



Investment Proposal
V6.05 to V7 .NET Migration
for
Marina Coast Water District

May 14, 2013

Springbrook Software

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EXECUTIVE SUMMARY

The Marina Coast Water District, CA has been a Springbrook client for many years and we are looking forward to continuing that relationship for many more years. Springbrook has created a proposal to migrate the Marina Coast Water District to the latest release of software, bringing the District to a version that is approximately 17 releases and several technology updates advanced from the version currently in use by the District.

We understand that these are difficult economic times for everyone and we want to do everything we can to make the migration quote as attractive as possible to the Marina Coast Water District. One benefit to being with Springbrook is that payment of license fees is not required when you update your system.

Summary of Migration Investment Analysis

Migration to Springbrook Version 7

License Fees	\$0
Training/Consulting	\$12,600
Migration/Conversion Services	\$13,200
Custom Code	\$7,875
Casual User Block 100	\$3,125
Mapping Service	\$1,000
Total Migration Investment	\$37,800

There are nearly 800 clients around the country using Springbrook. We continue to be committed to serving local governments and have been doing so for 27 years. In fact, we are proud to call our very first client a current client, and look forward to continuing our long standing relationship with the Marina Coast Water District. Please let me know if you have any questions.

V7 .NET Migration Proposal

Customers who chose to migrate from our client-server version (V6) to Springbrook Software's .NET (V7) software are provided with the base software modules that are currently covered under a software maintenance agreement at no charge. However, services associated with the actual upgrade, such as training and consulting, migration management services (project management, technical, programming, business analysis, custom code reduction review) and requests by client for Springbrook Software to rewrite any custom software to operate in the .NET environment are outside the scope of the customer's annual software maintenance agreement. As such, Springbrook is able to provide and invoice these services on a time and material basis.

A successful migration of the Springbrook application and database to V7 requires close teamwork between each of our respective organizations. During this process you and your staff will be working with nearly every department within Springbrook's organization. Staffing resources from the following departments will play a major role in your migration:

- Sales/Marketing
- Implementations
 - Project Management
 - Training
- Programming
- Conversions
- Quality Assurance
- Technical Services

The professional service fees identified in this Agreement are described on the following pages and include:

- Migration Management Services
- Migration Training
- Initial Custom Code Review for this proposal (if applicable)
- Custom Code Reduction Review Services (if applicable or requested)
- Data Conversion
- Technical Service for installation of the new database release and new .NET release

V6.05 to V7 (.NET) Migration Pricing for: Marina Coast Water District, CA

Application/Products	Bdgt for Custom Code Rewrite	Consulting & Training
Finance Suite (GL, AP, ACH, Bank Rec, Bdgt)		\$3,000
Standard Federal/State Reporting		Included in FS
AP Electronic Check Signature		Included in FS
Purchase Orders		\$900
<i>Electronic Work-Flow setup & training</i>		If Req'd-TBD
Payroll		\$3,000
Decentralized Time Entry with Elec. Approval		Included in PR
PR Electronic Check Signature		Included in PR
Project/Grant Accounting		\$600
Fixed Assets		\$900
Miscellaneous Accounts Receivable		\$600
Central Cash Management/Point Of Sale	\$3,375	Included in UB
Utility Billing Suite	\$4,500	\$3,600
Service Order Request Management		Included in UB
Meter Inventory and History		Included in UB
Standard Meter Reading Interface		Included in UB
Hosted Web UB Payments & Inquiry		Included in UB
Progress Report Builder for "Local Reports"		
*** NOT APPLICABLE-Crystal Reports used in .NET ***		
Sub Total Trng, Consulting and Custom ReWrite:	\$7,875	\$12,600
Migration Management & Post Migration Transition Services	\$13,200	
<i>Pre Migration Project Management</i>		
<i>Detailed Custom Code Analysis</i>		
<i>Pre-Training Prep., Testing, Data Validation & Quality Assurance</i>		
<i>Technical and Network Services</i>		
<i>Post Migration Project Mgt & Transition Services</i>		
Sub Total Project & Migration Mgt. Related Services:	\$13,200	
Access Agent - License up to 100 "Casual" Users	\$2,500	
Access Agent - 1st Year Maintenance	\$625	
Sub Total Database Related Fees:	\$3,125	
ProfessData Mapping Services - Bank of 8 hours	\$1,000	
Sub-Total - Opt'l Post-Migration Services	\$1,000	
	\$0	
Total Estimated Project Costs	\$37,800	

(1) For State of CA reporting, we estimate that roughly 60% of our consulting & training services will be performed onsite at your Agency and the remaining 40% will be performed remotely. Our invoice(s) will reflect these percentage breakdowns for this project component.

