

PURCHASING & LICENSING COMMITTEE

12-0237R

RESOLUTION AUTHORIZING AN AGREEMENT WITH SATURN SYSTEMS, INC., FOR THE DESIGN, DEVELOPMENT, AND IMPLEMENTATION OF A SPECIAL ASSESSMENTS APPLICATION FOR AN AMOUNT NOT TO EXCEED \$150,000.

CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to enter into an agreement with Saturn Systems, Inc., substantially the same as that on file with the city clerk as Public Document No. _____, for the design, development and implementation of a software application for tracking special assessments, in accordance with the vendor's proposal, dated December 16, 2012, for a total amount not to exceed \$150,000, payable from Capital Equipment Fund 250, Dept./Agency 015 (Administrative Services), Division 2012 (Fiscal Year), Object 5580 (Capital Equipment), Project No. CE250-E1207.

Approved:

Adell D. Hambrick, CFO
Department Director

Purchasing Agent *DTS*

Approved as to form:

Sharon Johnson
Attorney

Approved for presentation to council:

J. J. [Signature]
Chief Administrative Officer

Approved:

[Signature]
Auditor

MIS/PRCH DS:SW:le 05/04/2012

STATEMENT OF PURPOSE: This resolution authorizes an agreement with Saturn Systems, Inc., for the conversion of the city's special assessments legacy application for \$150,000, payable from the capital equipment fund.

This application will serve as a replacement to our legacy mainframe special assessments application and will be the sole property of the city of Duluth upon completion. This application is critical for the issuance, tracking, billing and receipting of data for the city's special assessment projects. The city issued

a request for proposals (RFP) for the replacement of this system. Upon review of several systems, it was decided that this option would provide the necessary functional needs in a cost effective and timely manner. This application conversion is critical in our legacy application conversion and was included as a key project in the management information systems (MIS) business plan.

The purchasing division posted a request for proposals September 19, 2011, on the city's website and received three responses by the October 5, 2011, closing date. City experts reviewed proposals, saw demos of the respondents' systems, and selected Saturn Systems, Inc., based on functionality and price.

Special Assessments Application Bid File No. 11-34DS Closing Date 10/05/12		
Proposer	City	State
ETI Corporation	Glendale	Wisconsin
NBS	Temecula	California
Saturn Systems, Inc.	Duluth	Minnesota

Requisition 12-0310

CONSULTING AGREEMENT

This Agreement effective as of the date of attestation by the City Clerk (the "Effective Date"), is made between City of Duluth with a principal place of business at 411 West 1st Street, Duluth, MN 55802 and Saturn Systems, Inc. with a principal place of business at 314 West Superior Street, Suite 1015, Duluth, MN 55802.

1. Recitals.

WHEREAS, on or about September 16, 2011, City of Duluth issued a Request for Proposal which is attached as Exhibit A (the "RFP") to solicit proposals for a Special Assessments Application (the "Project");

WHEREAS, Saturn Systems, Inc. has represented itself as an expert in custom enterprise software development and integration and has represented that it is qualified and willing to perform the services set forth in the RFP;

WHEREAS, Saturn Systems, Inc. submitted a Proposal in response to the RFP (the "Proposal") which is attached as Exhibit B;

WHEREAS, based on the Proposal the City of Duluth has selected Saturn Systems, Inc.'s professional services for the Project;

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter contained, the parties hereto agree as follows:

2. Purpose of the Agreement.

City of Duluth desires to retain Saturn Systems, Inc. as an independent contractor to provide services and expertise related to its information technology needs as described in more detail in this Agreement and in Exhibits A and B (the "Services") to create an application to track special assessments (the "Application").

3. Work Orders.

Upon agreement of the terms of service, the parties will execute A Work Order containing a description of each task and estimated fees included in the Services is attached to this Agreement. In the event of any conflict between Exhibit B, the Work Order and this Agreement or Exhibit A, the terms and conditions of this Agreement or Exhibit A as appropriate shall be deemed to be controlling. In the event of a conflict between the provisions of Exhibit A and this Agreement, the terms and conditions of this Agreement shall be deemed to be controlling.

4. Fees/Payment.

It is agreed between the parties that Saturn Systems, Inc.'s maximum fee for the term of this Agreement (Time and Materials) shall not exceed the sum of One hundred forty-nine thousand one hundred sixty dollars (\$149,160.00) inclusive of all travel and other expenses of any kind whatsoever associated with the Project, payable from Fund 250-15-2012-5580 (Capital Equipment, Administration Services, 20102 Capital Equipment). All invoices for services rendered shall be submitted to the attention of the City's Chief Financial Officer ("CFO") and will be paid as set forth below:

Monthly progress payments may be requested by Saturn Systems, Inc. for work satisfactorily completed and shall be made by the City of Duluth to Saturn Systems, Inc. as soon as practicable upon submission of

invoices to the CFO. Each invoice shall provide a detailed description of hours worked and the work completed. When such progress payments are made, the City shall withhold up to ten percent (10%) of the invoiced amount until satisfactory completion by Saturn Systems, Inc. and acceptance by the City of Duluth of all work and services called for under this agreement. When the City determines that the work under this Agreement is complete and has determined that the Application meets the requirements outlined herein, it shall release to Saturn Systems, Inc. the retainage held with the final payment.

No payment request made pursuant to this Paragraph 4 shall exceed the estimated maximum total amount and value of the total work and services to be performed by Saturn Systems, Inc. under this Agreement without the prior authorization of the CFO.

5. Delays.

Any delay or nonperformance of any provision of this Agreement caused by conditions beyond the reasonable control of the performing party shall not constitute a breach of the Agreement, provided that the delayed party has notified the other in writing of the delay and the anticipated duration of the delay and makes commercially reasonable effort to continue to perform.

Conditions beyond a party's reasonable control include, but are not limited to, natural disasters, acts of government after the date of the Agreement, power failure, fire, flood, acts of God, labor disputes, riots, acts of war and epidemics. Failure of subcontractors and inability to obtain materials shall not be considered a condition beyond a party's reasonable control.

6. Customer Material Data and Confidentiality, Records and Inspection.

a. Saturn Systems, Inc. agrees that all work created by Saturn Systems, Inc. for the City of Duluth is a "work made for hire" and that the City of Duluth shall own all right, title, and interest in and to the work, including the entire copyright and source code in the work. Saturn Systems, Inc. further agrees that to the extent the work is not a "work made for hire" Saturn Systems, Inc. will assign to City of Duluth ownership of all right, title and interest in and to the work, including ownership of the entire copyright in the work. Saturn Systems, Inc. agrees to execute, at no cost to City of Duluth, all documents necessary for City of Duluth to perfect its ownership of the entire copyright in the work. Notwithstanding the foregoing, City grants to Saturn Systems a limited, non-transferable license to use the Application for support purposes only and not for commercial purposes.

b. The City of Duluth agrees that it will make available all Public Data as defined by Minnesota Statutes Chapter 13, the Minnesota Government Data Practices Act, pertinent to the performance of the Services hereunder-for Saturn Systems, Inc. to use in the performance of this Agreement, or to assist Saturn Systems, Inc. wherever possible to obtain such records, data and information.

