel have negotiated AMI contracts for dozens of clients and will use lessons learned to avoid pitfalls and leverage experience gained from actual implementations on how contract terms can ensure successful implementation and protect our clients' interests. E Source will provide guidance to the City's project team in strategizing for contract negotiations and participate in key negotiation meetings and contract reviews.

Since the RFP and vendors' responses are detailed, contract negotiations for AMI projects typically focus on installation protocols, performance requirements, defaults and cures, and data collector locations. E Source will review the final contract and ensure adherence with all previously developed criteria, requirements, and processes. We will also assist City staff in preparing presentations to management — including use case studies and other experience to help explain decisions and rationale. As part of this task, E Source will share lessons learned from other negotiations and work diligently to develop a vendor contract that will achieve the desired outcomes.

Assumptions:

- The City will be responsible for all terms and conditions outlined in the final agreement with vendor(s). E Source will provide input on terms and conditions but will not provide legal review or opinion.
- The fee for this task assumes that contract negotiations will not exceed a reasonable duration currently targeted at a maximum of three months.

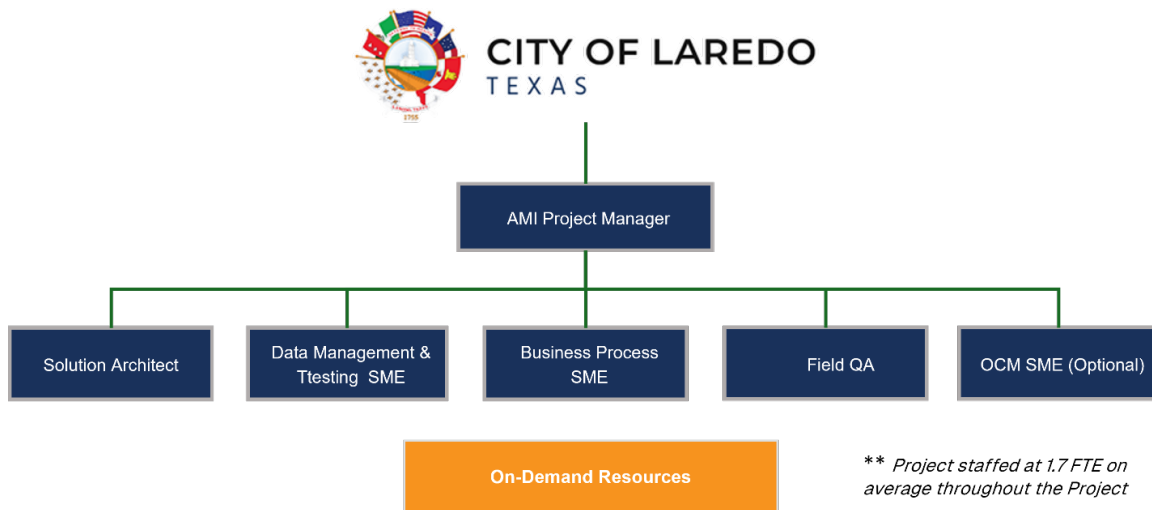
Phase 3 – Implementation Support

E Source developed its system implementation process based on industry standards including the Project Management Institute's (PMI's) Project Management Body of Knowledge (PMBOK), Carnegie Mellon's Capability Maturity Model Integrated (CMMI), and Rational Unified Process (RUP). The process was designed to establish a documented, repeatable, and continuously improving delivery methodology, emphasizing a strong project management and system engineering approach. Internal and external processes are well defined, actively managed, and controlled to ensure that the overall development process — from initial requirements definition to acceptance testing — is performed smoothly and without surprises.

A dedicated E Source AMI Project Manager with direct AMI implementation experience will be assigned at the start of Phase 3. All E Source Phase 3 project managers are seasoned professionals with hands-on AMI program experience. Our delivery model is an integrated approach that accommodates all tracks essential to proven technology implementations: project management, systems engineering, deployment management, stakeholder engagement, organizational change management, test engineering, and business process design.

The SMEs engaged across Tasks 1 through 9 are not only active participants in their respective work areas — they are accountable to the PM for monitoring the development, quality, and timely completion of the vendor and City-developed project documents described at the end of this section. The Project Manager coordinates this cross-functional oversight and escalates issues to City leadership as needed.