Items listed as Optional Training will likely be trained post-migration via a separate onsite visit or via webinar(s)

Prices Valid for 120 Days from: 5/14/2013

6 - Existing Concurrent Users will be Upgraded to an Equal Number of Named Users and/or Devices

Consulting and Training portion of this quotes includes on-site and remote services provided by Springbrook. On-site Consulting portion of these quote assumes a one week go-live event unless otherwise noted on the quote. If both the client and Springbrook determine and mutually agree that additional time is required, a change order will be completed. Your agency will not be invoiced for any additional time without pre-approval.

Training/Consulting Estimate does not include travel time or expenses.

V6.05 to V7 (.NET) Migration Pricing for: Marina Coast Water District, CA			
Program ID	Description of Custom Code to be ReWritten		
Post-Code Reduction Review			
Utility Billing			
Edit Transaction Dates	Edit transaction dates in UB History and Bill Details	\$ 2,250.00	
Service Request API	API Interface for processing service requests for 3rd party vendor	\$ 2,250.00	
Sub-Total UB		\$ 4,500.00	
Central Cash			
CR Payment Import	Custom Lockbox for Cash Receipts	\$ 3,375.00	
Sub-Total Central Cash		\$ 3,375.00	
Payroll			
Payroll Engine	Phase 1 includes PERS0 deduction code and a deduction multiplier for the method and excluded phase 2. Remains custom but no charge to client based on state requirements for CalPERS reporting	N/A*	
Sub-Total Payroll		\$ -	
GRAND TOTAL ALL CUSTOM		\$ 7,875.00	
*N/A - Assumes that V7 standard functionality will replace this item. If Client elects to retain, we will provide custom bid once the project is underway.			

**Marina Coast Water District, CA
0% Payment Option**

<u>Training, Consulting & Migration Management Services</u>	<u>Amount Due*</u>	-
5% Trng/Migration Mgt. deposit due 30 days within receipt of agreement	\$ 1,290	
20% Trng/Migration Mgt. due Sept 15, 2013	\$ 5,160	
25% Trng/Migration Mgt. due Dec 15, 2013	\$ 6,450	
25% Rem Balance of Trng/Migration Management due Jul 15, 2014	\$ 6,450	
25% Rem Balance of Trng/Migration Management due Jul 15, 2015	\$ 6,450	
Sub-Total Training, Consulting, Migration Mgt, DB Licenses:	\$ 28,925	
<u>Budget for Custom ReWrite - If Req'd</u>		
33% Custom (If Req'd) due Start of Project	\$ 2,599	
33% Custom (If Req'd) due Completion of Custom Code rewrite	\$ 2,599	
34% Custom - (If Req'd) Rem Bal will be invoiced & due July 15, 2014	\$ 2,678	
Sub-Total Custom	\$ 7,875	
Post Migration - ProfessData Mapping Services	\$ 1,000	
GRAND TOTAL:	\$ 37,800	

Migration Management Services:

Our goal is to provide your organization with the highest quality products and services during your migration, and to strive for minimal disruption to normal business operations during this process.

Migration Management Services may include, but are not limited to, the following:

- Project Management to plan, schedule and track the complete migration process
- Programming Resources to map and convert data
- Project Management to maintain communication with client, both verbally and in writing, regarding schedules, tasks and events throughout the process.
- Project Management to schedule and manage internal resources of support, programming, technical services, and training.
- Technical consultation and services to assist client in assuring adequate hardware configuration for maximum performance with V7 (.NET).
- Technical services to create, ship and assist in installing the latest software application files on the server.
- Technical services to order and assist in installing the latest database manager software at the client's site.
- Technical services to copy and retrieve the existing data, migrate to V7 (.NET), then install the newly upgraded data back to the client's site.
- Scheduling and coordination of on site, classroom, or web-based training covering the changes in the software from V6 to V7 (.NET).
- Scheduling and coordination of training for financial applications, utility billing applications, land management and ancillary applications. This training may occur on different dates and be performed by different instructors.
- Project Management and Business Analyst review of existing and custom forms
- Project Management and Business Analyst review of existing Reports including any "local" reports that may have been modified using Progress Report Writer
- Project Management and Business Analyst review of existing process flow
- Project Management, Programmer and Business Analyst review for Custom Code reduction if applicable
- Project Management, Programmer and Business Analyst review of third-party software integration points if applicable
- Quality Assurance Testing and Documentation
- Post on site Migration Project Management and Support Transition Services

Migration Training:

While work behind the scenes is a critical component to a successful migration, so too is the training your organization will receive from an accredited Springbrook trainer. Each migrating client will require varying degrees of training based on which version your organization is migrating from, coupled with the collection of modules actively used within your organization.

