JK
9/11/14
Item #5

AN ORDINANCE 2014-09-11-0675

ACCEPTING THE BID FROM READSOFT, INC. FOR THE PURCHASE, CONFIGURATION, IMPLEMENTATION AND TRAINING FOR SOFTWARE TO FURTHER AUTOMATE AND STREAMLINE ACCOUNTS PAYABLE INVOICE PROCESSING FOR AN INITIAL COST NOT TO EXCEED $384,000.00, FUNDS FOR THIS CONTRACT AND THE SERVER WILL BE APPROPRIATED FROM 2011 TAX NOTES.

* * * * *

WHEREAS, the City is undergoing a phased effort to modernize its invoice management and payment process, with the first phase focused on scanning invoices and delivering electronic images throughout the organization using workflow to obtain all the necessary information to process the invoices into SAP; and

WHEREAS, in subsequent phases, the Accounts Payable division seeks to further automate and improve the total solution for the capture, workflow and financial posting of invoices, develop a comprehensive program for onboarding vendors to the improved invoice capture solutions, and incorporate performance measurement and reporting through a comprehensive standardized and ad hoc reporting capability; and

WHEREAS, on August 23, 2013, the Finance Department issued a Request for Competitive Sealed Proposals (RFCSP) for implementation services and software recommendations to further automate and streamline Accounts Payable invoice processing with Readsoft, Inc., selected by the evaluation committee as the recommended Respondent for award; **NOW THEREFORE,**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The bid from Readsoft, Inc. for the purchase, configuration, implementation and training for software to further automate and streamline accounts payable invoice processing for an initial cost not to exceed $384,000.00, is hereby approved. A copy of the Agreement is attached hereto and is incorporated by reference as **Attachment 1**. The Chief Technology Officer or his designee is authorized to execute all documents related to this agreement.

SECTION 2. Payment in the amount of $384,000.00 in SAP Fund 43099000, Certificates Of Obligation Capital Projects, SAP Project Definition 09-00046, Accounts Payable Data Entry Upgrade OCR, is authorized to be encumbered and made payable to ReadSoft Inc., for the purchase and implementation of licensing software for AP Invoice Modernization. Payment is limited to the amounts budgeted in the Operating and/or Capital Budget funding sources identified. All expenditures will comply with approved operating and/or capital budgets for current and future fiscal years.

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SECTION 3. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance, may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 4. This ordinance shall be effective immediately upon passage by eight affirmative votes; otherwise it shall be effective on the tenth day after passage hereof.

PASSED and APPROVED this 11th day of September, 2014.

M A Y O R
Ivy R. Taylor

ATTEST:

for Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:

By:
Robert F. Greenblum, City Attorney

Agenda Item:	**5 (in consent vote: 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19)**
Date:	09/11/2014
Time:	09:31:56 AM
Vote Type:	Motion to Approve
Description:	An Ordinance accepting the bid from Readsoft, Inc. for the purchase, configuration, implementation and training for software to further automate and streamline Accounts Payable invoice processing for an initial cost not to exceed $384,000.00, funds for this contract and the server will be appropriated from 2011 Tax Notes. [Ben Gorzell, Chief Financial Officer; Troy Elliott, Director, Finance]
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ivy R. Taylor	Mayor		x				
Diego Bernal	District 1		x				
Keith Toney	District 2		x				
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4		x				
Shirley Gonzales	District 5		x				
Ray Lopez	District 6		x				
Mari Aguirre-Rodriguez	District 7		x				
Ron Nirenberg	District 8		x				x
Joe Krier	District 9		x				
Michael Gallagher	District 10		x			x	

Attachment I

INTEGRATION AGREEMENT FOR
ACCOUNTS PAYABLE INVOICE AUTOMATION SYSTEM

REQUEST FOR COMPETITIVE SEALED PROPOSAL ("RFCSP")
NO.: 6100003224 (RFCSP)

BETWEEN THE CITY OF SAN ANTONIO, TEXAS ("CITY")
AND
READSOFT, INC.

STATE OF TEXAS §
§
COUNTY OF BEXAR §

This Agreement is entered into by and between the City of San Antonio, Texas, a home-rule municipal corporation (City), and ReadSoft, Inc., (ReadSoft), both of which may be referred to herein collectively as the "Parties".

The Parties hereto severally and collectively agree, and by the execution hereof are bound, to the mutual obligations herein contained and to the performance and accomplishment of the tasks hereinafter described.

1.0 CONTRACT DOCUMENTS

1.1 The terms and conditions for performance and payment of compensation for this Agreement are set forth in the following contract documents, true and correct copies of which are attached hereto and fully incorporated herein for all purposes, and shall be interpreted in the order of priority as appears below:

a. This Integration Agreement, including;

b. City's Request for Competitive Sealed Proposal No.: 6100003224 (RFCSP) (Exhibit A), including all attachments, addendums and clarification statements thereto;

c. ReadSoft Statement of Work (SOW) (Exhibit B);

d. ReadSoft proposal submitted in response to City's RFCSP (Exhibit C);

e. ReadSoft Professional Service Agreement (Exhibit D); and

f. ReadSoft License Agreement (Exhibit E).

2.0 INSURANCE

2.1 Prior to the commencement of any work under this Contract, **READSOFT** shall furnish copies of all required endorsements and a completed Certificate(s) of Insurance to the City's Finance Department, which shall be clearly labeled "**Accounts Payable Invoice Automation System**" in the Description of Operations block of the Certificate. The Certificate(s) shall be completed by an agent and signed by a person authorized by that insurer to bind coverage on its behalf. The **CITY** will not accept Memorandum of Insurance or Binders as proof of insurance. The Certificate(s) or form must have the agent's original signature, including the signer's company affiliation, title and phone number, and be mailed, with copies of all applicable endorsements, directly from the insurer's authorized representative to the **CITY**. The **CITY** shall have no duty to pay or perform under this Contract until such Certificate and endorsements have been received and approved by the City's Finance Department. No officer or employee, other than the City's Risk Manager, shall have authority to waive this requirement.

2.2 **CITY** reserves the right to review the insurance requirements of this Article during the effective period of this Contract and any extension or renewal hereof and to modify insurance coverages and their limits when deemed necessary and prudent by City's Risk Manager based upon changes in statutory law, court decisions, or circumstances surrounding this Contract. In no instance will **CITY** allow modification whereupon **CITY** may incur increased risk.

2.3 **READSOFT'S** financial integrity is of interest to the **CITY**; therefore, subject to **READSOFT'S** right to maintain reasonable deductibles in such amounts as are approved by the **CITY, READSOFT** shall obtain and maintain in full force and effect for the duration of this Contract, and any extension hereof, at **READSOFT'S** sole expense, insurance coverage written on an occurrence basis, unless otherwise indicated, by companies authorized to do business in the State of Texas and with an A.M Best's rating of no less than A- (VII), in the following types and for an amount not less than the amount listed below:

TYPE	AMOUNTS
1. Workers' Compensation 2. Employers' Liability	Statutory $500,000/$500,000/$500,000
3. Broad form Commercial General Liability Insurance to include coverage for the following: a. Premises operations b. Independent ReadSofts c. Products/completed operations d. Personal Injury e. Contractual Liability f. Damage to property rented by you	For Bodily Injury and Property Damage of $1,000,000 per occurrence; $2,000,000 General Aggregate, or its equivalent in Umbrella or Excess Liability Coverage $100,000
4. Business Automobile Liability a. Owned/leased vehicles	Combined Single Limit for Bodily Injury and Property Damage of $1,000,000

b. Non-owned vehicles c. Hired Vehicles	per occurrence
5. Professional Liability To be maintained and in effect for no less than two years subsequent to the completion of the professional services	$1,000,000 per claim, to pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages by reason of any act, malpractice, error, or omission in professional services.

2.4 **READSOFT** agrees to require, by written contract, that all subcontractor providing goods or services hereunder obtain the same insurance coverages required of **READSOFT** herein, and provide a Certificate of Insurance and endorsement that names **READSOFT** and **CITY** as additional insureds. **READSOFT** shall provide **CITY** with said Certificate and endorsement prior to the commencement of any work by the subcontractor. This provision may be modified by City's Risk Manager, without subsequent City Council approval, when deemed necessary and prudent, based upon changes in statutory law, court decisions, or circumstances surrounding this Contract. Such modification may be enacted by letter signed by City's Risk Manager, which shall become a part of the contract for all purposes.

2.5 **CITY** shall be entitled, upon request and without expense, to receive copies of the policies, declaration page and all endorsements thereto as they apply to the limits required by the **CITY**, and may require the deletion, revision, or modification of particular policy terms, conditions, limitations or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any such policies). **READSOFT** shall be required to comply with any such requests and shall submit a copy of the replacement Certificate of Insurance to **CITY** at the address provided below within 10 days of the requested change. **READSOFT** shall pay any costs incurred resulting from said changes.

City of San Antonio
Attn: Finance Department
P.O. Box 839966
San Antonio, Texas 78283-3966

2.6 **READSOFT** agrees that with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following provisions:

- Name the **CITY**, its officers, officials, employees, volunteers, and elected representatives as additional insured by endorsement, as respects operations and activities of, or on behalf of, the named insured performed under contract with the **CITY**, with the exception of the workers' compensation and professional liability policies;

- Provide for an endorsement that the "other insurance" clause shall not apply to the City of San Antonio where the **CITY** is an additional insured shown on the policy;

- Workers' compensation, employers' liability, auto liability and general liability policies will provide a waiver of subrogation in favor of the **CITY**; and

- Provide advance written notice directly to **CITY** of any suspension, cancellation, non-renewal or material change in coverage, and not less than ten (10) calendar days advance notice for nonpayment of premium.

2.7 Within five (5) calendar days of a suspension, cancellation or non-renewal of coverage, **READSOFT** shall provide a replacement Certificate of Insurance and applicable endorsements to **CITY**. **CITY** shall have the option to suspend **READSOFT'S** performance should there be a lapse in coverage at any time during this Contract. Failure to provide and to maintain the required insurance shall constitute a material breach of this Contract.

2.8 In addition to any other remedies the **CITY** may have upon **READSOFT'S** failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the **CITY** shall have the right to order **READSOFT** to stop work hereunder, and/or withhold any payment(s) which become due to **READSOFT** hereunder until **READSOFT** demonstrates compliance with the requirements hereof.

2.9 Nothing herein contained shall be construed as limiting in any way the extent to which **READSOFT** may be held responsible for payments of damages to persons or property resulting from **READSOFT'S** or its subcontractors' performance of the work covered under this Contract.

2.10 It is agreed that **READSOFT'S** insurance shall be deemed primary and non-contributory with respect to any insurance or self insurance carried by the City of San Antonio for liability arising out of operations under this Contract.

2.11 It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this Contract and that no claim or action by or on behalf of the **CITY** shall be limited to insurance coverage provided.

2.12 **READSOFT** and any subcontractors are responsible for all damage to their own equipment and/or property.

3.0 INDEMNIFICATION AND RELATED PROVISIONS

3.1 **ReadSoft covenants and agrees to FULLY INDEMNIFY, DEFEND and HOLD HARMLESS, the CITY and the elected officials, employees, officers, directors, volunteers and representatives of the CITY, individually and collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties,**

proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal or bodily injury, death and property damage, made upon the CITY directly or indirectly arising out of, resulting from or related to ReadSoft's activities under this Contract, including any acts or omissions of ReadSoft, any agent, officer, director, representative, employee, ReadSoft or subcontractor of ReadSoft, and their respective officers, agents employees, directors and representatives while in the exercise of the rights or performance of the duties under this Contract. The indemnity provided for in this paragraph shall not apply to any liability resulting from the negligence of CITY, its officers or employees, in instances where such negligence causes personal injury, death, or property damage. IN THE EVENT READSOFT AND CITY ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS FOR THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE CITY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW.