c. All reports, data, information, documentation and material given to or prepared by Saturn Systems, Inc. pursuant to this Agreement will be confidential and will not be released by Saturn Systems, Inc. without prior authorization from the City of Duluth, however, that City's obligations under this Paragraph are subject to provisions of Minnesota Statutes Chapter 13, the Minnesota Government Data Practices Act and applicable federal law.

d. Records shall be maintained by Saturn Systems, Inc. in accordance with requirements prescribed by the City of Duluth and with respect to all matters covered by this Agreement. Such records shall be maintained for a period of six (6) years after receipt of final payment under this Agreement.

e. Saturn Systems, Inc. will ensure that all costs shall be supported by properly executed payrolls, time records, invoices, contracts, vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charges. All checks, payrolls, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to this Agreement shall be clearly identified and readily accessible.

f. Saturn Systems, Inc. shall be responsible for furnishing to the City of Duluth records, data and information as the City of Duluth may require pertaining to matters covered by this Agreement.

g. Saturn Systems, Inc. shall ensure that at any time during normal business hours and as often as the City of Duluth may deem necessary, there shall be made available to the City of Duluth for

examination, all of its records with respect to all matters covered by this Agreement Saturn Systems, Inc. will also permit the City of Duluth to audit, examine, and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment, and other data relating to all matters covered by this Agreement.

7. Warranties.

Saturn Systems represents and warrants that:

a. (i) it will provide competent personnel with sufficient skills, knowledge and training to perform the Services as set forth in this Agreement including but not limited to the requirements outlined in the RFP and all personnel shall be in good standing with all applicable licensing requirements, (ii) all personnel provided by it hereunder shall perform their respective duties in a professional and diligent manner in the best interests of the City of Duluth and in accordance with the then current generally accepted standards of the profession for the provisions of services of this type. Subject to the representations and warranties set forth above, every effort is made to ensure that all work provided to City of Duluth performs as intended, but Saturn Systems does not warrant that its work be completely free from errors or that the operation of any software continues uninterrupted but Saturn warrants that it will correct any such errors or operating problems when and as discovered or brought to Saturn's attention so that the Application as finally installed and operating meets the requirements of Exhibit A;

b. Saturn Systems is and will be the sole author of the Application delivered to the City of Duluth, with the exception of any third party software listed on Exhibit C attached hereto and made a part hereof, license for which shall be obtained by City of Duluth for use by Saturn Systems in performing the Services and by City of Duluth in using the Application;

c. The Services and Application delivered to City of Duluth hereunder, excluding any third party software, do not and shall not infringe any patents, copyrights, trademarks, or other intellectual property rights, including trade secrets, privacy or similar rights of any person or entity, nor has any claim of such infringement been threatened or asserted against Saturn Systems. Any third party software included in any Services or Application shall include a warranty that such third party software does not infringe any patents, copyrights, trademarks, or other intellectual property rights of third parties.

d. The Services and/or Application will not contain material created by Saturn Systems that is injurious to end-users or their property, and will not contain any material created by Saturn Systems that is scandalous, libelous, obscene, an invasion of privacy or otherwise unlawful.

e. Saturn Systems will use commercially reasonable efforts and commercially reasonable methods to ensure that in the performance of its obligations hereunder Saturn Systems does not compromise the security of or the secure access to any systems located on City of Duluth's premises. In addition, Saturn Systems also warrants that all remote access to City of Duluth's systems by Saturn Systems will be conducted using reasonable commercial efforts and methods intended to minimize exposing Saturn Systems to unauthorized access by third parties

f. Saturn Systems, Inc. has complied or will comply with all legal requirements applicable to it with respect to this Agreement. Saturn Systems, Inc. will observe all applicable laws, regulations, ordinances and orders of the United States, State of Minnesota and agencies and political subdivisions thereof.

g. The execution and delivery of this Agreement and the consummation of the transactions herein contemplated do not and will not conflict with, or constitute a breach of or a default under, any agreement to which the Saturn Systems, Inc. is a party or by which it is bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature upon any of the property or assets of the Saturn Systems, Inc. contrary to the terms of any instrument or agreement.

h. There is no litigation pending or to the best of the Saturn Systems, Inc.'s knowledge threatened against the Saturn Systems, Inc. affecting its ability to carry out the terms of this Agreement or to carry out the terms and conditions of any other matter materially affecting the ability of the Saturn Systems, Inc. to perform its obligations hereunder.

i. The Saturn Systems, Inc. will not, without the prior written consent of the City of Duluth, enter into any agreement or other commitment the performance of which would constitute a breach of any of

the terms, conditions, provisions, representations, warranties and/or covenants contained in this Agreement.

8. Indemnity.

Saturn Systems, Inc. shall defend, indemnify and hold City of Duluth and its employees, officers, and agents harmless from and against any and all cost or expenses, claims or liabilities, including but not limited to, reasonable attorneys' fees and expenses in connection with any claims resulting from the Saturn Systems, Inc.'s a) breach of this agreement or b) its negligent and intentional acts and omissions or that of its agents or contractors in performing the Services hereunder or c) any claims arising in connection with Saturn Systems, Inc.'s employees or contractors, or d) any third party claims alleging infringement of any copyright, patent, trademark, trade secret or other proprietary, property or contractual right of a third party based upon, relating to or arising from any of the Services or Application provided by Saturn Systems or its employees, agents, subcontractors or representatives.. This Section shall survive the termination of this Agreement for any reason.

9. Insurance.

Saturn Systems, Inc. shall provide the following minimum amounts of insurance from insurance companies authorized to do business in the state of Minnesota.

a. Workers' compensation insurance in accordance with the laws of the State of Minnesota.

b. Public Liability and Automobile Liability Insurance with limits not less than \$1,500,000 Single Limit, and twice the limits provided when a claim arises out of the release or threatened release of a hazardous substance; shall be in a company approved by the City of Duluth; and shall provide for the following: Liability for Premises, Operations, Completed Operations, Independent Contractors, and Contractual Liability.

c. Professional Liability Insurance in an amount not less than \$1,500,000 Single Limit; provided further that in the event the professional malpractice insurance is in the form of claims made, insurance, 60 days notice prior to any cancellation or modification shall be required; and in such event, Saturn Systems, Inc. agrees to provide the City of Duluth with either evidence of new insurance coverage conforming to the provisions of this paragraph which will provide unbroken protection to the City of Duluth, or, in the alternative, to purchase at its cost, extended coverage under the old policy for the period the state of repose runs; the protection to be provided by said claims made insurance shall remain in place until the running of the statute of repose for claims related to this Agreement.

d. City of Duluth shall be named as Additional Insured under the Public Liability and Automobile Liability, or as an alternate, Saturn Systems, Inc. may provide Owners-Contractors Protective policy, naming himself and City of Duluth. Saturn Systems, Inc. shall also provide evidence of Statutory Minnesota Workers' Compensation Insurance. Saturn Systems, Inc. to provide Certificate of Insurance evidencing such coverage with 30-days notice of cancellation, non-renewal or material change provisions included. The City of Duluth does not represent or guarantee that these types or limits of coverage are adequate to protect the Saturn Systems, Inc.'s interests and liabilities.