E Source Implementation Team



Task 1 — Project and Vendor Management

One of the primary factors that distinguish successful AMI projects is the quality of the overall project management. In the E Source model, based on PMI's PMBOK and Agile methodologies, our PM works very closely with the City project manager and uses proven processes, methodologies, and templates to produce a robust, flexible implementation approach. Throughout all project phases, we maintain and monitor the "iron triangle" dimensions of cost, quality, and schedule. We have found most vendors and many utility owners do not have sufficient PM availability and/or capabilities, and we are very experienced in helping a combined vendor and utility team execute successfully to the project baseline.

The E Source PM will manage the periodic project status cycle for the City, which includes measurement of progress towards the plan, performance status, risk management, items of concern, and open action items. PM activities encompass Scope, Change, Integration, Cost, Procurement, Quality, Reporting, Time, Vendor, Resource, and Risk Management — all managed continuously throughout Phase 3 to ensure the program delivers to its goals.

Assumptions:

- The E Source PM will be a dedicated Phase 3 resource with AMI implementation experience. Resumes will be provided for City approval prior to Phase 3 commencement.
- The City will designate a City PM as the primary City-side counterpart to the E Source PM.
- Steering committee meetings will be held bi-monthly at minimum, with increased frequency during critical milestones..

Task 2 — Solution Architecture and Integration Oversight

The Solution Architecture track emphasizes the IT aspect of AMI planning and brings together all technology initiatives that exist, are underway, or planned to be completed in the near term, into a cohesive and logical plan. The track also ensures that the architecture that will be built is complete, robust, scalable, and extensible. E Source will assist in developing the AMI solution architecture based on user data and functional requirements, user process flows, automation requirements, integration requirements, industry best practices, implementation considerations and constraints, and



current and near-term future capabilities of commercial AMI technologies. This will involve a series of system configuration and design workshops to define the as-is and to-be system architecture.

The main element of Project Engineering is ensuring the IT aspect of integration is conducted successfully. Most utilities embarking on smart water journeys do not initially appreciate the size and complexity of the IT element — in our estimation, 80% of the complexity of the project will be in the configuration and development of both new and existing IT systems and integrating them successfully into the City's environment. E Source Project Engineers are experts in this crucial aspect and will plan, guide, and ensure a successful combined IT implementation. A Requirements Management Plan and Requirements Traceability Matrix are produced to define the approach and track the flow of requirements to the vendors, ensuring specific test cases and scripts are produced to verify system functions and performance.

Assumptions:

- The City's IT staff will be available for integration review sessions and to approve architecture decisions affecting City systems.

Task 3 — Initial Deployment Area Execution

Field Acceptance Testing verifies that the technical, functional, performance, and commercial specifications of the vendor Statement of Work have been realized as expected for a subset of endpoints strategically deployed within the City's service territory — referred to as the Initial Deployment Area (IDA). The IDA should consider different topography and inclusion of all differs and endpoints. E Source will work with the City and vendor to design the IDA, establish acceptance criteria, oversee IDA deployment, and provide a written go/no-go assessment before authorizing full deployment.

E Source will provide field QA support during IDA deployment, reviewing installation quality, verifying meter configuration, and auditing data accuracy. Issues identified will be formally logged and tracked to resolution. The IDA serves as the final validation gate before the full-scale deployment investment is committed.

Assumptions:

- IDA scope, meter count, and geographic boundaries will be agreed upon with the City and vendor prior to Phase 3 commencement.
- IDA acceptance criteria will be documented and approved by the City before initial deployment begins.
- Full deployment will not commence until the E Source go/no-go assessment is accepted by the City

Task 4 — Full Deployment Management and Field QA Support

E Source will provide oversight and quality assurance support throughout full-scale meter and endpoint deployment. E Source's role is to monitor vendor and installer performance, conduct periodic field QA inspections, review deployment data quality, audit installation reports, and escalate performance or quality issues to the City PM. Deployment data quality assurance is front-loaded — E



Source recommends a higher volume of data quality checks at the start of full deployment for the first three months, tapering off as installation technicians develop familiarity with the system.

E Source will track deployment progress against the approved plan and provide regular deployment status updates to City leadership. All issues identified will be documented with severity levels established and an escalation path defined to facilitate resolution.

Assumptions:

- Physical installation is the responsibility of the selected vendor and/or installer. E Source's role is QA oversight, not direct installation management.
- E Source will have access to the installation contractor's Work Order Management System, AMI headend, and MDMS to perform data QA activities
- E Source will provide data QA support for 100% of work orders during the testing phase, 100% for the first three months of full deployment, and 50% for the following six months.