3.2 The provisions of this INDEMNITY are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. **ReadSoft** shall advise the **CITY** in writing within 24 hours of any claim or demand against the **CITY** or **ReadSoft** known to **ReadSoft** related to or arising out of **ReadSoft's** activities under this Contract and shall see to the investigation and defense of such claim or demand at **ReadSoft's** cost. The **CITY** shall have the right, at its option and at its own expense, to participate in such defense without relieving **ReadSoft** of any of its obligations under this paragraph.

3.3 **READSOFT** shall retain defense counsel within seven (7) business days of **CITY'S** written notice that **CITY** is invoking its right to indemnification under this Contract. Failure of the **CITY** to provide a written rejection of **READSOFT'S** counsel, including reasonable cause, within (3) days of receipt of **READSOFT'S** notice shall constitute acceptance of **READSOFT'S** counsel. If **READSOFT** fails to retain Counsel within such time period, **CITY** shall have the right to retain defense counsel on its own behalf, and **READSOFT** shall be liable for all costs incurred by **CITY**. **CITY** shall also have the right, at its option, to be represented by advisory counsel of its own selection and at its own expense, without waiving the foregoing.

3.4 Employee Litigation – In any and all claims against any party indemnified hereunder by any employee of **READSOFT**, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation herein provided shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for **READSOFT** or any subcontractor under worker's compensation or other employee benefit acts.

4.0 LAW APPLICABLE

4.1 THIS CONTRACT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN BEXAR COUNTY, TEXAS.

4.2 Any legal action or proceeding brought or maintained, directly or indirectly, as a result of this Contract shall be heard and determined in the City of San Antonio, Bexar County, Texas.

5.0 ENTIRE AGREEMENT

This Agreement, together with its exhibits, if any, constitutes the final and entire agreement between the parties hereto and contains all of the terms and conditions agreed upon. No other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind the parties hereto, unless the same are in writing, dated subsequent to the date hereto, and duly executed by the parties.

EXECUTED and **AGREED** to as of the dates indicated below. This Agreement may be executed in multiple copies, each of which shall constitute an original.

CITY OF SAN ANTONIO	**READSOFT, INC.**
_____	_____
Hugh Miller Chief Technology Officer	Robert L. Fresneda President
Date: _____	Date: _____

Approved as to Form:

_____
City Attorney

CITY OF SAN ANTONIO

FINANCE DEPARTMENT

REQUEST FOR COMPETITIVE SEALED PROPOSAL
("RFCSP")

for

ACCOUNTS PAYABLE INVOICE AUTOMATION SYSTEM

6100003224

Release Date: August 23, 2013

Proposals Due: October 2, 2013

Exhibit A

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003 BACKGROUND

The City of San Antonio Finance Accounts Payable (AP) organization is seeking proposals from qualified Respondents for professional services and software recommendations to further **automate and streamline Accounts Payable invoice processing**.

The organization is undergoing a phased effort to modernize the invoice management and payment process. The initial phase, which went live in April 2010, focused on scanning invoices and delivering electronic images throughout the organization using workflow to obtain all the necessary information to process the invoices into SAP.

The volume of transaction activity handled currently by COSA's Accounts Payable Section includes:

- 3,000 Total Active Vendors; (~7,000 vendor master records)
- Total Invoices Received Annually = 110,000 PO; 36,000 Non-PO; 10,000 Employee Travel & Expense Reimbursements
- 50% of invoice transactions correspond to <8% of total dollar spend

Through subsequent phases, the Accounts Payable department seeks to (1) Further automate and improve the total solution for the capture, workflow and financial posting of invoices; (2) Develop a comprehensive program for onboarding vendors to the improved invoice capture solutions; and (3) Incorporate performance measurement and reporting through a comprehensive standardized and ad hoc reporting capability.

Initial Phase Implementation

The major components of the current, first phase of the AP invoice automation solution include:

System Component		Description of Utilization and General Design
1	Kofax	Image capture and indexing system. Integrated with FileNet for workflow and document search (case #). Web lookup to SAP for retrieving key fields such as Vendor, Invoice #, SAP IR#.
2	FileNet	Enterprise Document Management System across CoSA. Barcode is generated to allow link between SAP and FileNet for viewing document stored in FileNet. No data exchange from FileNet attributes to SAP. SAP passes payment document information back to FileNet case via automatic process. Web lookup to SAP for retrieving key fields such as Vendor, Invoice #, SAP IR#.
3	Business Process	Toolkit used to provide the AP Case Management Solution. It is a configurable

	Framework (BPF) Toolkit	case management framework that allows for rapid application development. Toolkit components include: Configurable case user interface for work presentation; Case search capabilities; Case Fields; Picklists; Inbaskets; Inbasket Filters. BPF Explorer – The configuration tool that is used to set the configuration parameters for the application.
4	SAP	CoSA ERP. All Accounts Payable transactions processed via SAP ECC
5	US Mail	Majority of incoming invoices from vendors/suppliers received via US Mail.
6	Fax to File	Internal fax number allows faxing to a TIFF file for electronic image capture.
7	MS Outlook	Emails with invoice attachment(s) sent to shared AP inbox from vendors.
8	Shared Folders	Common drive K folders used to store electronic document for capture and history retention.
9	Adobe (PDF)	Emailed and faxed invoices received in PDF format for image capture.
10	Widows Explorer	Used to access shared folders where invoices are stored for capture/history.
11	Internet Vendor Sites	On occasion, COSA staff will access Vendor website for documents. Examples are: original invoices, individual invoices in lieu of monthly summary, detailed backup to invoices.

In addition, under a separate effort, the Capital Improvements Management Services (CIMS) Department developed a web portal to allow on-line management of contracts and corresponding invoices for capital improvement construction projects. The CIMS portal is built using a combination of tools including: Skire Unifier hosted billing system; PDF metadata extraction; FileNet; and SAP's Supplier Relationship Management (SRM) software.

Current Environment Process Analysis

From April to June 2012, a COSA project team analyzed current processes to identify improvement opportunities and overall user experience and system performance. Methodology included one on one interviews with individual users within the centralized Accounts Payable group as well as distributed user within the departments that submit invoices. Facilitated workshops were also conducted to evaluate specific process areas within the overall invoice receipt to posting workflow.

The following sections summarize the results of these interviews and workshops. Additional detail by process step can be found in **Exhibit 4: Analysis of As-Is Processes**.

System Performance

Following the initial phase, invoices from vendors continue to be received in both paper and electronic format as follows:

Method Invoices Sent	% by Mode
Paper (US Mail)	65%
eMail (to AP Inbox, Staples)	26%
Faxed to file (Internal Dept)	5%
Portal – Pay Estimates (CIMS)	4%

One of the primary measures of overall process performance is payment within invoice terms. Recent analysis of performance remains below the targeted goal. The City's goal with this RFCSP will be to increase on-time payments to at least 82%.

	% Invoices paid within terms (by count) – Fiscal Quarters			
Period	Q4 2012	Q1 2013	Q2 2013	Q3 2013
All COSA Invoices	80.0%	79.1%	81.7%	82.7%
PO-based only	76.8%	75.6%	79.6%	80.5%

The workflow design implemented in the initial phase consists of seven (7) inboxes to which invoices may be routed during the lifecycle of receipt-to-posting. Recent analysis of workflow queues indicates the following processing volumes and times by workflow inbox:

Workflow In-Basket Routing (Monthly Averages)	Average Queue Load Monthly	Average Days in Queue per Item
1. SAP Entry	1124	3.2

Workflow In-Basket Routing (Monthly Averages)	Average Queue Load Monthly	Average Days in Queue per Item
2. Analysis	707	19
3. Research	154	79
4. Pending Payment	3817	180
5. Management Review	204	1.0
6. Referred Work	1941	16.4
7. Pay Estimate	3	..06

Department Accounts Payable Review

Departments throughout the City assist in the processing of invoices. 12 key departments (of a total of approximately 40) were interviewed based on a recommendation by the Finance Fiscal Administrator. These represented departments of varied size, invoice volume and business functions. The review included a walkthrough of the invoice review process, viewing reports and soliciting feedback.

Departments review invoices that cannot be paid immediately due to discrepancies in pricing, quantity, PO#, contract value, goods receipt missing, etc. Often departments process PO/GR information in advance of sending the invoice on to Accounts Payable. Three departments also use non-Enterprise systems to assist in purchasing/invoice processing. The workflow in-basket used for routing to departments is "Referred Work".

Interview Results:

Department	# Invoices Q2	DFA Staff	# Referred Workflow Items / Month Ave	Other P2P Systems	Invoices Paid w/in Terms Q2	Fax Invoices to AP?
1. Building Services	6234	4	1010		78%	
2. Library	2093	2	223	Millennium	49%	
3. DHS	1709	5	517		53%	Yes
4. Police	1368	6	606		42%	
5. Aviation	1082	13	474		47%	
6. Public Works	680	12	439	CIMS Primelink	76%	
7. City Council	408	4	93		73%	
8. Fleet	139	4	22	Fleet Faster	56%	
9. City Manager	86	4	29		67%	
10. City Clerk	74	4	14		51%	
11. City Attorney	61	4	12		67%	
12. PCD (Grants)	51	1	12		35%	Yes

Participants were generally from the Department Fiscal Administrator (DFA) role, which is a Finance staff position embedded within each department. The DFA role was created as part of a recent Shared Services initiative. Formerly, invoice processing was highly decentralized with departments often receiving vendor invoices and correspondence directly and subsequently providing finished documents to the Finance AP group. The Shared Services model is expected to bring standardization and efficiency to overall processes, but ongoing change management has been required during the transition to make the reorganization successful. These interviews resulted in identification of common pain points and identification of areas of improvement summarized as follows:

Functional Area / System	Opportunity, Process Correction
Departments	1. Do not include the correct GL account on the purchase order
	2. Purchase goods before getting a PO
	3. Have a need for additional training
Vendors	4. Vendors are putting the wrong PO number on the invoice
	5. Send invoices to departments instead of AP
	6. Send invoices to both the department and AP creating duplicates
SAEPS	7. Due to shared services the approval workflow is not always routed to the appropriate person or department.

	8. If the approver is out of the office, there is no backup person identified with the appropriate approval role. The request remains in this queue until the approver returns.
	9. PO approval process is too long.
Accounts Payable	10. The department receives notification from AP via FileNet regarding researching an invoice after the invoice is already past due.
	11. Notification emails from FileNet are sent by department not unit/area. Therefore, everyone with FileNet Access receives the same email notifications, where true business activity could be more granular.
	12. Research request are routed to the wrong department. For example Airport Police and Park Police may go to SAPD.