e. If a certificate of insurance is provided, the form of the certificate shall contain an unconditional requirement that the insurer notify the City of Duluth without fail not less than 30 days prior to any cancellation, non-renewal or modification of the policy or coverages evidenced by said certificate and shall further provide that failure to give such notice to City of Duluth will render any such change or changes in said policy or coverages ineffective as against the City of Duluth.

f. The use of an Accord form as a certificate of insurance shall be accompanied by two forms 1) ISO Additional Insured Endorsement (CG-2010 pre-2004) and 2) Notice of Cancellation Endorsement (IL 7002) or equivalent, as approved by the Duluth City Attorney's Office.

g. The insurance required herein shall be maintained in full force and effect during the life of this Agreement and shall protect Saturn Systems, Inc., its employees, agents and representatives from claims and damages including but not limited to personal injury and death and any act or failure to act by Saturn Systems, Inc., its employees, agents and representatives in the negligent performance of work covered by this Agreement.

h. Certificates showing that Saturn Systems, Inc. is carrying the above described insurance in the specified amounts shall be furnished to the City of Duluth prior to the execution of this Agreement and a certificate showing continued maintenance of such insurance shall be on file with the City of Duluth during the term of this Agreement.

i. The City of Duluth shall be named as an additional insured on each liability policy other than the professional liability and the workers' compensation policies of the Saturn Systems, Inc..

j. The certificates shall provide that the policies shall not be changed or canceled during the life of this Agreement without at least 30 days advanced notice being given to the City of Duluth.

10. Notices

Unless otherwise expressly provided herein, any notice or other communication required or given shall be in writing and shall be effective for any purpose if served, with delivery or postage costs prepaid, by nationally recognized commercial overnight delivery service or by registered or certified mail, return receipt requested, to the following addresses:

City of Duluth:	City of Duluth Room 107 City Hall 411 W. 1st Street Duluth, MN 55802 Attn: Adele D. Hartwick, CFO
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Saturn Systems, Inc.	Saturn Systems, Inc. 314 W. Superior Street Suite 1015 Duluth, Minnesota 55802 Attn: Scott Risdal
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11. Civil Rights Assurances

Saturn Systems, Inc., as part of the consideration under this Agreement, does hereby covenant and agree that:

a. No person on the grounds of race, color, creed, religion, national origin, ancestry, age, sex, marital status, status with respect to public assistance, sexual orientation, and/or disability shall be excluded from any participation in, denied any benefits of, or otherwise subjected to discrimination with regard to the work to be done pursuant to this Agreement.

b. That all activities to be conducted pursuant to this Agreement shall be conducted in accordance with the Minnesota Human Rights Act of 1974, as amended (Chapter 363), Title 7 of the U.S. Code, and any regulations and executive orders which may be affected with regard thereto.

12. Applicable Law.

This Agreement, together with all of its paragraphs, terms and provisions is made in the state of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota.

13. Non-solicitation of employees.

Neither party shall solicit employment to any employee and/or subcontractor of the other party during the term of this Agreement, and for a period of one (1) year afterward; provided that either party may hire an employee of the other in the event such employee answers a general advertisement for employment (not targeted to employees of the other Party) or seeks employment without any prior solicitation by the hiring party.

The parties are cognizant of the costs inherent with employee turnover. As such, in the event that an employee and/or subcontractor of one party obtains employment with the other party, whether through direct solicitation or otherwise, the hiring party shall pay a fee to the other party equal to 25% of the total

estimated first year compensation of the hired employee and/or subcontractor. This clause shall be in effect during the term of this Agreement, and for a period of one (1) year afterward.

14. Term of Agreement.

This Agreement commences on the Effective Date and shall continue in effect until December 31, 2012, unless earlier terminated as provided for under the terms of this Agreement.

15. Termination for Cause.

Each party shall have the right to terminate this Agreement by written notice to the other party if the other party has materially breached any obligation herein, provided, in the case where such breach is capable of being cured, such breach remains uncured for a period of 30 days after written notice of such breach is sent to the other party. In the event of termination due to breach by Saturn Systems, Inc., the City of Duluth shall retain all other remedies available to it, and the City of Duluth shall be relieved from payment of any fees in respect of the services of Saturn Systems, Inc. which gave rise to such breach.

16. Termination for Convenience.

This agreement may be terminated by either party for its convenience upon thirty (30) days prior written notice to the other party. Upon such termination, all property and finished or unfinished documents and other writings, materials or work prepared by Saturn Systems, Inc. under this Agreement shall become the property of the City of Duluth and Saturn Systems, Inc. shall promptly deliver the same to the City of Duluth and all undisputed amounts owed to Saturn Systems, Inc. under this agreement for accepted work shall immediately become due and payable.

17. Independent Contractor.

a. Saturn Systems, Inc. is an independent contractor and neither it nor any of its staff will be considered employees of City of Duluth during the term of this agreement. It is agreed that nothing herein contained is intended or should be construed in any manner as creating or establishing the relationship of copartners between the parties hereto or as constituting Saturn Systems, Inc. as an agent, representative or employee of the City of Duluth for any purpose or in any manner whatsoever. The parties do not intend to create any third party beneficiary of this Agreement. Saturn Systems, Inc. and its employees shall not be considered employees of the City of Duluth, and any and all claims that may or might arise under the Worker's Compensation Act of the State of Minnesota on behalf of Saturn Systems, Inc.'s employees while so engaged, and any and all claims whatsoever on behalf of Saturn Systems, Inc.'s employees arising out of employment shall in no way be the responsibility of City of Duluth. Except for compensation provided in Paragraph of this Agreement, Saturn Systems, Inc.'s employees shall not be entitled to any compensation or rights or benefits of any kind whatsoever from City of Duluth, including without limitation, tenure rights, medical and hospital care, sick and vacation leave, Worker's Compensation, Unemployment Insurance, disability or severance pay and P.E.R.A. Further, City of Duluth shall in no way be responsible to defend, indemnify or save harmless Saturn Systems, Inc. from liability or judgments arising out of Saturn Systems, Inc.'s intentional or negligent acts or omissions of Saturn Systems, Inc. or its employees while performing the work specified by this Agreement.

b. The parties do not intend by this Agreement to create a joint venture or joint enterprise, and expressly waive any right to claim such status in any dispute arising out of this Agreement.

c. Contractor expressly waives any right to claim any immunity provided for in Minnesota Statutes Chapter 466 or pursuant to the official immunity doctrine.

18. Amendments.

Any alterations, variations, modifications or waivers of terms of this Agreement shall be binding upon the City of Duluth and Saturn Systems, Inc. only upon being reduced to writing and signed by a duly authorized representative of each party.