Task 5 — Testing

A graduated, thorough, and robust test program is needed for an AMI project. E Source typically develops an overall test strategy that summarizes test goals and objectives, all known constraints, aligns all parties on testing phases and activities, and verifies coordination with infrastructure and other system implementation activities. Our test approach minimizes the City's risk by providing early validation of the technologies in steps so that problems are identified early and corrected. All discovered defects are formally logged, managed, and resolved until acceptance is achieved.

Our approach incorporates Factory or Off-Site Testing (vendor-performed), Initial Bench Testing, System Integration Testing, User Acceptance and Business Process Testing, and Field Acceptance Testing. The clear documentation of the relationship between requirements and test cases within the Requirements Traceability Matrix makes it easier to pinpoint problems. Once identified, a rigorous corrective action process ensures the problem is documented, root-cause determined, corrective and preventive actions taken, and retesting performed to verify correction.

Assumptions:

- The vendor is responsible for developing and executing Factory and System tests. E Source will oversee and independently validate results.
- The City will make appropriate staff available for user acceptance and business process testing.
- No system will be accepted into production without E Source's written testing completeness assessment.

Task 6 — Data Management

The high volume of data produced by an AMI system can greatly enhance the City's overall operations, but only if that data is properly monitored, managed, and utilized. The AMI, MDMS, and customer engagement portal software will introduce new varieties of data sets — consumption data, events, alerts, and system exceptions. A plan to manage and utilize this data must be developed to ensure accuracy and completeness for billing and all other reporting functions. New reports and notifications will inform the City of possible leaks, tampering, backflow, and CIS-to-field mismatches, but the data must be interpreted and acted upon appropriately to realize maximum benefits.

E Source will guide the City through the development of a data management plan, provide on-the-job training and training materials to City staff, and supplement data quality assurance of meter installation activities. The data management plan will guide the City on a path toward full system accountability and maximum utilization of AMI data. E Source will lead up to two workshops with



designated staff to review the preliminary data management plan and confirm alignment of each operational report to the staff role responsible for monitoring it.

Assumptions:

- The vendor is responsible for MDMS configuration (if utilized) and AMI data flow development. E Source will review and validate data quality outcomes.
- The City will designate a data management lead from billing and IT staff to work with E Source throughout this task.

Task 7 — Business Process Design

The transformative nature of AMI technology requires that the City adjust work processes and routines to realize benefits both internal and external to the organization. E Source will lead the City through a series of workshops to baseline current state and develop future state business processes impacted by core AMI functionality. E Source will work to identify redundancies in business processes and uncover potential for streamlining processes. E Source draws from past technology deployments and industry best practices to guide the City toward making sound decisions for how to redesign processes, policies, and procedures related to an AMI program.

The Business Process Design task encompasses three structured workshop phases: Current State (documenting how operations function today, including KPIs, policies, and exception handling); Conceptual Future State (developing future processes building upon current state, utilizing new applications, and addressing policy updates); and Final Future State (refining and finalizing process flow diagrams and training materials following vendor training and system configuration). A Business Process Audit will be conducted after initiation of final future state processes to review how well they are working in the live environment and identify any adjustments needed.

Assumptions:

- Minimum core business processes for workshops include: Billing and Read Validation; Customer Inquiry; Meter Exchange/Retrofit; Move-In/Move-Out; Non-Pay Disconnect/Reconnect; and System Events and Alerts
- City SMEs from billing, field services, customer service, and finance will be made available for all process design workshops.
- Final process design decisions are the City's responsibility. E Source will facilitate and advise.

Task 8 — Customer Engagement

Of the many lessons learned in AMI projects over the past decade, one of the most important is the value of building understanding and aligning customer expectations. Utility customers need to be engaged to support successful project implementation. Working with City staff, E Source will assess overall stakeholder endorsement levels and methods used, then develop engagement strategies leveraging — and perhaps expanding — those methods. The goal of customer engagement is to effectively inform and engage supporters while minimizing the impact of resisters, by offering factual responses to concerns and options to meet their needs. There are four known topics of concern that must be addressed in AMI projects: (1) price and rates; (2) privacy and data security; (3) health; and (4) safety.

E Source will conduct a discovery workshop to outline program goals, objectives, key messages, and strategy for customer engagement; support the development of project branding; identify requirements for informing customers before, during, and after the AMI transition; define communication metrics to track program success; and develop a comprehensive customer engagement plan. E Source will work



with the City to develop content for customer-facing materials including customer letters, postcards, door hangers, press releases, web pages, FAQs, brochures, and social media posts.

Assumptions:

- The customer engagement discovery workshop is commonly conducted on-site over a two-day period but can be hosted virtually.
- E Source will develop content for City review and input. Final communications decisions and approvals are the City's responsibility.