Invoice Review & Payment Process Components:

The current end-to-end process was broken down into ten major steps or components for analysis purposes. The ten major process steps are:

Process Step	Description / Key Actions
1. Scan Images from Paper	Receive Invoices, Prep and Capture in Batch Management Program. Invoices received via Paper mail, eMail with attachment(s), and/or Faxed TIFF documents to file.
2. Scan Images from eMail attachments	
3. Scan Images from Fax to file	
4. Index Invoices	Identify key attributes of scanned document via Batch Management Program to generate workflow per business rules.
5. Route for Processing (AUTO)	Apply Rules per BPF (Business Process Framework) to store and route document to correct workflow in-basket or archive.
6. Manage Research In-Basket Work Items	Review invoices in AP "Research" in-basket and determine if document should move forward as workflow or stop.
7. Process AP In-Baskets	Review invoices in AP workflow and take appropriate action to complete steps necessary to post for payment in SAP. AP workflow In-Baskets: SAP Entry, Pay Estimates, Analysis.
8. Refer to Departments	Back-and-forth communication of items for resolution between AP and originating Departments via Workflow In-Baskets: Referred Work & AP Referral
9. Manage Invoice-to-Payment Process	Provide Management oversight and review of documents posted for payment via Workflows In-Baskets: Manager Review & Pending Payment.
10. Vendor Assignment Maintenance	Define assignment of initial incoming invoices to AP Specialists based on Vendor name, size and/or special priority based on available discounts or sensitivity of on-time payment.

Respondents submitting proposals will be asked to analyze known deficiencies and desired improvements, as well as bring their own knowledge of recommended best practices in automated invoice processing, particularly with SAP as the financial system of record. Results of workshops and interviews can be found in **Exhibit 4: Analysis of As-Is Processes**.

Proposed solution designs will include evaluation and reengineering of current processes and the tools selected for each step.

004 SCOPE OF SERVICE

Desired solution: Phased Program of Work

Design & Implementation Plan; Delivery of Prioritized Components of Proposed Program

The complete set of solutions sought for this and subsequent phases of the Accounts Payable invoices process improvement initiative at the City of San Antonio should be presented as a program of work to be implemented in a phased, prioritized approach.

The scope of work presented in respondent proposals should include:

1. Professional services for consulting and analysis work including best practice recommendations for process design and software tools to support efficient invoice management system.
2. Proposed preliminary design of an overall invoice receipt-to-posting system with timeline and approach to development of design document or documents for all major components and phases. Final design when implemented, should allow City Accounts Payable to achieve targeted performance level in key indicator areas defined.
3. Phased implementation plan for development and deployment of program components including recommended priority and sequence of deployment with budgetary cost/staffing estimates.

The program consists of three (3) major deliverable areas with subcomponents as outlined below. Attachments to this packet include detailed requirements of each component as well as a proposed plan questionnaire. Both will require respondent input as part of the complete proposal. See Exhibits for additional analysis to help in crafting solutions.

(1) Invoice Capture, Workflow, Posting

Further automate and improve the total solution for the capture, workflow and financial posting of invoices. Solution designs proposed in these areas should address efficiency and performance issues identified in the existing process workflows through new or upgraded system functionality. Additional system or process components may be identified to help achieve targeted performance improvements, as long as they integrate with SAP and FileNet. While the City is open to reevaluating both our processes and the selected suite of tools implemented, SAP and FileNet will not be replaced. We are seeking best practices design recommendations for purchase-to-pay and invoice processing.

Subcomponents for this program deliverable area are:

a) **Invoice Image and Data Capture**
b) **Workflow Improvements – Functions and Interfaces**
c) **Data Integration Between Systems**

(2) Vendor Outreach

Identification and development of a suite of data and/or image capture solutions to be made available to vendors. The goal is to move away from high-touch paper invoices. Proposal should include methodology for matching vendors to most appropriate solution for invoice submission based on consistent, repeatable criteria. Standard onboarding process will be defined by method. Timeline and sequence should also be included. It is anticipated that vendor outreach program will be executed over a period of one to three years.

(3) Performance Measurement and Reporting

Incorporate performance measurement and reporting through a comprehensive standardized and ad hoc reporting capability. Data must be captured and consolidated across all steps of invoice processing system. Solution design will include dashboard-style presentation, standardized reports for distribution, and ad hoc capability to allow measurement and trend analysis of key metrics and performance measures.

005 ADDITIONAL REQUIREMENTS

Statutory Requirements. Exceptions to the following provisions and exhibits by Respondent and/or their agent will lead to automatic disqualification of Respondent's proposal from consideration.

Sections:

Venue, Jurisdiction and Arbitration
Intellectual Property
Undisclosed Features
Ownership and Licenses
Certifications
Restrictions on Communication
Acceptance Criteria (if required)

Exhibits:
Insurance Requirements
Indemnification Requirements

Venue, Jurisdiction and Arbitration. For any dispute or claim arising under the award of a contract for this proposal, venue shall be in Bexar County, Texas, and the laws of the State of Texas shall apply. The City will not contractually agree to engage in binding arbitration and will not contractually agree to relinquish its right to a trial by jury.

Intellectual Property. If selected, Respondent agrees to abide by the following regarding intellectual property rights:

Respondent shall pay all royalties and licensing fees. Respondent shall hold the City harmless and indemnify the City from the payment of any royalties, damages, losses or expenses including attorney's fees for suits, claims or otherwise, growing out of infringement or alleged infringement of copyrights, patents, trademarks, trade secrets, materials and methods used in the project. It shall defend all suits for infringement of any Intellectual Property rights. Further, if Respondent has reason to believe that the design, service, process or product specified is an infringement of an Intellectual Property right, it shall promptly give such information to the City.

Upon receipt of notification that a third party claims that the program(s), hardware or both the program(s) and the hardware or any other intellectual property infringe upon any United States or International patent, copyright or trademark, Respondent will immediately:

Either:

Obtain, at Respondent's sole expense, the necessary license(s) or rights that would allow the City to continue using the programs, hardware, both the programs and hardware or any other intellectual property as the case may be, or,

Alter the programs, hardware, or both the programs and hardware so that the alleged infringement is eliminated, and

Reimburse the City for any expenses incurred by the City to implement emergency backup measures if the City is prevented from using the programs, hardware, or both the programs and hardware while the dispute is pending.

Respondent further agrees to:

Assume the defense of any claim, suit, or proceeding brought against the City for infringement of any United States patent, copyright, trademark or any other intellectual property rights arising from the use and/or sale of the equipment or software under this Agreement,

Assume the expense of such defense, including costs of investigations, reasonable attorneys' fees, expert witness fees, damages, and any other litigation-related expenses, and

Indemnify the City against any monetary damages and/or costs awarded in such suit;

Provided that:

Respondent is given sole and exclusive control of all negotiations relative to the settlement thereof, but that Respondent agrees to consult with the City Attorney of the City during such defense or negotiations and make good faith effort to avoid any position adverse to the interest of the City,

The Software or the equipment is used by the City in the form, state, or condition as delivered by Respondent or as modified without the permission of Respondent, so long as such modification is not the source of the infringement claim,

The liability claimed shall not have arisen out of the City's negligent act or omission, and

The City promptly provide Respondent with written notice within 15 days following the formal assertion of any claim with respect to which the City asserts that Respondent assumes responsibility under this section.

Undisclosed Features. CONTRACTOR warrants that the code and software provided to the City of San Antonio under this agreement does not contain any undisclosed features or functions that would impair or might impair the CITY'S use of the equipment, code or software. Specifically, but without limiting the previous representation, CONTRACTOR warrants there is no "Trojan Horse," lock, "time bomb," backdoor or similar routine. This Agreement shall not now nor will it hereafter be subject to the self-help provisions of the Uniform Computer Information Transactions Act or any other law. CONTRACTOR specifically disclaims any unilateral self-help remedies.

Ownership and Licenses.

In accordance with Texas law, Respondent acknowledges and agrees that all local government records created or received in the transaction of official business or the creation or maintenance of which were paid for with public funds are declared to be public property and subject to the provisions of Chapter 201 of the Texas Local Government Code and Subchapter J, Chapter 441 of the Texas Government Code. Thus, no such local government records produced by or on the behalf of Respondent pursuant to this Contract shall be the subject of any copyright or proprietary claim by Respondent.

The term "local government record" as used herein shall mean any document, paper, letter, book, map, photograph, sound or video recording, microfilm, magnetic tape, electronic medium, or other information recording medium, regardless of physical form or characteristic and regardless of whether public access to it is open or restricted under the laws of the state, created or received by local government or any of its officials or employees pursuant to law including an ordinance, or in the transaction of official business.

Respondent acknowledges and agrees that all local government records, as described in herein, produced in the course of the work required by any contract awarded pursuant to this RFCSP, will belong to and be the property of City. Respondent, if awarded this contract, will be required to turn over to City, all such records as required by said contract. Respondent, if awarded this contract, shall not, under any circumstances, release any records created during the course of performance of the contract to any entity without City's written permission, unless required to do so by a Court of competent jurisdiction.

In accordance herewith, Respondent, if selected, agrees to comply with all applicable federal, state and local laws, rules and regulations governing documents and ownership, access and retention thereof.

Certifications. Respondent warrants and certifies that Respondent and any other person designated to provide services hereunder has the requisite training, license and/or certification to provide said services, and meets all competence standards promulgated by all other authoritative bodies, as applicable to the services provided herein.

006 TERM OF CONTRACT

The anticipated term of the proposed contract is one year, with one additional option to renew. This period may be extended, as necessary, at the City's instruction, and without further City Council approval, in order to accomplish the contract tasks.

007 PRE-SUBMITTAL CONFERENCE

A Pre-Submittal Conference will be held at the Finance Hill Country Conference Room located at 111 Soledad Street, Suite 1100, San Antonio, Texas 78205 at **11:30 a.m.**, Central Time, on **September 9, 2013**. Respondents are encouraged to prepare and submit their questions in writing 5 calendar days in advance of the Pre-Submittal Conference in order to expedite the proceedings. City's responses to questions received by this due date may be distributed at the Pre-Submittal Conference and posted with this solicitation. Attendance at the Pre-Submittal Conference is optional, but highly encouraged. Respondents that are not able to attend in person may participate by Conference Call. Respondents may call the toll free number listed below and enter access code to participate the day of the conference.

Toll Free Dial-In Number: 1-877-226-9790
Access Code: 4148136

This meeting place is accessible to disabled persons. The Hill Country Conference Room is wheelchair accessible. The accessible entrance is located at 111 Soledad Street. Accessible parking spaces are located at the Rand Parking Garage. Auxiliary aids and services are available upon request. Interpreters for the Deaf must be requested at least 48 hours prior to the meeting. For assistance, call (210) 207-7245 Voice/TTY.

Any oral response given at the Pre-Submittal Conference that is not confirmed in writing and posted with this solicitation shall not be official or binding on the City. Only written responses shall be official and all other forms of communication with any officer, employee or agent of the City shall not be binding on the City. Respondents are encouraged to resubmit their questions in writing, to the City Staff person identified in the Restrictions on Communication section, after the conclusion of the Pre-Submittal Conference.

008 PROPOSAL REQUIREMENTS

Respondent's Proposal shall include the following items in the following sequence, noted with the appropriate heading as indicated below. If Respondent is proposing as a team or joint venture, provide the same information for each member of the team or joint venture.

If submitting a hard copy proposal, submit one original, signed in ink and one copy of the proposal on compact disk (CD) containing an Adobe PDF version of the entire proposal. Each of the items listed below must be labeled with the heading indicated below as a separate file on the CD.

If submitting electronically through City's portal, scan and upload these documents with your proposal. Each of the items listed below must be uploaded as a separate attachment, labeled with the heading indicated below.

TABLE OF CONTENTS

EXECUTIVE SUMMARY. The summary shall include a statement of the work to be accomplished, how Respondent proposes to accomplish and perform each specific service and unique problems perceived by Respondent and their solutions.

GENERAL INFORMATION FORM. Use the Form found in this RFCSP as Attachment A Part One.

EXPERIENCE, BACKGROUND & QUALIFICATIONS. Use the Form found in this RFCSP as Attachment A, Part Two.

PROPOSED PLAN. Use the Form found in this RFCSP as Attachment A Part Three.