19. Assignment.

Saturn Systems, Inc. represents that it will utilize only its own personnel in the performance of the

services set forth herein; and further agrees that it will neither assign, transfer or subcontract any rights or obligations under this Agreement without prior written consent of the City of Duluth. The primary Saturn Systems, Inc. staff assigned to this project will be _____ (collectively the "Primary Saturn Systems, Inc. Staff"). Each shall be responsible for the delivery of professional services required by this Agreement and, except as expressly agreed in writing by the City of Duluth in its sole discretion, the City of Duluth is not obligated to accept the services of any other employee or agent of Saturn Systems, Inc. in substitution of the Primary Saturn Systems, Inc. Staff. The foregoing sentence shall not preclude other employees of Saturn Systems, Inc. from providing support to the Primary Saturn Systems, Inc. Staff in connection with Primary Saturn Systems, Inc.'s obligations hereunder.

20. Severability

In the event any provision herein shall be deemed invalid or unenforceable, the remaining provision shall continue in full force and effect and shall be binding upon the parties to this Agreement.

21. Entire Agreement

It is understood and agreed that the entire agreement of the parties including all exhibits is contained herein and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof. Any amendment to this Agreement shall be in writing and shall be executed by the same parties who executed the original agreement or their successors in office.

22. Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and date first above shown.

CITY OF DULUTH-

SATURN SYSTEMS, INC.

By: _____
Mayor

By: _____

Attest:
City Clerk
Date Attested: _____

Lee Matson
Chief Financial Officer
Saturn Systems, Inc.

Date:

Countersigned:

City Auditor

Approved as to form:

City Attorney

CONTRACT WORK ORDER



CONTRACT WORK ORDER

PROJECT TITLE: Special Assessments Tracking Application

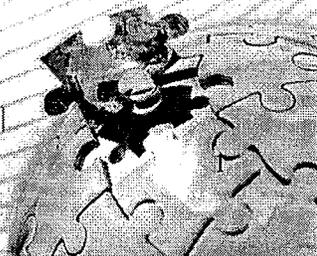
WORK ORDER NO. 1

DATE(S) OF SERVICES: 2/1/2012 - 12/31/2012

DESCRIPTION OF SERVICES: Saturn Systems, Inc. will provide City of Duluth with software design, development, testing, training, and deployment services for the purpose of implementing a replacement application for tracking of special assessments projects.

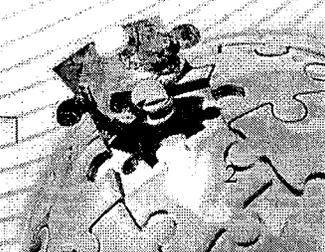
The following high level requirements have been identified based on analysis of the provided requirements:

- 1) The new application shall be web based and developed using the latest Microsoft .Net technology and shall run on Microsoft Windows 2008 R2 use Microsoft SQL Server 2008 R2 Standard Edition for all database functions.
- 2) The following screens have been identified as required for the solutions:
 - a. Intranet screens
 - i. Program information/Main screen
 - ii. Project creation
 - iii. Project view/edit/delete
 1. Flexible calculation tools for payment schedules, minimum payments and annual installments.
 2. Billing based on unit or frontage feet
 3. Cost per frontage
 4. Total assessment calculation
 5. Allow for estimated versus final costs
 6. Support for project state
 - a. Test state - to be used for testing scenarios
 - b. Pending state - 1st Council hearing/estimated
 - c. Active state - Project approved, costs set
 7. Ability to make adjustments to contract/project due to but not limited to the following conditions while maintaining the history of all changes and requiring specific approvals to do so.
 - a. Assessment board action
 - b. Correction of errors
 - c. Consolidation or splitting of parcels
 - d. Withdrawal of certifications to county for current tax year
 - e. Reinstate assessments on tax forfeited property
 - f. Etc.
 8. Ability to allow new contracts/projects to be created and billed out when the project is 95% or greater in completion. Payment terms are set up at this time which include but are not limited to interest rates, length of term, annual payment and due date. These are typically historical and unable to be modified from this point forward.
 9. Project note support
 10. Support for payment deferral with continuous interest accrual
 11. Ability to track a target assessment for the Special Services District
 - iv. Account creation
 - v. Account view/edit/delete
 1. Fund specification and terms
 2. Frontage input
 3. Account notes





4. Ability to place a cap on a single property
 5. Ability to allow the cap to be modified on an annual basis
 - a. Ability to allow for manual adjustments should a property have more than one parcel
 - b. Ability to track and base levy calculation off of the Estimated Market Value
 6. Special flags for forfeitures, senior citizens, veterans, etc.
 7. Payoff amount using future dates
 8. Delinquent payment tracking
 - a. Garbage assessments
 - b. Storm water assessments
 - c. Street light assessments
 - d. Administrative fines
 - e. Track delinquency amounts sent to the County
 - f. Track delinquency amounts received from the County
 - vi. Import of delinquent payment data from Excel spreadsheets (e.g. garbage haulers)
 - vii. User administration
 1. City employee accounts
- 3) The following reports have been identified for this project:
- a. Export capabilities to Microsoft Excel & Word
 - b. Ad hoc letter creation and generation
 - c. Special assessment invoices
 - d. Generate billing based on a future date
 - e. Generate billing for short payments
 - f. Special Service District, ability to download and calculate levy, then create a file in a specific format for billing by Saint Louis County on property tax statement
 - g. Ability to compile and send delinquent assessment billing in a specified file format to St. Louis County for assessing and printing on the property tax statement the following year.
 - h. Delinquent assessment letter(s)
 - i. Delinquent assessments export for St. Louis County
 - j. Daily and monthly reports to be determined
 - k. Ability to run both monthly and annual reports including but not limited to:
 - i. Adjustment Summary Report
 - ii. Cash Receipt Summary
 - iii. Unpaid Assessment Report (sorted by type and contract)
 - iv. Report of Unpaid Certified Assessments Remaining on County Tax Roll
 - v. Uncollected Connection Fees
 - l. Assessment certificates
 - m. Historical reports for projects and accounts
 - n. Complete project report including information on all affected properties
 - o. Ad hoc reporting capabilities for custom reporting
- 4) Search by:
- a. Taxpayer name and address
 - b. Titleholder name and address
 - c. Total cost
 - d. Frontage feet
 - e. Plat/parcel
 - f. Address of plat/parcel
 - g. Contract/project description





- 5) Other functionality
 - a. Prioritized payment capability
- 6) The following workflow processes have been identified for this project:
 - a. Select project/account parameter modification with second party approval
- 7) Password protected individual accounts with password recovery shall be supported. The application shall support two different access roles:
 - a. Administrative
 - b. Clerical
- 8) All data from the existing system must be migrated to the new system.
- 9) Required Integration with Other Systems
 - a. MCIS
 - i. Verification that plat/parcel is in City limits
- 10) Training & Support
 - a. Onsite training
 - b. Detailed user manual
 - c. Online help
 - d. Online tutorials
 - e. Technical support

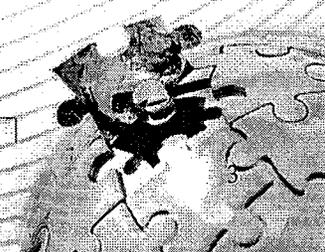
FEES:

In consideration of the services to be provided, City of Duluth shall pay Saturn Systems, Inc. on a time & materials basis at the following hourly rates:

• Project Manager	\$93/hr
• Lead Software Engineer	\$85/hr
• Software Engineer	\$66/hr
• Programmer	\$52/hr
• Quality Assurance Lead	\$52/hr
• Quality Assurance Tester	\$35/hr

DETAILS:

- 1) Costs associated with this work order shall not exceed a total of \$149,160, as outlined in the original proposal from Saturn Systems, Inc. issued on 12/16/2011, without express written consent of the designated City of Duluth representative.
- 2) This is not to be considered a fixed bid contract. Upon completion of design work, a revised estimate shall be produced based on more detailed information.