Our experienced and accredited training staff will provide your users with the tools, knowledge and instruction on how to best utilize the new features and functionality introduced within V7.

Training will be conducted in a “train the trainer” approach so that your key staff members are fully versed on how to properly use the new application, which in turn will allow them to train occasional or infrequent users when the need arises. Additional refresher training and/or training on reporting tools is always available during this time but must be requested in advance of the migration. Any additional sessions may require that the trainer remain on site for longer period of time and must be a part of the bid proposal.

While the majority of migration training will take place on site, Springbrook’s Training and Consulting staff will generally begin working with your staff weeks before they physically set foot on site for the “go live” week. To jump-start the project, trainers and/or consultants may be scheduled by Springbrook’s Project Manager to conduct initial telephone conference calls, schedule “jump-start” webinar sessions to introduce and familiarize your staff with the new software and to secure copies of your files for initial review so they can familiarize themselves with your unique operations. Once the migration is complete, Training and Consulting staff may also augment the previously conducted on-site sessions with follow up calls and potential webinar sessions.

Initial Custom Code Review for this proposal (if applicable – See page 5):

If your organization has custom programs that Springbrook Software developed, our programming staff has conducted an initial high-level review of the custom code that we maintain on file for your organization. We have included budget figures based on the District’s custom program(s) being rewritten to operate in a V7 .NET environment. While it is our intent to continually add new standards to the application, not every custom program written on behalf of your organization has the potential of being eliminated.

Custom Code Reduction Review Services (if applicable or requested):

Springbrook understands that the estimated customization figures presented in this proposal may not be concrete enough for your organization to secure project and budget approval. Recognizing this, Springbrook is able to offer a detailed custom code review of any forms upon written notification that your organization would like to proceed with a migration to V7. Since customization of forms is oftentimes a material amount of the overall customization, jointly investing time in this area to identify whether standard V7 forms deliver the same or better result, can result in a reduced estimate. **There is no up-front fee for performing this service** and effectively, in a good-faith effort, Springbrook is fronting your organization services that are part of the migration management services component of quotation. Depending on the level and complexity of customization, a significant amount of effort on both of our parts may be required for a successful outcome. During the normal course of the project, all other custom code will be closely evaluated and significant emphasis will be placed on trying to utilize standard V7 functionality to eliminate as much of the custom code as possible.

For this review to be scheduled, a Springbrook Project Manager will be assigned to oversee this pre-contract component of the project. Depending upon the number of programs and level of customization, we may assign and schedule a pool of resources to include programming staff, business analysts, trainers and consultants to completely review each custom program and determine whether or not it is a standard function in V7 or whether an alternate means exists that delivers the same, or better result. There will likely be multiple conference calls, webinar demonstrations and emails required between our organizations and all communication will be funneled through Springbrook's assigned Project Manager to ensure the appropriate resources are scheduled, timelines met and communication conveyed to the main point of contact within your organization. For each program that may need to be rewritten, a detailed statement of work and cost quote will be generated.

Progress V10 – Explanation of Licensing

Traditionally companies, including Springbrook, licensed all of their users as full system users (Named Users). This was done before we had the concept of a “Casual User”. A casual user is a user who only occasionally accesses the system (to run a report, enter their time, etc). Under the old licensing model from Progress this would have placed an inappropriate financial burden on your organization to purchase Named Users for all employees when the reality is most will only access the system on a limited basis.

Springbrook, on behalf of our clients, approached Progress and asked for their help in resolving this problem. Working with Progress we created a new license type called an Access Agent for casual users. For an organization that has 100 employees that it would like to provide access to as casual users, this represents a 97% discount off the Named User Price.

Clients have shared with us that the addition of casual users has allowed them to extend the new features in Springbrook Software's V7 product to more people in the organization at minimal costs. Casual users (defined as someone who uses the system for up to 2 hours per week) can:

- Run reports, eliminating the need for the administrative team to run them for the employee.
- Enter or approve time sheets, eliminating the need for centralized time sheet entry.