PRICING SCHEDULE. Use the Pricing Schedule that is found in this RFCSP as Attachment B. Respondent must provide cost breakdown by task and applicable hourly rates for each member that will be assigned to this project.

DISCRETIONARY CONTRACTS DISCLOSURE FORM. Use the Form in RFCSP Attachment C which is posted separately or Respondent may download a copy at:

https://www.sanantonio.gov/eforms/atty/ContractsDisclosure.pdf.

Instructions for completing the Discretionary Contracts Disclosure form:

Download form and complete all fields. All fields must be completed prior to submitting the form.

Click on the "Print" button and place the copy in your proposal as indicated in the Proposal Checklist.

LITIGATION DISCLOSURE FORM. Complete and submit the Litigation Disclosure Form, found in this RFCSP as Attachment D. If Respondent is proposing as a team or joint venture, then all persons or entities who will be parties to the contract (if awarded) shall complete and return this form.

ADDITIONAL PROJECT DOCUMENTS. Complete and return as Attachment E.

SMALL BUSINESS ECONOMIC DEVELOPMENT ADVOCACY (SBEDA) PROGRAM FORM(S). Complete, sign and submit any and all SBEDA form(s), found in this RFCSP as Attachment F.

SIGNATURE PAGE. Respondent must complete, sign and submit the Signature Page found in this RFCSP as Attachment G. The Signature Page must be signed by a person, or persons, authorized to bind the entity, or entities,

submitting the proposal. Proposals signed by a person other than an officer of a corporate respondent or partner of partnership respondent shall be accompanied by evidence of authority.

PROPOSAL CHECKLIST. Complete and submit the Proposal Checklist found in this RFCSP as Attachment H.

PROOF OF INSURABILITY. Submit a letter from insurance provider stating provider's commitment to insure the Respondent for the types of coverages and at the levels specified in this RFCSP if awarded a contract in response to this RFCSP. Respondent shall also submit a copy of their current insurance certificate.

FINANCIAL INFORMATION. Submit a recent copy of a Dun and Bradstreet financial report, or other credit report, on Respondent and its partners, affiliates and subtenants, if any.

Respondent is expected to examine this RFCSP carefully, understand the terms and conditions for providing the services listed herein and respond completely. FAILURE TO COMPLETE AND PROVIDE ANY OF THESE PROPOSAL REQUIREMENTS MAY RESULT IN THE RESPONDENT'S PROPOSAL BEING DEEMED NON-RESPONSIVE AND THEREFORE DISQUALIFIED FROM CONSIDERATION.

009 CHANGES TO RFCSP

Changes to the RFCSP, made prior to the due date for proposals shall be made directly to the original RFCSP. Changes are captured by creating a replacement version each time the RFCSP is changed. It is Respondent's responsibility to check for new versions until the proposal due date. City will assume that all proposals received are based on the final version of the RFCSP as it exists on the day proposals are due.

No oral statement of any person shall modify or otherwise change or affect the terms, conditions or specifications stated in the RFCSP.

010 SUBMISSION OF PROPOSALS

Proposals may be submitted in hard copy format only.

Submission of Hard Copy Proposals.

Respondent shall submit a total of 14 copies, one original, signed in ink, and 13 copies. Please include a full copy of your proposal on compact disk (CD) containing an Adobe PDF version of the entire proposal. Please submit your response in a sealed package clearly marked with the project name, "AP Invoice Automation System" on the front of the package.

Proposals must be received in the City Clerk's Office no later than 2:00 p.m., Central Time, on **October 2, 2013** at the address below. Any proposal or modification received after this time shall not be considered, and will be returned, unopened to the Respondent. Respondents should note that delivery to the P.O. Box address in a timely manner does not guarantee its receipt in the City Clerk's Office by the deadline for submission. Therefore, Respondents should strive for early submission to avoid the possibility of rejection for late arrival.

Mailing Address:
City Clerk's Office
Attn: Finance Department AP Invoice Automation System
P.O. Box 839966
San Antonio, Texas 78283-3966

Physical Address:
City Clerk's Office
Attn: Finance Department AP Invoice Automation System
100 Military Plaza
2nd Floor, City Hall San Antonio, Texas 78205

Proposals sent by facsimile or email will not be accepted.

Proposal Format. Each proposal shall be typewritten, single spaced and submitted on 8 ½" x 11" white paper. If submitting a hard copy, place proposal inside a three ring binder or other securely bound fashion. The use of recycled paper and materials is encouraged. Unnecessarily elaborate brochures, artwork, bindings, visual aides, expensive paper or other materials beyond that sufficient to present a complete and effective submission are not required. Font size shall be no less than 12-point type. All pages shall be numbered and, in the case of hard copy submissions, printed two-sided. Margins shall be no less than 1" around the perimeter of each page. A proposal response to RFCSP Attachment A–Respondent Questionnaire form may not exceed 150 pages in length. Websites, or URLs shall not be submitted in lieu of the printed proposal or electronic submission through City's portal. Each proposal must include the sections and attachments in the sequence listed in the RFCSP Section 008, Proposal Requirements, and each section and attachment must be indexed and, for hard copy submissions, divided by tabs and indexed in a Table of Contents page. For electronic submissions, whether through the portal or on a CD, each separate section should be attached as a separate file. Failure to meet the above conditions may result in disqualification of the proposal or may negatively affect scoring.

Modified Proposals. Proposals may be modified provided such modifications are received prior to the due date for submission of proposals and submitted in the same manner as original proposal. For hard copy proposals, provide a cover letter with the proposal, indicating it is a modified proposal and that the Original proposal is being withdrawn. For electronic proposals, a modified proposal will automatically replace a prior proposal submission.

Correct Legal Name.

Respondents who submit proposals to this RFCSP shall correctly state the true and correct name of the individual, proprietorship, corporation, and /or partnership (clearly identifying the responsible general partner and all other partners who would be associated with the contract, if any). No nicknames, abbreviations (unless part of the legal title), shortened or short-hand, or local "handles" will be accepted in lieu of the full, true and correct legal name of the entity. These names shall comport exactly with the corporate and franchise records of the Texas Secretary of State and Texas Comptroller of Public Accounts. Individuals and proprietorships, if operating under other than an individual name, shall match with exact Assumed Name filings. Corporate Respondents and limited liability company Respondents shall include the 11-digit Comptroller's Taxpayer Number on the Respondent Questionnaire form found in this RFCSP as Attachment A.

If an entity is found to have incorrectly or incompletely stated its name or failed to fully reveal its identity on the General Information form, the Director of Finance shall have the discretion, at any point in the contracting process, to suspend consideration of the proposal.

Firm Offer. All provisions in Respondent's proposal, including any estimated or projected costs, shall remain valid for 120 days following the deadline date for submissions or, if a proposal is accepted, throughout the entire term of the contract.

Confidential or Proprietary Information. All proposals become the property of the City upon receipt and will not be returned. Any information deemed to be confidential by Respondent should be clearly noted; however, City cannot guarantee that it will not be compelled to disclose all or part of any public record under the Texas Public Information Act, since information deemed to be confidential by Respondent may not be considered confidential under Texas law, or pursuant to a Court order.

Cost of Proposal. Any cost or expense incurred by the Respondent that is associated with the preparation of the Proposal, the Pre-Submittal conference, if any, or during any phase of the selection process, shall be borne solely by Respondent.

011 RESTRICTIONS ON COMMUNICATION

Respondents are prohibited from communicating with: 1) elected City officials and their staff regarding the RFCSP or proposals from the time the RFCSP has been released until the contract is posted as a City Council agenda item; and 2) City employees from the time the RFCSP has been released until the contract is awarded. These restrictions extend to "thank you" letters, phone calls, emails and any contact that results in the direct or indirect discussion of the RFCSP and/or proposal submitted by Respondent. Violation of this provision by Respondent and/or its agent may lead to disqualification of Respondent's proposal from consideration.

Exceptions to the Restrictions on Communication with City employees include:

Respondents may ask verbal questions concerning this RFCSP at the Pre-Submittal Conference.

Respondents may submit written questions concerning this RFCSP to the Staff Contact Person listed below until **September 24, 2013** at 2:00 p.m. Central Time. Questions received after the stated deadline will not be answered. All questions shall be sent by e-mail or through the portal.

Patricia Cavazos, Procurement Specialist III
City of San Antonio, Finance Department –Procurement Division
patricia.cavazos@sanantonio.gov

Questions submitted and the City's responses will be posted with this solicitation.

Respondents and/or their agents are encouraged to contact the Small Business Office of the International and Economic Development Department for assistance or clarification with issues specifically related to the City's Small Business Economic Development Advocacy (SBEDA) Program policy and/or completion of the SBEDA form(s), if any. The point of contact is Catherine Olukotun and may be reached by telephone at (210) 207-8088 or by e-mail at catherine.olukotun@sanantonio.gov. Contacting the Small Business Office regarding this RFCSP after the proposal due date is not permitted.

Respondents may provide responses to questions asked of them by the Staff Contact Person after responses are received and opened. During interviews, if any, verbal questions and explanations will be permitted. If interviews are conducted, Respondents shall not bring lobbyists. The City reserves the right to exclude any persons from interviews as it deems in its best interests.

Upon completion of the evaluation process, Respondents shall receive a notification letter indicating the recommended firm and anticipated City Council agenda date. Respondents desiring a review of the solicitation process may submit a written request no later than seven (7) calendar days from the date letter was sent. The letter will indicate the name and address for submission of requests for review.

012 EVALUATION CRITERIA

The City will conduct a comprehensive, fair and impartial evaluation of all Proposals received in response to this RFCSP. The City may appoint a selection committee to perform the evaluation. Each Proposal will be analyzed to determine overall responsiveness and qualifications under the RFCSP. Criteria to be evaluated may include the items listed below. The selection committee may select all, some or none of the Respondents for interviews. If the City elects to conduct interviews, Respondents may be interviewed and re-scored based upon the same criteria. The City may also request additional information from Respondents at any time prior to final approval of a selected Respondent. The City reserves the right to select one, or more, or none of the Respondents to provide services. Final approval of a selected Respondent is subject to the action of the City of San Antonio City Council.

Evaluation criteria:

Proposed Solution (25 points)

Experience, Background, Qualifications (40 points)

Pricing (15 points)

Small Business Economic Development Advocacy Program (SBEDA) (total possible 20 points)

SBE Prime Contract Program – 15 points

Certified SBE firms headquartered or having a Significant Business Presence within the San Antonio Metropolitan Statistical Area responding to this solicitation as Prime Contractors proposing at least 51% SBE participation (prime and/or subcontractor) will receive fifteen (15) evaluation criteria percentage points.

No evaluation criteria percentage Points will be awarded to non-SBE Prime Contractors through subcontracting to certified SBE firms.

Mentorship Incentive – 5 points

Respondents certifying their commitment to serve as mentors in the City of San Antonio's Mentor Protégé Program will receive five (5) evaluation criteria percentage Points. Respondents document such commitment by initialing and signing the "Mentor Commitment Form" attached to this solicitation.

For joint venture respondents, each joint venture partner must initial, sign and submit a "Mentor Commitment Form" for the joint venture respondent to receive the five (5) evaluation preference Points.

013 AWARD OF CONTRACT AND RESERVATION OF RIGHTS

City reserves the right to award one, more than one or no contract(s) in response to this RFCSP.

The Contract, if awarded, will be awarded to the Respondent(s) whose Proposal(s) is deemed most advantageous to City, as determined by the selection committee, upon approval of the City Council.

City may accept any Proposal in whole or in part. If subsequent negotiations are conducted, they shall not constitute a rejection or alternate RFCSP on the part of City. However, final selection of a Respondent is subject to City Council approval.