WORK ORDER CHANGES:

City of Duluth representative authorized to issue project and/or work order changes is Adele Hartwick.

This work order shall become an integral and enforceable part of the Master Service Agreement executed by the parties on 1/23/2012. All terms not specifically addressed in this work order are contained in the Master Service Agreement. If there is a conflict between this Work Order and the Master Service Agreement, the Master Service Agreement shall govern.

Accepted by

City of Duluth

By:

Signature

Print

Name:

Print

Title:

Print

Date:

Accepted by

Saturn Systems, Inc.

By:

Signature

Print

Name:

Print

Title:

Print

Date:

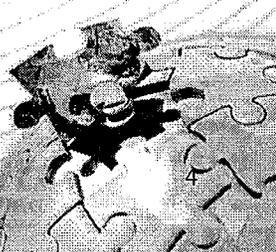


EXHIBIT A

CITY'S REQUEST FOR PROPOSAL



**CITY OF DULUTH
PURCHASING DIVISION**

Room 100 City Hall
411 West First Street
Duluth, Minnesota 55802-1199
218/730-5340 218/730-5922 FAX

September 16, 2011

**REQUEST FOR PROPOSAL
11-34DS
Special Assessments Application**

Please provide the City of Duluth with a proposal for **Special Assessments Application** per the attached description, requirements and goals.

Please mark your proposal with the above number and title on the outside of the envelope and return to: City of Duluth, Purchasing, Room 100, 411 West 1st Street, Duluth, MN 55802 by **2 PM Wednesday, October 5, 2011.**

All proposals will be acknowledged aloud in room 106A of City Hall. Proposals will be reviewed by committee according to established criteria.

The City of Duluth reserves the right to reject all proposals, to select more than one to give presentations if so desired by the City of Duluth, or to select the best one and enter into further negotiations with the vendor.

The City of Duluth will entertain other viable written software initiatives not only "off the shelf" products.

Contact: Dennis Sears (218) 730-5003
Purchasing Agent
dsears@duluthmn.gov

Thank you.

Functional Specifications for Special Assessments Application System

Introduction

1. **Purpose**- To acquire a system to track all aspects of the Special Assessment Program that is managed by the City of Duluth's Finance Department.
2. **Intended Audience**- Assessor, Treasurer, Building Safety, and Public Works and Utilities Departments.
3. **Project Scope**- Implement an application to track special assessments that are assessed to City of Duluth property owners based on projects determined by the City of Duluth Engineering office along with assessments that are turned over to the City of Duluth for collection. This is to include the tracking of all necessary information, produce invoices, receipt payments, submission of delinquencies to Saint Louis County for certification of assessments to the property tax roll and report on necessary information applicable to the application.

Overall Description

1. **Product Perspective**- To replace the City's legacy application for the purpose of tracking all data related to the City's Special Assessment program.
2. **Product Features**-Track all necessary information needed for the special assessment process including but not limited to the setup of contracts/projects, assigning accounts to contracts, calculating and assigning costs and terms to contracts/projects, billing mechanism, delinquency processing and notification, as well as passing delinquent accounts annually to St. Louis County for collection and the receipt of those payments received by St. Louis County. Reporting needs are a critical component of this application as well.
3. **User Classes and Characteristics**
 - a. Ability to create a contract/project that encompasses individual accounts for specific properties within the contract area, preferably chosen via an integration with the City's GIS system
 - b. Ability to bill based on unit or front feet, depending on the type of contract/project
 - c. Ability to specify the specific fund, a time period and interest rate per contract/project that is applied to each account within that contract
 - d. Flexibility to calculate payment schedules, minimum payments, and minimum annual installments
 - e. Ability to create a special assessment account for a property owner within a contract
 - f. Ability to create new contracts in order to bill utility connection fees by identifying plat/parcel via a GIS map
 - g. Parcel number required throughout the system
 - h. Ability to use GIS map with overlay to identify parcels affected by current and prior contracts/projects.
 - i. Ability to input the frontage that each property will be assessed
 - j. Ability to input the cost per front footage
 - k. Ability for system to calculate the total cost of the assessment based on input including but not limited to such items as specified in h and i above

- l. Ability to summarize an estimated billing cost and a final billing cost for both a contract, as well as an individual parcel
- m. Ability to create and generate letters (templated) to property owners for various customer notification needs. Templated letters should include "fill in the blank" for taxpayer name and address, total cost of the contract/project, front feet, hearing dates, etc. Information needed will vary based on the communication notification needed.
- n. Ability to create special assessment invoices
- o. Ability to search by taxpayer name and address, titleholder name and address, total cost, front feet, plat/parcel, address of plat/parcel, and contract/project description.
- p. Ability to modify data within the contract/project, to include but not limited to name, address, annual payment, tax forfeit, low income deferral, suppress certification, suppress penalty and/or interest
- q. Ability to change original estimated price to final price when the assessment is levied
- r. Ability to interface with MCIS to import data including but not limited to parcel number, property address, taxpayer name, taxpayer address, title holder's name, title holder's address, property frontage or area, legal description, etc. as needed
- s. Ability to make adjustments to contract/project due to but not limited to the following conditions: Assessment board action, correction of errors, consolidation or splitting of parcels, withdrawal of certifications to county for current tax year, reinstate assessments on tax forfeited property, etc. while maintaining the history of all changes and requiring specific approvals to do so
- t. Ability to input notes regarding activities on each plat/parcel, property owner account, and contract
- u. Ability to calculate a pay-off figure with a future date including the ability to view daily interest for pay-off activity
- v. Online inquiry of entire payment history including a running balance after each payment and/or adjustments made to the balance at any point creating a full transaction history
- w. Ability to run an annual bill two months or a specified amount of time prior to its due date
- x. Ability to run a 2nd bill for short payments received during the preceding month. These bills print with the scheduled bills for the current month
- y. Ability to apply payments in a specific priority, i.e. 1st penalty, 2nd interest and 3rd principal
- z. We need system flexibility to make modifications; however billing, payment and invoice adjustments must remain historical records. Other fields may be modified, with second party approval via an electronic posting process.
- aa. Ability to enter contracts/projects as "pending" as of 1st Council hearing with an estimated total principal