- Access Employee Self Services features.
- Approve workflows.
- Etc....

Each Access Agent licenses up to 100 Casual Users for \$2,500 (plus maintenance).

For more information on Causal Users and the products that take advantage of them, contact Ron Schlitzkus at 503.820.6287 or email at ron.schlitzkus@sprbrk.com

Upgrade of existing V6.00 - V6.05 Database Licenses

Progress v9 products, utilized by Springbrook V6.05 and below, are based on a concurrent-user model. In that model you could provide access to all employees if you so desired, but no more than 10 were allowed access at any given time.

Progress v10 products, which are used in Springbrook V7, are licensed on either a Named User or Device (such as a cashiering station" that is shared among several employees) basis. (This is the same way Microsoft licenses their products.) As an example, if your organization has 10 heavy V6 users who access Springbrook more than 2 hours per week, you will need a total of 10 Named User licenses with V7. If you have a 10-user concurrent license you can simply have those moved to 10 Named Users during your migration. Should you no longer need that many heavy users please talk with your migration manager about options for removing those or switching some to casual users to save money on your on-going maintenance. The number of database licenses we show that you currently have under maintenance is listed on underneath the total estimated project cost line item on p4.

Optional Services: Post Migration Progress to SQL Database conversion

Utilizing an SQL database is an option in the .NET environment. Please contact Ron Schlitzkus, Installed Account Manager for additional information if you are interested in pursuing this conversion post-migration.

Optional Pricing - Not Requested/Required

Application/Products	Application License Fees	Training & Consulting	Project Management
Advanced Query/Reporting Training (Web)			\$100/hr.
Add'l Onsite Training		\$150/hr	
Workflow Requirement Analysis - 30 hours		\$4,500	
Individual Workflow Setup, \$150.00 Per/Hour		\$150/hr.	
Contingency Budget for Add'l Training		\$150/hr.	
Add'l App. Server Tier Licenses - "Heavy" Users	\$600/ea. + Maint.		
Access Agent for "Casual" Users - Up to 100 Licenses	\$2,500 ea. + Maint.		
Progress OpenEdge 10.1B App Server Enterprise*	\$110/ea. + Maint		

*Required if SQL is used for the Database

Prices valid for 180 days

Additional Migration Information:

- Migrations are managed by a Springbrook Project Manager (PM). He or she will act as your main point of contact for all scheduling and questions.
- The above costs do not include travel expenses for Springbrook staff members. If requested, travel estimates can be approximated by the assigned Project Manager 3 to 6 weeks prior to training.
- The training for each application is our best estimate. Actual costs will be based on Published hourly rate. Any costs above those estimated will be formally proposed and accepted in advance in writing by Marina Coast Water District.
- Migrating to V7 will allow the use of Microsoft Windows, XP, Vista, Windows 7 and Windows 8 operating systems (see attached list of hardware and software requirements).
- It may be necessary for us to rewrite, test and review custom code currently on file for your organization for this new environment. However, in many cases some, or even all, custom code can be eliminated because it may now be part of the standard base application. As part of the project, we will conduct a full review of any custom code. This will be conducted and documented by our Programming Department, and a final cost estimate will be provided for any custom item(s) that need to be rewritten for V7. This will typically take place several months in advance of the migration.
- There will be no increase in annual maintenance costs for the standard products/modules licensed to the organization when migrating to this new version of the application. However, standard increases may apply as normal in future years. Any custom programs that remain in place post-migration that are not currently under maintenance may be subject to maintenance post-migration.
- Any custom programs that are currently under maintenance that are rewritten to operate in V7 may be subject to a maintenance increase (not to exceed 10% of current amount).

Payment Terms: 0% Interest

- When you are ready to move forward with the migration, simply sign and return both the *V7 Migration Agreement* and the *V7 Order Form* documents. These documents will supplement this proposal and will be provided upon final negotiation. Upon receipt of both documents, Springbrook will generate either a physical or electronic invoice for the deposit (see page 6). The deposit is required in order to initiate the steps for scheduling the on-site portion of the migration event. The deposit is due within 30 days of receipt of agreement (preferably earlier to jointly begin scheduling) and unless otherwise specified, is calculated on only the Training, Consulting and Migration Management services outlined herein. (If there is a budget amount to rewrite custom, no portion of that amount is factored into the deposit amount, since it is not certain at this point what, if any, custom will need to be retained). Understanding that budgets may not be finalized but scheduling is important, the deposit is subject to appropriation. If the migration project is not approved, upon written notification the deposit will either be applied toward subsequent year's maintenance or refunded.
- Second, Third and Fourth Payment of the Training, Consulting and Migration Management services will be invoiced and due on date in the payment .
- The final payment of the Training, Consulting and Migration Management services will be invoiced and due upon project completion if the project is not entirely complete by then.