City reserves the right to accept one or more proposals or reject any or all proposals received in response to this RFCSP, and to waive informalities and irregularities in the proposals received. City also reserves the right to terminate this RFCSP, and reissue a subsequent solicitation, and/or remedy technical errors in the RFCSP process.

City will require the selected Respondent(s) to execute a contract with the City, prior to City Council award. No work shall commence until City signs the contract document(s) and Respondent provides the necessary evidence of insurance as required in this RFCSP and the Contract. Contract documents are not binding on City until approved by the City Attorney. In the event the parties cannot negotiate and execute a contract within the time specified, City reserves the right to terminate negotiations with the selected Respondent and commence negotiations with another Respondent.

This RFCSP does not commit City to enter into a Contract, award any services related to this RFCSP, nor does it obligate City to pay any costs incurred in preparation or submission of a proposal or in anticipation of a contract.

If selected, Respondent will be required to comply with the Insurance and Indemnification Requirements established herein.

The successful Respondent must be able to formally invoice the City for services rendered, incorporating the SAP-generated contract and purchase order numbers that shall be provided by the City.

Conflicts of Interest. Respondent acknowledges that it is informed that the Charter of the City of San Antonio and its Ethics Code prohibit a City officer or employee, as those terms are defined in the Ethics Code, from having a financial interest in any contract with City or any City agency such as City-owned utilities. An officer or employee has a "prohibited financial interest" in a contract with City or in the sale to City of land materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale: the City officer or employee; his parent, child or spouse; a business entity in which he or his parent, child or spouse owns ten (10) percent or more of the voting stock or shares of the business entity, or ten (10) percent or more of the fair market value of the business entity; or a business entity in which any individual or entity above listed is a subcontractor on a City contract, a partner or a parent or subsidiary business entity.

Respondent is required to warrant and certify that it, its officers, employees and agents are neither officials nor employees of the City, as defined in Section 2-42 of the City's Ethics Code. (Discretionary Contracts Disclosure – form may be found online at https://www.sanantonio.gov/eforms/atty/DiscretionaryContractsDisclosure.pdf.)

Independent Contractor. Respondent agrees and understands that, if selected, it and all persons designated by it to provide services in connection with a contract, are and shall be deemed to be an independent contractors, responsible for their respective acts or omissions, and that City shall in no way be responsible for Respondent's actions, and that none of the parties hereto will have authority to bind the others or to hold out to third parties, that it has such authority.

Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that persons, or their agents, who seek to contract for the sale or purchase of property, goods, or services with the City, shall file a completed conflict of interest questionnaire with the City Clerk not later than the 7th business day after the date the person: (1) begins contract

discussions or negotiations with the City; or (2) submits to the City an application, response to a request for proposals or bids, correspondence, or another writing related to a potential agreement with the City. The conflict of interest questionnaire form is available from the Texas Ethics Commission at http://www.ethics.state.tx.us/forms/CIQ.pdf. Completed conflict of interest questionnaires may be mailed or delivered by hand to the Office of the City Clerk. If mailing a completed conflict of interest questionnaire, mail to: Office of the City Clerk, P.O. Box 839966, San Antonio, TX 78283-3966. If delivering a completed conflict of interest questionnaire, deliver to: Office of the City Clerk, City Hall, 2nd floor, 100 Military Plaza, San Antonio, TX 78205. Respondent should consult its own legal advisor for answers to questions regarding the statute or form.

014 BONDS

This section left blank intentionally.

015 SOFTWARE ESCROW REQUIREMENT

To ensure that the City will have access to the Contractor's source code in the event that the Contractor is unable to support the software, a copy of the Contractor's source code shall be kept by a trusted third party agreeable to the City. A Software Escrow Agreement, attached as RFCSP EXHIBIT 3 shall be submitted to evidence the deposit of the source code and the maintenance of the escrow account. The Contractor may submit its own Software Escrow Agreement, provided it is in substantially similar form to the attached RFCSP EXHIBIT 3, in the determination of the City.

016 ACCEPTANCE CRITERIA

This section is intentionally left blank .

017 SCHEDULE OF EVENTS

Following is a list of **projected dates/times** with respect to this RFCSP:

RFCSP Release Date	August 23, 2013
Pre-Submittal Conference	September 9, 2013 at 11:30 am
Final Questions Accepted	September 24, 2013 at 2:00 pm
Proposal Due	October 2, 2013 at 2:00 pm

018 RFCSP EXHIBITS

RFCSP EXHIBIT 1

INSURANCE REQUIREMENTS

If selected to provide the services described in this RFCSP, Respondent shall be required to comply with the insurance requirements set forth below:

INSURANCE

A) Prior to the commencement of any work under this Agreement, Consultant shall furnish copies of all required endorsements and completed Certificate(s) of Insurance to the City's Finance Department, which shall be clearly labeled "***AP Invoice Automation System***" in the Description of Operations block of the Certificate. The Certificate(s) shall be completed by an agent and signed by a person authorized by that insurer to bind coverage on its behalf. The City will not accept a Memorandum of Insurance or Binder as proof of insurance. The certificate(s) must have the agent's signature and phone number, and be mailed, with copies of all applicable endorsements, directly from the insurer's authorized representative to the City. The City shall have no duty to pay or perform under this Agreement until such certificate and endorsements have been received and approved by the City's Finance Department. No officer or employee, other than the City's Risk Manager, shall have authority to waive this requirement.

B) The City reserves the right to review the insurance requirements of this Article during the effective period of this Agreement and any extension or renewal hereof and to modify insurance coverages and their limits when deemed necessary and prudent by City's Risk Manager based upon changes in statutory law, court decisions, or circumstances surrounding this Agreement. In no instance will City allow modification whereby City may incur increased risk.

C) A Consultant's financial integrity is of interest to the City; therefore, subject to Consultant's right to maintain reasonable deductibles in such amounts as are approved by the City, Consultant shall obtain and maintain in full force and effect for the duration of this Agreement, and any extension hereof, at Consultant's sole expense, insurance coverage written on an occurrence basis, unless otherwise indicated, by companies authorized to do business in the State of Texas and with an A.M Best's rating of no less than A- (VII), in the following types and for an amount not less than the amount listed below:

TYPE	AMOUNTS
1. Workers' Compensation 2. Employers' Liability	Statutory $500,000/$500,000/$500,000
3. Broad form Commercial General Liability Insurance to include coverage for the following: a. Premises/Operations *b. Independent Contractors c. Products/Completed Operations d. Personal Injury e. Contractual Liability f. Damage to property rented by you	For Bodily Injury and Property Damage of $1,000,000 per occurrence; $2,000,000 General Aggregate, or its equivalent in Umbrella or Excess Liability Coverage f. $100,000
4. Business Automobile Liability a. Owned/leased vehicles b. Non-owned vehicles c. Hired Vehicles	Combined Single Limit for Bodily Injury and Property Damage of $1,000,000 per occurrence
5. Professional Liability (Claims-made basis) To be maintained and in effect for no less than two years subsequent to the completion of the professional service.	$1,000,000 per claim, to pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages by reason of any act, malpractice, error, or omission in professional services.
* if applicable	

D) Consultant agrees to require, by written contract, that all subcontractors providing goods or services hereunder obtain the same insurance coverages required of Consultant herein, and provide a certificate of insurance and endorsement that names the Consultant and the CITY as additional insureds. Respondent shall provide the CITY with said certificate and endorsement prior to the commencement of any work by the subcontractor. This provision may be modified by City's Risk Manager, without subsequent City Council approval, when deemed necessary and prudent, based upon changes in statutory law, court decisions, or circumstances surrounding this agreement. Such modification may be enacted by letter signed by City's Risk Manager, which shall become a part of the contract for all purposes.

E) As they apply to the limits required by the City, the City shall be entitled, upon request and without expense, to receive copies of the policies, declaration page, and all endorsements thereto and may require the deletion, revision, or modification of particular policy terms, conditions, limitations, or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any such policies). Consultant shall be required to comply with any such requests and shall submit a copy of the replacement certificate of insurance to City at the address provided below within 10 days of the requested change. Consultant shall pay any costs incurred resulting from said changes.

City of San Antonio
Attn: Finance Department
P.O. Box 839966
San Antonio, Texas 78283-3966

F) Consultant agrees that with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following provisions:

- Name the City, its officers, officials, employees, volunteers, and elected representatives as additional insureds by endorsement, as respects operations and activities of, or on behalf of, the named insured performed under contract with the City, with the exception of the workers' compensation and professional liability policies;
- Provide for an endorsement that the "other insurance" clause shall not apply to the City of San Antonio where the City is an additional insured shown on the policy;
- Workers' compensation, employers' liability, general liability and automobile liability policies will provide a waiver of subrogation in favor of the City.
- Provide advance written notice directly to City of any suspension, cancellation, non-renewal or material change in coverage, and not less than ten (10) calendar days advance notice for nonpayment of premium.

G) Within five (5) calendar days of a suspension, cancellation or non-renewal of coverage, Consultant shall provide a replacement Certificate of Insurance and applicable endorsements to City. City shall have the option to suspend Consultant's performance should there be a lapse in coverage at any time during this contract. Failure to provide and to maintain the required insurance shall constitute a material breach of this Agreement.

H) In addition to any other remedies the City may have upon Consultant's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to order Consultant to stop work hereunder, and/or withhold any payment(s) which become due to Consultant hereunder until Consultant demonstrates compliance with the requirements hereof.

I) Nothing herein contained shall be construed as limiting in any way the extent to which Consultant may be held responsible for payments of damages to persons or property resulting from Consultant's or its subcontractors' performance of the work covered under this Agreement.

J) It is agreed that Consultant's insurance shall be deemed primary and non-contributory with respect to any insurance or self insurance carried by the City of San Antonio for liability arising out of operations under this Agreement.

K) It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this Agreement and that no claim or action by or on behalf of the City shall be limited to insurance coverage provided..

L) Consultant and any Subcontractors are responsible for all damage to their own equipment and/or property.

RFCSP EXHIBIT 2

INDEMNIFICATION REQUIREMENTS

If selected to provide the services described in this RFCSP, Respondent shall be required to comply with the indemnification requirements set forth below:

INDEMNIFICATION

RESPONDENT covenants and agrees to FULLY INDEMNIFY, DEFEND and HOLD HARMLESS, the CITY and the elected officials, employees, officers, directors, volunteers and representatives of the CITY, individually and collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal or bodily injury, death and property damage, made upon the CITY directly or indirectly arising out of, resulting from or related to RESPONDENT'S activities under this Agreement, including any acts or omissions of RESPONDENT, any agent, officer, director, representative, employee, consultant or subcontractor of RESPONDENT, and their respective officers, agents employees, directors and representatives while in the exercise of the rights or performance of the duties under this Agreement. The indemnity provided for in this paragraph shall not apply to any liability resulting from the negligence of CITY, its officers or employees, in instances where such negligence causes personal injury, death, or property damage. IN THE EVENT RESPONDENT AND CITY ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS FOR THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE CITY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW.

The provisions of this INDEMNITY are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. RESPONDENT shall advise the CITY in writing within 24 hours of any claim or demand against the CITY or RESPONDENT known to RESPONDENT related to or arising out of RESPONDENT's activities under this AGREEMENT and shall see to the investigation and defense of such claim or demand at RESPONDENT's cost. The CITY shall have the right, at its option and at its own expense, to participate in such defense without relieving RESPONDENT of any of its obligations under this paragraph.