- bb. Ability to allow new contracts/projects to be created and billed out when the project is 95% or greater in completion. Payment terms are set up at this time which include but are not limited to interest rates, length of term, annual payment and due date. These are typically historical and unable to be modified from this point forward. However, in rare circumstances, we would need the ability to modify the above items due to circumstances such as but not limited to the reconfiguration of parcels, the reinstatement of tax forfeited parcels, etc. This ability to modify these items would be required to have specific approvals applied in order to do so, as well as would need to be recorded as to the changes made and by whom.
- cc. Assessment Certificate Inquiry and Print capability:
 - 1. Ability for interface with the City's Home Energy application to determine any outstanding balances, as well as any outstanding balances within the Special Assessments application to provide a summary of current and pending assessments or indicate that there are none for a specified parcel number
 - 2. Online inquiry and the ability to print an Assessment Certificate showing there are no outstanding liens against the property associated with these programs is required
 - 3. The ability to charge and collect a fee for the printed certificate is required
 - 4. Ability to calculate payoffs using future dates
 - 5. Ability to order certificates online or via email along with an automated payment method
- dd. Ability to store all transaction data indefinitely and/or move transactional data to history
- ee. The annual payment is a fixed amount. The payment amount does not change due to any additional payments made. Any additional payments made to the contract will reduce the principal balance only.
- ff. Ability to export into Excel, Word, etc.
- gg. We do not agree to subordinate our assessments with any financial institutions
- hh. Customer Portal access must be limited due to sales of Assessment Certificates
- ii. Ability to allow auto pay with restrictions on the information available in order to preserve the integrity and revenue of our assessment certificates
- jj. Availability of online low income deferral forms
- kk. Payment deferral capability (interest continues to accrue)
- ll. Special Service District, ability to download and calculate levy, then create a file in a specific format for billing by Saint Louis County on property tax statement
 - 1. Ability to track and base levy calculation off of the Estimated Market Value

2. Ability to track a target assessment for the Special Services District
 3. Ability to place a cap on a single property
 4. Ability to allow the cap to be modified on an annual basis
 5. Ability to compile and send delinquent assessment billing in a specified file format to St. Louis County for assessing and printing on the property tax statement the following year.
 6. Ability to allow for manual adjustments should a property have more than one parcel
- mm. Test system area needs to exist to be able to enter data, run various calculation scenarios on the creation of special assessment projects and then seamlessly move from the Test system area into a Live Production area
- nn. Ability to transfer and track delinquent garbage assessments into the system and attach to the parcel number. Ability to issue letters to the taxpayer's name and mailing address for those assessments. If not paid by due date, need the ability to certify onto the tax rolls the following year with a fee and a percentage penalty.
- oo. Ability to transfer and track delinquent storm water assessments per parcel and issue letters to taxpayer indicating amount due, due date and location to make payment. If not paid, need the ability to certify onto the tax rolls the following year.
- pp. Ability to transfer and track delinquent street light utility assessments per parcel and issue letters to taxpayer indicating amount due, due date and location to make payment. If not paid, need the ability to certify onto the tax rolls the following year.
- qq. Ability to transfer and track delinquent administrative fine assessments into the County's assessment system by the parcel number. Ability to issue letters to the taxpayer's name and mailing address for those assessments. If not paid by due date, need the ability to certify onto the tax rolls the following year with a fee and a percentage penalty.
- rr. Ability to electronically provide Saint Louis County with assessments to be added to property tax statements in a specified format, along with the ability to create form letters. This includes special assessments due, delinquent storm water, street lighting, garbage service and administrative fines.
- ss. Ability to track delinquencies that were certified to the County for collection via property taxes, so as to track at a minimum but not limited to the parcel number, address, taxpayer information, and year the assessment was certified to the tax roll.
- tt. Ability to track all payments received from the County via payments made through property taxes for delinquencies and be able to balance them to the amounts owing through certifications to allow for balancing of the certified delinquencies and monies received against them.
- uu. On-line customer account and payment capability

vv. Ability to track payments by general ledger fund

4. Operating Environment

- a. Microsoft Windows Server 2008 R2 - all servers (application, database, etc.) need to be able to run within a virtual environment
- b. SQL 2008 R2
- c. Web based

5. User Documentation - User manuals, online help and tutorials.

System Features

1. Automation-

- a. Auto payment (EFT) capabilities are required of this application.
- b. Export capabilities to Microsoft Excel, Word, CSV
- c. Online access via a Customer Portal for property owners
- d. Security mechanisms need to be in place to ensure customer information is secure.
- e. Online access needs to be able to offer the customer the ability to view their account and/or make payments, as well as view the amount of an outstanding connection fee per property
- f. Online access regarding assessment certificate issuance needs to have the ability to charge fee per assessment certificate request and allow for payment to be made prior to the assessment certificate being issued and printed.
- g. This application must seamlessly interface with the City's Assessment information for use in verification of plat and parcel information to ensure a valid property within the City of Duluth.

Deleted:

2. Integration

- a. Seamlessly integrate with a payment processor
- b. Seamlessly integrate with New World Systems finance application with automated journal entries to the accounting system
- c. Seamlessly interfaces with the City's Assessment information for use in verification of plat and parcel information
- d. Seamlessly integrates with Home Energy application for use in gathering information on outstanding balances to be used in the creation of Assessment Certificates
- e. Seamlessly integrate with the City's GIS system which utilizes ESRI software

3. Reporting/Output

- a. Create daily and monthly reports (list will be provided as they currently exist)
- b. Ability to run both monthly and annual reports including but not limited to:
 - 1. Adjustment Summary Report
 - 2. Cash Receipt Summary
 - 3. Unpaid Assessment Report (sorted by type and contract)

4. Report of Unpaid Certified Assessments
Remaining on County Tax Roll
5. Uncollected Connection Fees

- c. Special Assessment bills
- d. Customer letters including but not limited to hearing notification, delinquency letters, payoff letters
- e. Assessment Certificates
- f. Ability to choose and add criteria for all reports.
- g. Ability to create custom reports easily
- h. Ability to report historical data
- i. Ability to view, share, print, email reports on demand
- j. Ad hoc reporting capabilities on all fields
- k. Ability to run a report on a contract/project that includes all properties involved with total costs and total frontage.

4. Support

- a. Onsite training
- b. Detailed user manual
- c. Online help
- d. Online tutorials
- e. Technical support

5. Other

- a. Data migration from existing legacy system (mainframe)
- b. Field flags for forfeitures, senior citizens, vets, etc

External Interface Requirements

- New World Systems Finance application
- City's Assessment system for plat and parcel information
- City's Central Address database system
- Saint Louis County MCIS system
- City's Home Energy Loan system
- CRW's TRAKITsystem

EXHIBIT B

SATURN SYSTEM'S PROPOSAL



SATURN SYSTEMS

SOFTWARE ENGINEERING



Special Assessments Application Proposal Version 2

Contact:

Saturn Systems, Inc.

Scott Risdal

Vice President - Business Development

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srisdal@saturnsys.com

Date Issued: December 16, 2011

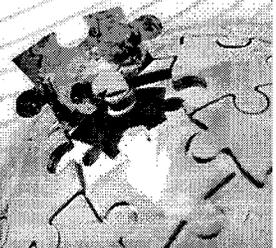
Saturn Systems, Inc.