Task 9 — Operational transition and Training Support

E Source will support the City's transition to steady-state AMI operations including review of vendor-developed training materials, validation of role-based training coverage, and monitoring of the initial production period. E Source will confirm that all staff who will operate or interact with the AMI system have been trained and that operational procedures are documented before system acceptance. E Source will also revisit and update the AMI operational staffing plan during the implementation phase, focusing on post-deployment system ownership, governance, and ongoing AMI operations maintenance.

Operational transition includes coordination with the CIS workstream to confirm meter-to-cash data flows are validated and billing is functioning correctly in the integrated environment. E Source will support the City through the hyper-care period, monitoring exceptions, managing defect triage, and providing escalation support.

Assumptions:

- E Source will support the City's transition to steady-state AMI operations including review of vendor-developed training materials, validation of role-based training coverage, and monitoring of the production system.
- Training delivery is the vendor's responsibility. E Source will review training materials and validate coverage.

Recommended Vendor and City Developed Project Documents

The following documents are expected to be developed collaboratively by the selected vendor and City stakeholders during Phase 3. These are not E Source deliverables. E Source's role is to ensure that the right City subject matter experts are engaged in the development of each document, to review key documents for completeness and alignment with the City's requirements, and to monitor — through the Project Manager — that all documents are developed, reviewed, and approved on schedule. The Project Manager will track document status as a standing agenda item in program status reporting.

Document	Description	Primary Owner	E Source Role	Related Task
Project Charter	Defines scope, governance, roles, decision authority, and escalation procedures	City / Vendor	Facilitate and review	Task 1
Project Execution Plan	Comprehensive plan covering all PM activities,	E Source	Author and maintain	Task 1



	communication protocols, and delivery methodology			
Integrated Project Schedule	Master schedule encompassing all vendor and City activities through program closeout	Vendor	Review and monitor	Task 1
Risk and Issue Log	Living document tracking all program risks, issues, owners, mitigation actions, and status	E Source / City	Maintain and report	Task 1
Monthly Status Reports	Regular written updates on schedule, budget, risks, issues, and upcoming milestones	E Source	Author and distribute	Task 1
Requirements Management Plan	Defines the approach for managing requirements through the project and ensuring final system meets City needs	E Source	Author	Task 2
Requirements Traceability Matrix	Tracks the flow of requirements from specification through testing to ensure all requirements are verified	E Source	Author and maintain	Task 2
Solution Architecture Document	AMI system architecture including network design, integrations, data flows, and cybersecurity approach	Vendor	Review and approve	Task 2
Integration Specifications	Detailed specifications for each system integration including data mapping and interface design	Vendor	Review and validate	Task 2
Meter Configuration Workbook	Configuration parameters for all meter types and sizes	Vendor / City	Facilitate and review	Tasks 2–3



	to ensure accurate billing data			
IDA / Pilot Deployment Plan	Detailed plan for Initial Deployment Area including meter sequencing, logistics, and acceptance criteria	Vendor	Review and monitor	Task 3
Full Deployment Plan	Detailed plan for full-scale meter and endpoint deployment including sequencing, logistics, and quality checkpoints	Vendor	Review and monitor	Task 4
AMI Overall Test Strategy	High-level guidance for the project test program including goals, constraints, phases, and coordination with infrastructure activities	E Source	Author	Task 5
Test Plans — City-Owned Tests	Detailed test plans for all City-led test phases including UAT, business process testing, and field acceptance testing	E Source / City	Author and facilitate	Task 5
Data Management Plan	Covers AMI data flows, exception handling, read validation, alert management, and billing data quality assurance	Vendor / City	Facilitate and review	Task 6
Current State Process Diagrams	Documents current meter-to-cash business processes including KPIs, policies, and operational workflows	City with E Source support	Facilitate workshops	Task 7
Future State Process Diagrams	Redesigned meter-to-cash workflows reflecting AMI capabilities, new policies, and City operational decisions	City with E Source support	Facilitate workshops	Task 7



Customer Engagement Plan	Comprehensive plan for customer communication activities, messaging, channels, timing, and success metrics	E Source / City	Author and support	Task 8
Final AMI Operational Staffing Plan	Updated staffing plan reflecting final technology decisions, post-deployment roles, and ongoing AMI operations requirements	E Source / City	Author	Task 8
Training Plan and Materials	Role-based training plan, course materials, job aids, and train-the-trainer approach for all affected staff	Vendor	Review and validate	Task 9
System Acceptance Documentation	Formal documentation of system acceptance, open items resolution, and transition to steady-state operations	City / Vendor	Support and review	Multiple Tasks



Fee and Pricing

E Source proposes a Fixed Fee engagement for each phase of this Scope of Work. Fixed Fee pricing provides the City with budget certainty and clear accountability. Travel and reimbursable expenses are billed separately at actual cost with no markup.