RFCSP EXHIBIT 3

ESCROW AGREEMENT

This agreement ("Agreement") is effective _____, 20__ among _____ ("Custodian"), Respondent's Name ("Depositor") and the City of San Antonio ("Preferred Beneficiary"), who collectively may be referred to in this Agreement as the parties ("Parties").

A. Depositor and Preferred Beneficiary have entered or will enter into an Annual Contract for Name of Project between the City of San Antonio and Respondent's Name, regarding certain proprietary technology of Depositor (referred to in this Agreement as "the License Agreement").

B. Depositor desires to avoid disclosure of its proprietary technology except under certain limited circumstances.

C. The availability of the proprietary technology of Depositor is critical to Preferred Beneficiary in the conduct of its business and, therefore, Preferred Beneficiary needs access to the proprietary technology under certain limited circumstances.

D. Depositor and Preferred Beneficiary desire to establish an escrow with Custodian to provide for the retention, administration and controlled access of the proprietary technology materials of Depositor.

E. The parties desire this Agreement to be supplementary to the Annual Contract for Name of Project between the City of San Antonio and Respondent's Name, pursuant to 11 United States [Bankruptcy] Code, Section 365(n).

ARTICLE 1 -- **DEPOSITS**

1.1 Obligation to Make Deposit. Upon the signing of this Agreement by the parties, Depositor shall deliver to Custodian the proprietary technology and other materials ("Deposit Materials") required to be deposited by the License Agreement. Custodian shall have no obligation to either party with respect to the preparation, accuracy, execution or delivery of Deposit Materials.

1.2 Identification of Tangible Media. Prior to the delivery of the Deposit Materials to Custodian, Depositor shall conspicuously label for identification each document, magnetic tape, disk, or other tangible media upon which the Deposit Materials are written or stored. Additionally, Depositor shall complete a copy of Exhibit A to this Agreement by listing each such tangible media by the item label description, the type of media and the quantity. Each Exhibit A shall be signed by Depositor and delivered to Custodian with the Deposit Materials. Unless and until Depositor makes the initial deposit with Custodian, Custodian shall have no obligation with respect to this Agreement, except the obligation to notify the parties regarding the status of the account as required in Section 2.2 below.

1.3 Acceptance of Deposit. Custodian will conduct a deposit inspection upon receipt of any Deposit Material and associated Exhibit A by visually matching the labeling of the tangible media containing the Deposit Materials to the item descriptions and quantity listed on Exhibit A. Depositor shall provide notice by electronic mail, telephone, or regular mail to the Depositor and Beneficiary of all Deposit Material that is accepted and deposited into the escrow account under this Agreement. If Custodian determines that the Deposit Material does not match the description provided by Depositor represented in Exhibit A attached hereto, Custodian will provide Depositor with notice by electronic mail, telephone, or regular mail of such discrepancies. Custodian will work directly with the Depositor to resolve any such discrepancies prior to accepting Deposit Material. Other than Custodian's inspection of the Deposit Materials, Custodian shall have no obligation to the accuracy, completeness, functionality, performance or non-performance of the Deposit Materials.

1.4 Depositor's Representations. Depositor represents as follows:

a. Depositor lawfully possesses all of the Deposit Materials deposited with Custodian;

b. With respect to all of the Deposit Materials, Depositor has the right and authority to grant to Custodian and Preferred Beneficiary the rights as provided in this Agreement;

c. As of the effective date of this Agreement, the Deposit Materials are not the subject of a lien or encumbrance, however, any liens or encumbrances made after the execution of this Agreement will not prohibit, limit, or alter the rights and obligations of Custodian under this Agreement;

d. The Deposit Materials consist of the proprietary technology and other materials identified in the License Agreement; and

e. The Deposit Materials are readable and useable in the appropriate technical environment their current form or, if any portion of the Deposit Materials is encrypted, the decryption tools and decryption keys have also been deposited.

f. The Deposit Materials include the source code corresponding to the computer software licensed by Depositor to Preferred Beneficiary under the License Agreement, except for third-party software that Depositor has no right to provide to Custodian or to Preferred Beneficiary in source code form. Either the License Agreement or Exhibit A properly identifies all third-party software embedded in or associated with the computer software licensed by Depositor to Preferred Beneficiary under the License Agreement that is not included in the Deposit Materials. The Deposit Materials include any pertinent commentary or explanation that may be necessary to render the source code understandable and useable by a trained computer-programming expert who is generally familiar with Fire Incident Report Systems and program code. The Deposit Materials include system documentation, statements of principles of operation and schematics, all as necessary or useful for the effective understanding and use of the source code. Insofar as the "development environment" employed by Depositor for the development, maintenance, and implementation of the Source Code includes any device, programming, or documentation not commercially available to Preferred beneficiary on reasonable terms through readily known sources other than Depositor, the Deposit Materials shall include all such devices, programming, or documentation. The foregoing reference to such "development environment" is intended to apply to any programs, including compilers, "workbenches," tools, and higher-level (or "proprietary") languages, used by Depositor for the development, maintenance and implementation of the Source Code.

1.5 Deposit Updates. Unless otherwise provided by the License Agreement, Depositor shall update the Deposit Materials within sixty (60) days of each release of a new version, release, addition, modification or update of the licensed software, which is subject to the License Agreement; provided that Depositor shall not be required to make updates more often than once every four (4) months, nor less frequently than once per year. Such updates will be added to the existing deposit. All deposit updates shall be listed on a new Exhibit A and Depositor shall sign the new Exhibit A. Each Exhibit A will be held and maintained separately within the escrow account. An independent record will be created which will document the activity for each Exhibit A. The processing of all deposit updates shall be in accordance with Sections 1.2 and 1.3 above. All references in this Agreement to the Deposit Materials shall include the initial Deposit Materials and any updates.

For purposes of this Agreement, Depositor may accomplish such updates by having the new version of the product added to the existing deposit or, alternatively and upon written instruction to Custodian and Preferred Beneficiary, exchanging the new version of the product for the old version of the product within the existing deposit.

1.6 Removal of Deposit Materials. The Deposit Materials may be removed and/or exchanged only on written instructions signed by Depositor and Preferred Beneficiary, or as otherwise provided in this Agreement.

1.7 Verification. Preferred Beneficiary shall have the right, at Preferred Beneficiary's expense, to cause a verification of any Deposit Materials once within the first 90 days after execution of this Agreement by Preferred Beneficiary, and thereafter twice in any 12-month period. Preferred Beneficiary shall notify Depositor and Custodian of Preferred Beneficiary's request for verification. Depositor shall have the right to be present at the verification. A verification determines, in different levels of detail, the accuracy, completeness, sufficiency and quality of the Deposit Materials as well as to confirm that it compiles to the pertinent object code of the licensed software. If verification is elected after the Deposit Materials have been delivered to Custodian, then Custodian,

or at Preferred Beneficiary's election, an independent person or company selected by Preferred Beneficiary who is reasonably acceptable to Depositor will perform the verification. The Preferred Beneficiary shall be responsible for all costs of the verification, including, without limitation, Custodian's fees associated with the verification, the costs incurred by Depositor relating to such verification (including, without limitation, travel and living expenses for Depositor personnel required to assist with the verification and fees for the services of such personnel, at Depositor's standard daily rates, as applicable).

ARTICLE 2 -- **CONFIDENTIALITY AND RECORD KEEPING**

2.1 Confidentiality. Custodian shall have the obligation to reasonably protect the confidentiality of the Deposit Materials by maintaining the Deposit Materials in a secure, environmentally safe, locked facility which is accessible only to authorized representatives of Custodian. Except as provided in this Agreement or any subsequent agreement between the Parties, Custodian shall not disclose, transfer, make available to any party, or use the Deposit Materials. Custodian shall not disclose the terms of this Agreement to any third party. If Custodian receives a subpoena or any other order from a court or other judicial tribunal pertaining to the disclosure or release of the Deposit Materials, Custodian will immediately notify the parties to this Agreement of same in writing, unless prohibited by law. It shall be the responsibility of Depositor and/or Preferred Beneficiary to challenge any such order; provided, however, that Custodian does not waive its rights to present its position with respect to any such order. Custodian will not be required to disobey any order from a court or other judicial tribunal, including, but not limited to, notices delivered pursuant to Section 7.6 below. Custodian will not be required to disobey any order from a court or other judicial tribunal.

2.2 Status Reports. Custodian shall provide to Depositor and Preferred Beneficiary access to the Custodian's real-time, on-line portal to view data and documentation relative to this Agreement. Upon request, Custodian will provide ad hoc status reports to Depositor and Preferred Beneficiary.

2.3 Audit Rights. During the term of this Agreement, Depositor and Preferred Beneficiary shall each have the right to inspect the written records of Custodian pertaining to this Agreement. Any such inspection shall occur during normal business hours and following reasonable prior notice.

ARTICLE 3 -- **RIGHT TO MAKE COPIES**

Custodian may make copies of the Deposit Materials as necessary to meet its obligations under this Agreement, while retaining a copy to carry out its obligations for other licensees who may benefit from the same arrangement. Custodian shall include in any copies all copyright, non-disclosure and other proprietary notices and titles contained on the Deposit Materials. With all Deposit Materials submitted to Custodian, Depositor shall provide any and all instructions as may be necessary to duplicate the Deposit Materials, including, without limitation, instructions as to necessary hardware or software. In all other respects, Custodian shall not make copies of the Deposit Materials except to fulfill an order of a court of competent jurisdiction (see Section 2.1).

If for any reason Custodian should make any copy of the Deposit Materials, Custodian shall promptly give written notice to Depositor of such action and shall explain the reason for such copying in the notice.

ARTICLE 4 -- **RELEASE OF DEPOSIT**

4.1 Release Conditions. As used in this Agreement, "Release Condition" shall mean the occurrence and continuance of any of the following:

a. Entry of an order for relief regarding Depositor under Title 11 (bankruptcy) of the United States Code, the making by Depositor of a general assignment for the benefit of its creditors, the appointment of a general receiver or trustee in bankruptcy of Depositor's business or property, or the commencement of similar proceedings under the bankruptcy, insolvency, liquidation or reorganization laws of any state or any other country or province (except that were entry of an order, appointment of a receiver or trustee in bankruptcy, or

commencement of bankruptcy or insolvency proceedings is effected on an involuntary basis, then Depositor shall have 60 days to have such case or proceeding dismissed);

b. Depositor's failure to continue to do business in the ordinary course;

c. Any decision by Depositor to withdraw maintenance services in support of the Depositor software licensed by Depositor to Preferred Beneficiary under the License Agreement;

d. The occurrence of a breach as defined in the License Agreement;

e. The occurrence of any condition (whether or not qualifying as a breach) having a critical impact on necessary business functions (such as a continuing loss of service or data), which Depositor cannot or will not assure Preferred Beneficiary will be corrected so to restore necessary business functions using all reasonable means, and the release of the Deposit Materials is reasonably believed to enable Preferred Beneficiary to remedy such condition critically impacting Preferred Beneficiary's use of the licensed software to meet necessary business functions; and, for purposes of this Agreement, if a Release Condition is claimed by Preferred Beneficiary to exist on this basis, then, notwithstanding Sections 4.2 and 4.3 hereof, Custodian will, without delay, release the Deposit Materials to Preferred Beneficiary immediately upon Custodian's receipt of written notice of such Release Condition in which Preferred Beneficiary shall explain why it believes the Deposit Materials will enable Preferred Beneficiary to resolve such critical impact condition and why an immediate release is required, but Preferred Beneficiary shall commit to surrender the Deposit Materials to Custodian or Depositor promptly after the correction has occurred to restore necessary business functions.]