Solving Complex Business Issues
through Software Engineering



Table of Contents

1	PROJECT OVERVIEW	1
2	CORPORATE OVERVIEW	2
3	REQUIREMENTS	3
4	ASSUMPTIONS	8
5	RISKS	9
6	PROJECT PLAN	10
6.1	TIMELINE.....	10
6.2	OWNERSHIP.....	10
7	COST PROPOSAL	12
8	TERMS & CONDITIONS	14
9	CONCLUSION	15

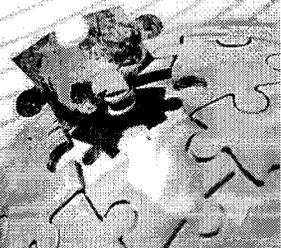




1 Project Overview

This proposal is in response to a request for proposal (RFP) from the City of Duluth for an estimate to replace an existing mainframe application used for tracking special assessments.

This proposal is a revision of the original with a reduced feature set and revised cost estimate. Requirements that have been removed from the project are indicated using strikethrough font.



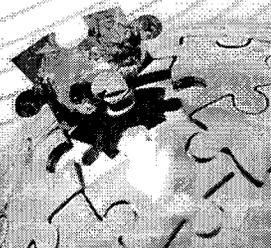


2 Corporate Overview

Saturn Systems was founded in 1990 and incorporated in 1993 in Duluth, Minnesota. Initial work focused on providing software device control and integration services to the defense industry. Since then Saturn has diversified into custom enterprise software development and integration, and federal government contracting. Our background in complex integration work has molded a culture of creativity, precision, and quality centered on solid software engineering practices and high quality, predictable results.

Saturn Systems was one of the early adopters of the Rural Outsourcing model. From the beginning, the Saturn Systems business model has been that of a remotely operating software consulting firm with expertise in working effectively over distance. Saturn Systems has positioned itself on the high end of professional and academic skills offerings within the Rural Outsourcing marketplace. High quality staff is coupled with an aggressive rate structure to deliver the best results for Saturn Systems customers.

We are committed to establishing and maintaining long-term, trusting relationships by continually delivering creative, professionally engineered software solutions and backing them with honest and superior service.





3 Requirements

The following high level requirements have been identified based on analysis of the provided requirements:

- 1) The new application shall be web based and developed using the latest Microsoft .Net technology and shall run on Microsoft Windows 2008 R2 use Microsoft SQL Server 2008 R2 Standard Edition for all database functions.
- 2) The following screens have been identified as required for the solutions:
 - a. ~~Citizen Portal Screens – Visible on the Internet~~
 - i. ~~General information~~
 - ii. ~~Personal account settings~~
 1. ~~Password management~~
 2. ~~Automated payment information~~
 - iii. ~~Password recovery~~
 - iv. ~~Payment history report~~
 - v. ~~Payoff date calculation~~
 - vi. ~~Ability to print an Assessment Certificate showing there are no outstanding liens against the property~~
 - vii. ~~The ability to charge and collect a fee for printed certificates~~
 - viii. ~~Shopping cart integration~~
 - ix. ~~Low income deferral form~~
 - b. Intranet screens
 - i. Program information/Main screen
 - ii. Project creation
 - iii. Project view/edit/delete
 1. Flexible calculation tools for payment schedules, minimum payments and annual installments.
 2. Billing based on unit or frontage feet
 3. Cost per frontage
 4. Total assessment calculation
 5. Allow for estimated versus final costs
 6. Support for project state
 - a. Test state – to be used for testing scenarios
 - b. Pending state – 1st Council hearing/estimated
 - c. Active state – Project approved, costs set

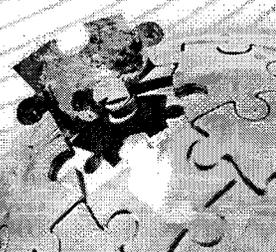


7. Ability to make adjustments to contract/project due to but not limited to the following conditions while maintaining the history of all changes and requiring specific approvals to do so.
 - a. Assessment board action
 - b. Correction of errors
 - c. Consolidation or splitting of parcels
 - d. Withdrawal of certifications to county for current tax year
 - e. Reinstate assessments on tax forfeited property
 - f. Etc.
 8. Ability to allow new contracts/projects to be created and billed out when the project is 95% or greater in completion. Payment terms are set up at this time which include but are not limited to interest rates, length of term, annual payment and due date. These are typically historical and unable to be modified from this point forward.
 9. Project note support
 10. Support for payment deferral with continuous interest accrual
 11. Ability to track a target assessment for the Special Services District
- iv. Account creation
- v. Account view/edit/delete
1. Fund specification and terms
 2. Frontage input
 3. Account notes
 4. Ability to place a cap on a single property
 5. Ability to allow the cap to be modified on an annual basis
 - a. Ability to allow for manual adjustments should a property have more than one parcel
 - b. Ability to track and base levy calculation off of the Estimated Market Value
 6. Special flags for forfeitures, senior citizens, veterans, etc.
 7. Payoff amount using future dates
 8. Delinquent payment tracking
 - a. Garbage assessments
 - b. Storm water assessments
 - c. Street light assessments
 - d. Administrative fines
 - e. Track delinquency amounts sent to the County

- f. Track delinquency amounts received from the County
 - vi. Import of delinquent payment data from Excel spreadsheets (e.g. garbage haulers)
 - vii. User administration
 - 1. ~~Citizen accounts~~
 - 2. City employee accounts
- 3) The following reports have been identified for this project:
- a. Export capabilities to Microsoft Excel & Word
 - b. Ad hoc letter creation and generation
 - c. Special assessment invoices
 - d. Generate billing based on a future date
 - e. Generate billing for short payments
 - f. Special Service District, ability to download and calculate levy, then create a file in a specific format for billing by Saint Louis County on property tax statement
 - g. Ability to compile and send delinquent assessment billing in a specified file format to St. Louis County for assessing and printing on the property tax statement the following year.
 - h. Delinquent assessment letter(s)
 - i. Delinquent assessments export for St. Louis County
 - j. Daily and monthly reports to be determined
 - k. Ability to run both monthly and annual reports including but not limited to:
 - i. Adjustment Summary Report
 - ii. Cash Receipt Summary
 - iii. Unpaid Assessment Report (sorted by type and contract)
 - iv. Report of Unpaid Certified Assessments Remaining on County Tax Roll
 - v. Uncollected Connection Fees
 - l. Assessment certificates
 - m. Historical reports for projects and accounts
 - n. Complete project report including information on all affected properties
 - o. Ad hoc reporting capabilities for custom reporting
- 4) Search by:
- a. Taxpayer name and address
 - b. Titleholder name and address
 - c. Total cost