Note: The City may select either Track A or Track B following the conclusion of Phase 1. Phase 1 fees apply regardless of track selected. Only the fees associated with the selected track will apply to Phases 2 and 3.

Track A — Neptune Optimization Option			
Phase	Labor	10% Contingency	Subtotal
Phase 1	\$78,736	\$7,874	\$86,610
Phase 2	\$87,902	\$8,790	\$96,692
Phase 3	\$1,621,423	\$162,142	\$1,783,565
Total	\$1,788,061	\$178,806	\$1,966,867

Track A Phase 3 is based on \$90,079.07 per month over a typical 18-month engagement, supported by a 1.7 FTE team comprised of 6–7 Subject Matter Experts (SMEs). Dedicated to your project for 18 months.

Track B — Full Replacement Option			
Phase	Labor	10% Contingency	Subtotal
Phase 1	\$78,736	\$7,874	\$86,610
Phase 2	\$128,187	\$12,819	\$141,006
Phase 3	\$1,801,581	\$180,158	\$1,981,739
Total	\$2,008,504	200,851	\$2,209,355

Track B Phase 3 is based on \$90,079.07 per month over a 20-month engagement, supported by a 1.7 FTE team comprised of 6–7 Subject Matter Experts (SMEs). Dedicated to your project for 20 months.

Estimated Travel Costs

Travel and living expenses are billed monthly at actual cost with no markup. The table below outlines estimated travel for each phase. Phase 1 travel applies equally to both tracks. Phases 2 and 3 are shown separately for Track A (Neptune Optimization) and Track B (Full Replacement) reflecting the different engagement durations. A 10% contingency is included on all estimated travel amounts.



Resource Description	Months	Trips / Month	Total Trips	Est. Cost Per Trip	Est. Travel Cost	Contingency (10%)	TOTAL
Phase 1 — Assessment (Common to Both Tracks)							
E Source Project Team	4	N/A	8	\$2,300	\$18,400	\$1,840 (10%)	\$20,240
Phase 2 — Procurement							
Track A — E Source Project Team	4	N/A	8	\$2,300	\$18,400	\$1,840 (10%)	\$20,240
Track B — E Source Project Team	8	N/A	8	\$2,300	\$18,400	\$1,840 (10%)	\$20,240
Phase 3 — Implementation Support							
Track A — E Source Project Team	18	N/A	24	\$2,300	\$55,200	\$5,520 (10%)	\$60,720
Track B — E Source Project Team	20	N/A	30	\$2,300	\$69,000	\$6,900(10%)	\$75,900

City of Laredo Responsibilities

The following responsibilities are assigned to the City and are prerequisite to E Source's ability to perform within the estimated schedule and fee:

- Designate a qualified Project Manager prior to kick-off with authority to coordinate City resources and facilitate timely decisions.
- Identify and make available a Core Team of SMEs representing Billing and Customer Service, Meter Reading and Field Services, Finance, Engineering, Water Operations, and IT.
- Provide timely access to NaviLine CIS data, Neptune system data and contract information, GIS files, service order history, financial and operational records, and existing infrastructure or technology documentation.
- Respond to E Source data requests, draft documents, and information requests within ten (10) business days unless a different timeline is agreed upon in writing.
- Provide a single, consolidated set of written comments on all draft documents.
- Provide working space, network access, and reasonable administrative support when E Source staff are working on-site.



- Notify E Source promptly of any organizational changes, budget constraints, procurement delays, or other developments that could affect the project schedule or scope.

Commercial Assumptions and Conditions

The following assumptions apply to this Scope of Work. Significant deviations may result in schedule adjustments, scope modifications, or fee changes addressed through a written change order.

- Phases 2 and 3 require separate written authorization from the City prior to commencement.
- All documents will be provided in Microsoft Office formats and Adobe PDF unless otherwise agreed at kickoff.
- Any scope additions outside the tasks described herein will be addressed through a written change order prior to commencement of additional work.
- This SOW does not include physical meter installations, software licensing, or vendor implementation services.
- CIS and billing platform requirements development is outside the scope of this AMI SOW and is addressed within the parallel CIS workstream engagement.