4.2 Filing For Release. If Preferred Beneficiary believes in good faith that a Release Condition has occurred and is continuing, then Preferred Beneficiary, at any time, may provide to Custodian written notice of the occurrence of the Release Condition and a request for the release of the Deposit Materials. Within five (5) business days of receipt of a written notice, Custodian shall provide a copy of the notice to Depositor. Custodian will promptly notify the Parties unless Custodian acknowledges or discovers independently, or through the Parties, its need for additional documentation or information in order to comply with this Section. Such need for additional documentation or information may extend the time period for Custodian's performance under this section.

4.3 Contrary Instructions. From the date Custodian mails the notice by overnight express mail requesting release of the Deposit Materials, Depositor shall have ten (10) business days to deliver to Custodian contrary instructions ("Contrary Instructions"). Contrary Instructions shall mean the written representation by Depositor that a Release Condition has not occurred or has been cured. Upon receipt of Contrary Instructions, Custodian shall send a copy of Contrary Instructions to Preferred Beneficiary by overnight commercial express mail. Additionally, Custodian shall notify both Depositor and Preferred Beneficiary that there is a dispute to be resolved pursuant to Section 7.4 of this Agreement. Subject to Section 5.2 and 4.1(e) of this Agreement, Custodian will continue to store the Deposit Materials without release pending (a) joint instructions from Depositor and Preferred Beneficiary; or (b) dispute resolution pursuant to Section 7.4; or (c) an order from a court of competent jurisdiction.

4.4 Release of Deposit. If Custodian does not receive Contrary Instructions from the Depositor, or if the Preferred Beneficiaries request to release is based on 4.1(e), Custodian is authorized to release the Deposit Materials to the Preferred Beneficiary. However, Custodian is entitled to receive any fees due Custodian before making the release. This Agreement will terminate upon the release of the Deposit Materials held by Custodian.

4.5 Right to Use Following Release. Unless otherwise provided in the License Agreement, upon release of the Deposit Materials in accordance with this Article 4, Preferred Beneficiary shall have the right to use the Deposit Materials for the sole purpose of continuing the benefits afforded to Preferred Beneficiary by the License Agreement. Preferred Beneficiary shall be obligated to maintain the confidentiality of the released Deposit Materials.

ARTICLE 5 -- **TERM AND TERMINATION**

5.1 Term of Agreement. The initial term of this Agreement is for a period of one year. Thereafter, this Agreement shall automatically renew from year-to-year unless (a) Depositor and Preferred Beneficiary jointly instruct Custodian in writing that the Agreement is terminated; (b) Custodian instructs Depositor and Preferred Beneficiary in writing ninety (90) days after its renewal date, that the Agreement is terminated for nonpayment in accordance with Section 5.2; or (c) Custodian reserves the right to terminate this Agreement, for any reason, other than for nonpayment, by providing Depositor and Preferred Beneficiary sixty (60) days written notice of its intent to terminate this Agreement. If the Deposit Materials are subject to another escrow agreement with Custodian, Custodian reserves the right, after the initial one year term, to adjust the anniversary date of this Agreement to match the then prevailing anniversary date of such other escrow arrangements.

5.2 Termination for Nonpayment. In the event of the nonpayment of fees owed to Custodian, Custodian shall provide written notice of delinquency to all parties to this Agreement. Any party to this Agreement shall have the right to make the payment to Custodian to cure the default. If the past due payment is not received in full by Custodian within one (1) month of the date of such notice, then Custodian shall have the right to terminate this Agreement at any time thereafter by sending written notice of termination to all parties. Custodian shall have no obligation to take any action under this Agreement so long as any payment due to Custodian remains unpaid.

5.3 Disposition of Deposit Materials Upon Termination. Subject to the foregoing termination provisions, and upon termination of this Agreement, Custodian shall destroy, return to Depositor, or otherwise deliver the Deposit Materials in accordance with Depositor's instructions. If there are no instructions, Custodian may, at its sole discretion, destroy the Deposit Materials or return them to Depositor. Custodian shall have no obligation to destroy or return the Deposit Materials if the Deposit Materials are subject to another escrow agreement with Custodian or have been totally released to the Preferred Beneficiary in accordance with Section 4.4.

5.4 Survival of Terms Following Termination. Upon termination of this Agreement, the following provisions of this Agreement shall survive:

a. Depositor's Representations (Section 1.4);

b. The obligations of confidentiality with respect to the Deposit Materials;

c. The obligation to pay Custodian any fees and expenses due;

d. The provisions of Article 7;

e. Section 4.5 to the extent applicable; and

f. Any provisions in this Agreement which specifically state they survive the termination of this Agreement.

ARTICLE 6 -- **CUSTODIAN'S FEES**

6.1 Fee Schedule. Custodian is entitled to be paid its agreed fees and expenses applicable to the services provided by Depositor. Custodian shall notify Depositor of Custodian's fees at least sixty (60) days prior to any increase in fees. For any service not listed on Custodian's standard fee schedule, Custodian will provide a quote prior to rendering the service, if requested.

6.2 Payment Terms. Custodian shall not be required to perform any service, including release of any Deposit Materials under Article 4, unless the payment for such service and any outstanding balances owed to Custodian are paid in full. Fees are due upon receipt of a signed contract or receipt of the Deposit Materials whichever is earliest. If invoiced fees are not paid, Custodian may terminate this Agreement in accordance with Section 5.2.

ARTICLE 7 -- **LIABILITY AND DISPUTES**

7.1 Right to Rely on Instructions. Custodian may act in reliance upon any instruction, instrument, or signature reasonably believed by Custodian to be genuine. Custodian may assume that any employee of a party to this

Agreement who gives any written notice, request, or instruction has the authority to do so. Custodian will not be required to inquire into the truth or evaluate the merit of any statement or representation contained in any notice or document. Custodian shall not be responsible for failure to act as a result of causes beyond the reasonable control of Custodian.

7.2 Indemnification. Depositor agrees to indemnify, defend and hold harmless Custodian from any and all claims, actions, damages, arbitration fees and expenses, costs, reasonable attorney's fees and other liabilities ("Liabilities") incurred by Custodian directly resulting from this escrow arrangement, except where it is adjudged that Custodian acted with gross negligence or willful misconduct.

7.3 Limitation of Liability and Waiver of Consequential Damages.

(a) Notwithstanding anything else herein, all liability, if any, whether arising in contract, tort (including negligence) or otherwise, of Custodian under this Agreement shall be limited to the amount equal to ten times the then annual fees owed or paid to Custodian under this Agreement. If claim or loss is made in relation to a specific deposit or deposits, such liability shall be limited to the fees related specifically to such deposits. This limit shall not apply for: (I) any claims of infringement of any patent, copyright, trademark or other proprietary right; (II) liability for death or bodily injury; (III) damage to tangible property (excluding the Deposit Material); (IV) theft; or (V) proven gross negligence or willful misconduct.

(b) In no event will Custodian be liable for any incidental, indirect, special, exemplary, punitive or consequential damages, including, but not limited to, damages (including loss of data, revenue, and/or profits) costs or expenses (including legal fees and expenses), whether arising in contract, tort (including negligence) or otherwise even if the possibility thereof may be known in advance to one or more parties and whether foreseeable or unforeseeable, that may arise out of or in connection with this Agreement.

7.5 Controlling Law. This Agreement is to be governed and construed in accordance with the laws of the State of Texas, without regard to its conflict of law provisions.

7.6 Notice of Requested Order. If any party intends to obtain an order from the arbitrator or any court of competent jurisdiction, which may direct Custodian to take, or refrain from taking any action, that party shall:

a. Give notice to Custodian at least five (5) business days prior to the hearing; and

b. Include in any such order that, as a precondition to Custodian's obligation, Custodian be paid in full for any past due fees and be paid for the reasonable value of the services to be rendered pursuant to such order.

ARTICLE 8 -- **GENERAL PROVISIONS**

8.1 Entire Agreement. This Agreement, which includes Exhibits described herein, embodies the entire understanding among the parties with respect to its subject matter and supersedes all previous communications, representations or understandings, either oral or written. Custodian is not a party to the License Agreement between Depositor and Preferred Beneficiary and has no knowledge of any of the terms or provisions of any such License Agreement. Custodian's only obligations to Depositor or Preferred Beneficiary are as set forth in this Agreement. No amendment or modification of this Agreement shall be valid or binding unless signed by all the parties hereto, except that Exhibit A need not be signed by Preferred Beneficiary and Exhibit B need not be signed.

8.2 Notices. All notices, invoices, payments, deposits and other documents and communications shall be given to the parties at the addresses specified in the attached Exhibit B. It shall be the responsibility of the parties to notify each other as provided in this Section in the event of a change of address. The parties shall have the right to rely on the last known address of the other parties. Any correctly addressed notice or last known address of the other parties that is relied on herein that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified as provided herein shall be deemed effective as of the first date

that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities by registered mail, or through messenger or commercial express delivery services. Unless otherwise provided in this Agreement, all non-critical documents (such as invoices) and non-critical communications may be delivered by First Class mail.

8.3 Severability. In the event any provision of this Agreement is found to be invalid, voidable or unenforceable, the parties agree that unless it materially affects the entire intent and purpose of this Agreement, such invalidity, voidability or unenforceability shall affect neither the validity of this Agreement nor the remaining provisions herein, and the provision in question shall be deemed to be replaced with a valid and enforceable provision most closely reflecting the intent and purpose of the original provision.

8.4 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties. However, Custodian shall have no obligation in performing this Agreement to recognize any successor or assign of Depositor or Preferred Beneficiary unless Custodian receives clear, authoritative and conclusive written evidence of the change of parties.

8.5 Waiver. Any term of this Agreement may be waived by the party entitled to the benefits thereof, provided that any such waiver must be in writing and signed by the party against whom the enforcement of the waiver is sought. No waiver of any condition, or breach of any provision of this Agreement, in any one or more instances, shall be deemed to be a further or continuing waiver of such condition or breach. Delay or failure to exercise any right or remedy shall not be deemed the waiver of that right or remedy.

8.6 Regulations. Depositor and Preferred Beneficiary are responsible for and warrant compliance with all applicable laws, rules and regulations, including but not limited to customs laws, import, export, and re-export laws and government regulations of any country from or to which the Deposit Materials may be delivered in accordance with the provisions of this Agreement.

8.7 Attorney's Fees. Each party shall be responsible for its own attorney fees to enforce this agreement.

8.8 No Third Party Rights. This Agreement is made solely for the benefit of the Parties to this Agreement and their respective permitted successors and assigns, and no other person or entity shall have or acquire any right by virtue of this Agreement unless otherwise agreed to by all the parties hereto.

8.9 Authority to Sign. Each of the Parties herein represents and warrants that the execution, delivery, and performance of this Agreement has been duly authorized and signed by a person who meets statutory or other binding approval to sign on behalf of its business organization as named in this Agreement.

8.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

Depositor	Preferred Beneficiary
By:	By:
Name:	Name:
Title:	Title:
Date:	Date:

Custodian

By: _____

Name: _____

Title: _____

Date: _____

ESCROW AGREEMENT

EXHIBIT A

DESCRIPTION OF DEPOSIT MATERIALS

Depositor Company Name _____

Account Number _____

Product Name _____

DEPOSIT MATERIAL DESCRIPTION:

Quantity	Media Type & Size	Label Description of Each Separate Item
_____	Disk 3.5" or _____	
_____	DAT tape _____ mm	
_____	CD-ROM	
_____	Data cartridge tape _____	
_____	TK 70 or _____ tape	
_____	Magnetic tape _____	
_____	Documentation	
_____	Other _____	

PRODUCT DESCRIPTION:

Environment _____

DEPOSIT MATERIAL INFORMATION:

Is the media or are any of the files encrypted? If yes, please include any passwords and the decryption tools.