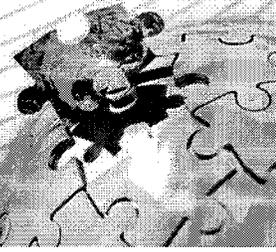


- d. Frontage feet
- e. Plat/parcel
- f. Address of plat/parcel
- g. Contract/project description
- 5) Other functionality
 - a. Prioritized payment capability
- 6) The following workflow processes have been identified for this project:
 - a. Select project/account parameter modification with second party approval
- 7) Password protected individual accounts with password recovery shall be supported. The application shall support three different access roles:
 - a. Administrative
 - b. Clerical
 - ~~c. Citizen~~
- 8) All data from the existing system must be migrated to the new system.
- 9) Required Integration with Other Systems
 - ~~a. GIS Integration
 - ~~i. All integration to be performed using parcel numbers.~~
 - ~~ii. Identify affected parcels within a project area~~
 - ~~iii. Determine frontage feet for projects and individual parcels~~
 - ~~iv. Ability to show overlays of all current and past projects for selected parcels~~~~
 - b. MCIS
 - i. Verification that plat/parcel is in City limits
 - ~~c. Home Energy System
 - ~~i. Verify outstanding balances~~~~
 - ~~d. New World Systems
 - ~~i. Log payments to general ledger~~~~
 - e. ~~CRW TRAKIT system~~
- 10) Training & Support
 - a. Onsite training
 - b. Detailed user manual
 - c. Online help
 - d. Online tutorials
 - e. Technical support
- 11) Security





~~a. All internet connections to the site shall use appropriate secure connections when personal information is being exchanged or financial transactions are made.~~





4 Assumptions

The following assumptions have been made in producing this estimate:

- 1) The City shall provide access to the existing program source for purposes of reproducing business logic.
- 2) The City can provide assistance in detailed definition and specification of the desired calculations.
- 3) ~~The City can provide all necessary graphics, style sheets, etc. to allow for integration of the external portal with the existing City web site.~~



5 Risks

The following risks have been identified for this project:

- 1) The requirements specify integration with five external systems, however there is minimum detail as to the degree of integration. More importantly, the ease of integration with these systems is unknown. Saturn Systems has strong expertise in custom integrations, the risk lays in the area of potential cost overruns should integration prove difficult. Risk: ~~Medium~~ Low *(Reduced from Medium to Low as the number and complexity of system integrations has been reduced for this proposal).*
- 2) Reporting requirements are not fully defined, note item 3a in the RFP. This is a cost risk as reporting requirements can quickly grow beyond expectations. Risk: Medium



6 Project Plan

Saturn Systems is proposing development of a custom solution for this project. The following is an outline of the plan for completing this project along with implementation details.

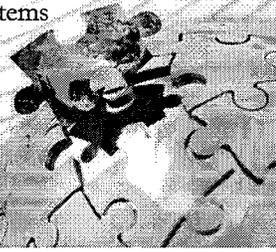
- 1) Design
 - a. Prototype user interface screens or wireframes shall be produced for review by City personnel before development begins.
 - b. A database design shall be produced for review by City personnel.
 - c. Requirements for all external system integration (e.g. MCIS) will be documented and verified as possible given the available interfaces.
- 2) Quality Assurance
 - a. All features of the solution shall be verified by an independent quality assurance team.
- 3) Deployment
 - a. Saturn Systems technical staff shall deploy the solution on City servers and configure all connections to external systems.
 - b. Saturn Systems shall convert and import all existing data from the mainframe into the new database.
 - i. ~~There is currently no allowance in this proposal to establish online accounts for existing loans. If this is a desired feature it can be added to the proposal.~~
- 4) Training & Documentation
 - a. An online detailed user manual for City employees will be created. Integrated with this will be tutorials for those tasks where it is deemed necessary.
 - b. ~~An online help manual will be developed for the internet facing citizen pages.~~
 - c. A course will be developed for the purposes of training City employees in the use of the application.
 - d. Saturn Systems will deliver onsite training for City employees.
- 5) Technical Support
 - a. Allowances have been made in this proposal for limited post-production deployment support. Additional support shall be available under a separate agreement as needed.

6.1 Timeline

The estimated calendar timeline for completion of the project is 4-6 months.

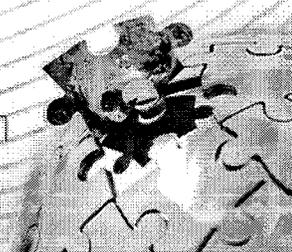
6.2 Ownership

It is standard procedure on the completion of projects and once all accounts are settled, that the customer is provided with all source code and collateral for the solution. While Saturn Systems





retains copies of the software for support purposes, the customer is considered the owner of the solution.

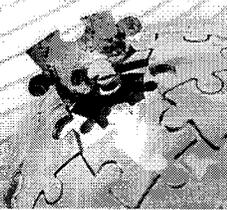


7 Cost Proposal

Project/Task	Project Manager	Lead Software Engineer	Software Engineer	Programmer	Quality Assurance Lead	Quality Assurance Tester	Totals
Design	120						120
Application design		180					180
Database design		40					40
External system integration design		20					20
Ad hoc report design		40					40
Development							
Account/role management				80			80
Database creation		60					60
Intranet site ~8 screens			240				240
Database migration process		60					60
Parameter modification approval workflow			120				120
Reporting							
Approximately 25 reports				320			320
Ad Hoc reporting			120				120
Integrations							
Assessments (MCIS)		100					100
Training/Documentation							
User Manual/Online help/Tutorial				160			160
Onsite training - prep/delivery			80				80

Quality Assurance					80	220	300
Deployment							
Installation		20					20
Data migration		20					20
Technical support			120	120			240
Hours	120	540	680	680	80	220	2320
Rate	\$93.00	\$85.00	\$66.00	\$52.00	\$52.00	\$35.00	\$64.29
Cost	\$11,160.00	\$45,900.00	\$44,880.00	\$35,360.00	\$4,160.00	\$7,700.00	\$149,160.00
Percent of Total Cost	7.5%	30.8%	30.1%	23.7%	2.8%	5.2%	100%
Percent of Total Hours	5.2%	23.3%	29.3%	29.3%	3.4%	9.5%	100%

The cost as quoted here is not a fixed bid as it is Saturn Systems policy not to enter fixed bid contracts for complex custom solutions.





8 Terms & Conditions

Project Type:

The cost quoted here is a Time and Materials estimate. Although we are confident this estimate is accurate, it is impossible to forecast the cost components with 100% accuracy. This is due to the nature of custom software development and the inherent uncertainties involved. As such, the actual project cost could be higher or lower than that quoted here.

Progress Reports:

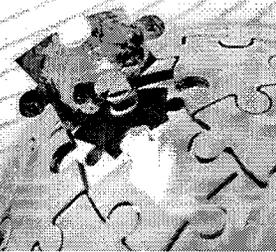
As part of our project management role, we will provide monthly budgetary and technical status updates on this project. The customer will be notified well in advance if the cost to complete is anticipated to exceed the estimated cost. We will not accrue any costs or hours beyond the estimated amount without approval from the customer.

Billing Terms:

Saturn will invoice the customer on a monthly basis for the time expended during that invoice period, calculated at the hourly rate(s) shown above. Payment will be due within 30 days of the invoice date.

Approval of this proposal, via verbal authorization, e-mail, or purchase order, constitutes acceptance of the project type and billing terms shown here, unless a formal contract or Master Services Agreement is rendered in which case they may be superseded.

This proposal shall be considered valid for 30 days following the date of issuance.





9 Conclusion

We appreciate to the opportunity to provide a proposal for this project. Thank you for your time and consideration.