Should this payment plan not meet the needs of your budgetary requirements, please contact me to discuss other options.

Explanation of Installment Payment Plan

During the course of the project, a good percentage of the quoted migration management services will be invested in the due-diligence to mutually evaluate all custom summarized and contained within the table on page #4. We take great effort to determine if we can reduce or eliminate existing custom and associated annual maintenance. For any custom program that is decided to be retained, a detailed statement of work and a firm quote will be provided and agreed upon before any work commences. To date, by working with our clients during the course of the project, we are pleased to report that we've been able to complete the custom component of virtually all migration projects for less (and in numerous instances significantly less) than the original estimates.

Next Steps

Springbrook's review of this information with your organization

After you receive this proposal, Ron Schlitzkus, Installed Account Manager responsible for Migration, will schedule a phone appointment to explain the contents of the proposal in further detail and to answer any questions. He may also be reached at ron.schlitzkus@sprbrk.com or 1-866-256-7661 ext. 6287 or directly at 503-820-6287.

Optional Complimentary & Educational Webinars

If you, or other members of your organization, have not had the opportunity to participate in a complimentary and regularly scheduled *V7 Informational Webinar* to learn more about the features and benefits of Version 7, please visit the Client Services Center of our website at <http://www.sprbrk.com/center/index.html> to see a list of upcoming sessions or contact Kelly Nissl at kelly.nissl@sprbrk.com. Springbrook also offers personalized webinar sessions to answer address specific questions for your organization. Ron Schlitzkus is available to help coordinate these personalized sessions, or sessions for other modules and services that your organization may be considering acquiring.

Executing a Migration Agreement

When your organization is ready to move forward with executing a migration agreement, Liz Burnell, Contract Administrator liz.burnell@sprbrk.com 503-820-4520, will forward both the *V7 Migration Agreement* and the *V7 Order Form* to your attention, if they have not already been submitted by Ron Schlitzkus. If there are any questions about the contents of either document, Liz will serve as the point of contact for all questions. Upon receipt of the signed documents, Liz will forward an executed copy for your records, notify our accounting department to issue an invoice for the deposit and notify our implementations department that a Springbrook Project Manager will need to be assigned to begin working with you to schedule all aspects of the migration event.

Scheduling Your Migration

Within approximately two weeks of receiving your signed agreement, you will received either written or verbal correspondence from a member of our Implementation Department to schedule an introduction call. Migrations are scheduled by your assigned Project Manager on a first come, first serve basis upon

receipt of the deposit. Please keep in mind that based on the time of the year, it may be six or more months before the on-site portion of the migration event takes place. In fairness to our other clients, we are unable to hold or block weeks on a calendar until we have an executed agreement in place, and detailed discussions between Springbrook's Project Manager and your assigned Project Manager have been held.

Migration Conclusion

Your original investment in Springbrook Software has been protected through the development of Version 7. With significant input from many of our clients, Springbrook has developed the next generation of software that will serve you, your stakeholders, and your constituents for many years to come. Version 7 (V7) provides an easy to deploy, easy to use and easy to access product. With the optional web-based and real-time interface modules we've introduced, your organization can also extend 24/7 service to your constituents for secure inquiry and payment options; and for your employees with the ability to remotely log time, view and print pay-stub and W2 information or complete open enrollment. We continue to solicit and implement ideas from our clients and continue to introduce new and powerful features into V7 each day. We value and thank you for your continued business and look forward to working with your team on this exciting project.

After Migration

What happens after I migrate from V6 to V7?

The move from V6 to V7 is called a 'migration' because it is an entirely new suite of products, not simply enhancements to an existing product line. Inter-version releases within V7 are called "upgrades".

When your migration has been completed you have two options to consider for future upgrades within V7. We strongly encourage you to take advantage of the annual upgrade release and have worked hard to streamline that process to keep your service costs to a minimum. Please refer to the attachment document titled "V7 Inter-version Upgrade Form" for information and pricing.