Encryption tool name_____ Version _____

Hardware required_____

Software required_____

Other required information_____

I certify for **Depositor** that the above described **Custodian** has accepted the above.	
Deposit Materials have been transmitted to Custodian: _____	
Materials	*(any exceptions are noted above)*:

Signature _____
Print Name _____
Date _____

Signature _____
Print Name _____
Date Accepted
_____
Exhibit A#
_____

ESCROW AGREEMENT

EXHIBIT B

DESIGNATED CONTACT

	Account Number_____
Notices, deposit material returns and communications to Depositor should be addressed:	**Notices and communications to Preferred Beneficiary should be addressed to:**
Company Name:	Company Name:
Address:	Address:
Designated Contact:	Designated Contact:
Telephone:	Telephone
Facsimile:	Facsimile:
E-mail:	E-mail:
Verification Contact:	Verification Contact:
Telephone/E-mail:	

	Fees for this agreement will be paid by
	Depositor.
Invoices to Depositor should be addressed to:	
Company Name:	Company Name:
Address: Attn:	
	Address:
Billing Contact:	Billing Contact:
Telephone:	Telephone:
Facsimile:	Facsimile:
E-mail:	E-mail:
P.O.#	P.O.#:

Requests from Depositor or Preferred Beneficiary to change the designated contact should be given in writing by the designated contact or an authorized employee of Depositor or Preferred Beneficiary.

Agreements, Deposit Materials and notices to Custodian should be addressed to:	***All invoice fee remittances to Custodian should be addressed to:***
Custodian	Custodian

Telephone:	
Facsimile:	Date:
E-mail:	

RFCSP EXHIBIT 4

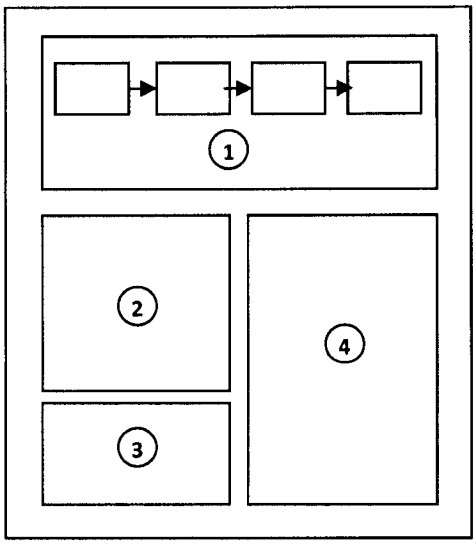
ANALYSIS OF AS IS PROCESSES

The following ten (10) pages provide detail of each component of the current invoice receipt-to-posting process. The format of the analysis results is structured to include one of the 10 process steps per page.

1. Scan Images from Paper
2. Scan Images from eMail attachments
3. Scan Images from Fax to file
4. Index Invoices
5. Route for Processing (AUTO)
6. Manage Research In-Basket Work Items
7. Process AP In-Baskets
8. Refer to Departments
9. Manage Invoice-to-Payment Process
10. Vendor Assignment Maintenance

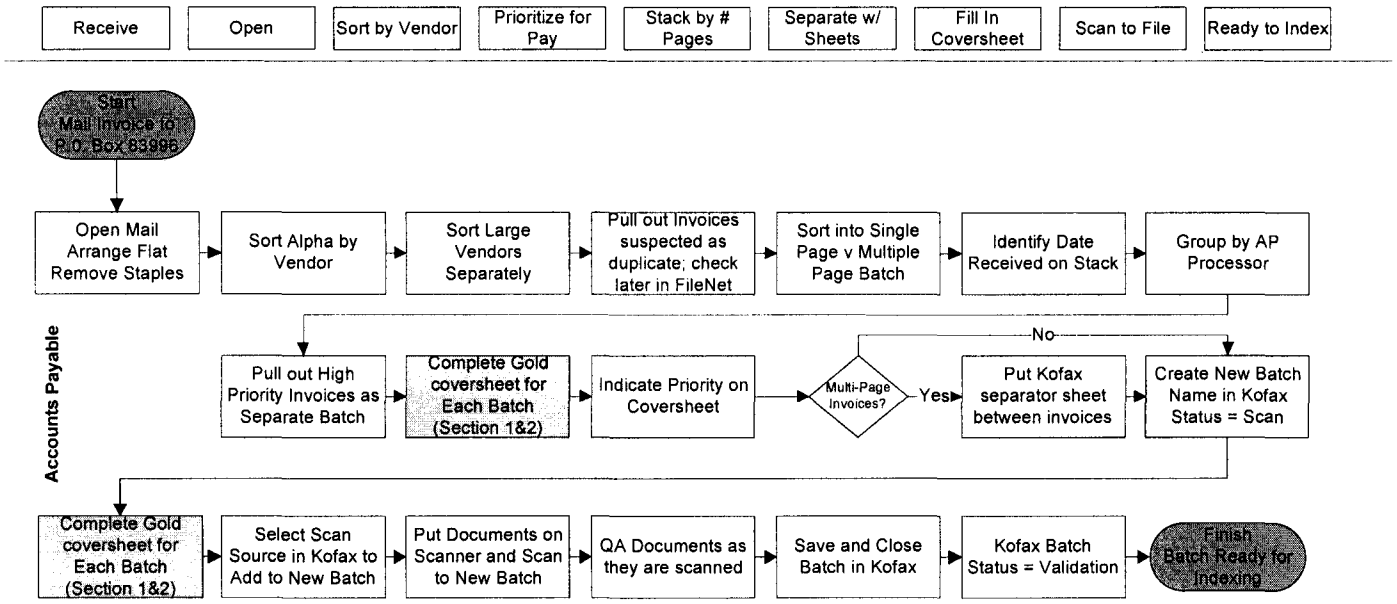
Each page is formatted to provide a definition of:

(1) Workflow for that process step
(2) General business rules or as-is practices;
(3) Current or desired measures of quality and performance; and
(4) Known deficiencies and desired improvements.



This analysis should be used to inform the respondent as they develop proposed design(s). However, this should not be considered as constituting a complete set of requirements or a comprehensive analysis of deficiencies of the current process. Respondents may include additional analysis and requirements gathering as part of the overall proposal submitted in response to this RFCSP.

Accounts Payable Invoice Processing: Receive Invoices via Paper Mail



Business Rules and Practices

- 80% of paper invoices are received in two (2) daily mail pick ups;
- Additional invoices via departments directly drop off throughout the day.
- 300 – 400 paper invoices per day.
- Mail volumes higher on Monday; Higher beginning/end of month.

Coversheets have been designed to identify invoice stacks and queues to be indexed in Kofax imaging tool. Coversheets are stored in file room by date and later destroyed. Document retention rules apply to image stored in FileNet.

Coversheet Color Indicates Purpose:
= Paper Invoices (single or multi-page)
= Supporting Documents
Blue = Emailed or Faxed Invoices (no attachments, cover sheet only)
Green = Pay Estimates

Coversheet Fields
Step 1: Check Batch Class & Document Count
Step 2: Create Folder in Kofax Batch Manager
Step 3: Index – indicate type of document(s)
~~Step 4: Random review for UAT – NOT USED~~
Step 5: Move to Fileroom (Sign & Date)

Analysts identify high-priority invoices based on knowledge of:
- Discounts available
- Payment Terms
- High visibility status
- Sensitive Vendor

Priority invoices scanned and indexed 1-2 days; Regular invoices 4-7 days.

Measures of Performance and/or Quality

- Batches per Day/Month/Quarter
- Average Batch size - #invoices; #pages
- Doc Type Breakdown #/%: Invoice, Pay Est, Non-PO, Supporting, T&E
- Average volume per staff person
- Bad scan – poor quality original (%)
- % day's mail scanned same day
- Time to scan an average batch? Page? Invoice?

Improvement Opportunities / Pain Points

Sorting Mail for Scanning:

- Train all analysts / specialists how to identify "priority". Current process requires passing stack between people – one to sort, another to pull out priority invoices, another to scan and possibly another to index.

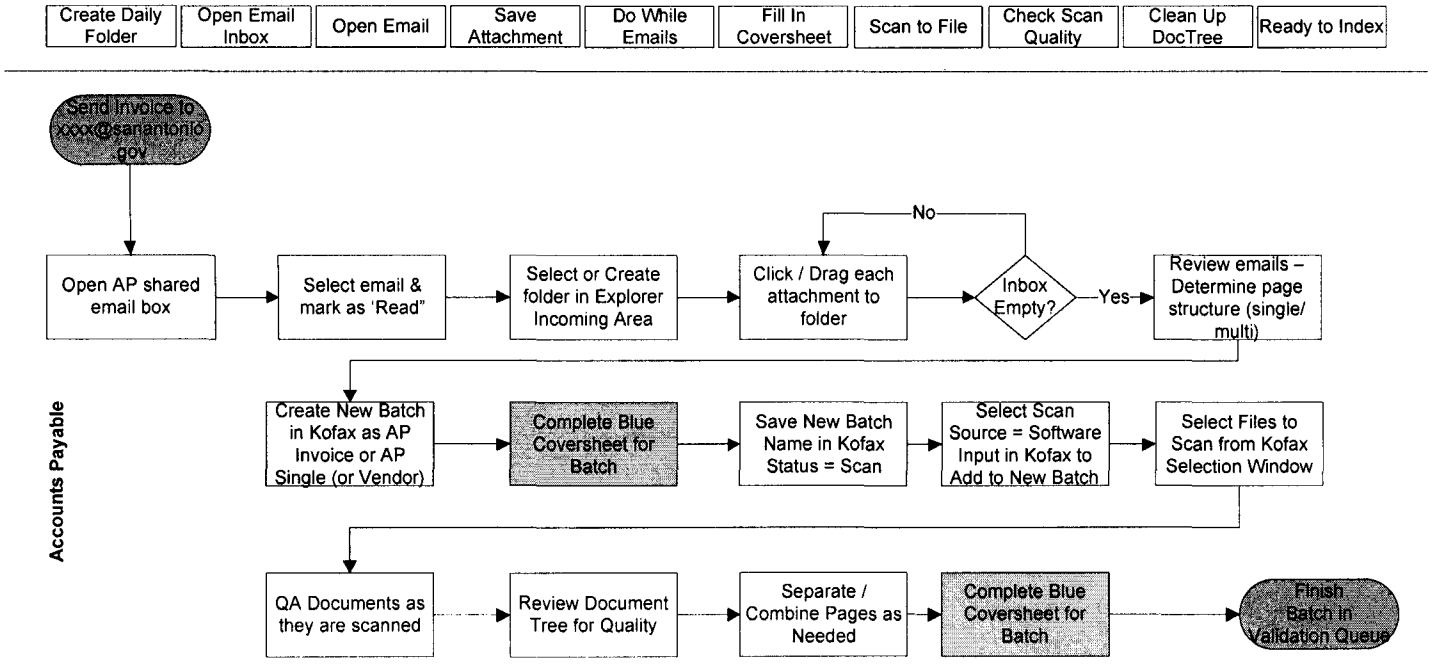
How Invoices Get to AP – Problem of Duplicates and Lag Time:

- Frequent and unscheduled submission of invoices from Departments walking invoices down to AP.
- Often (approx. 25%) of walk by invoices from departments are courtesy copies (duplicates) from vendor with just GR added to it. Departments may believe AP doesn't have invoice yet because has not appeared in SAP or FileNet Referred work.
- Vendor also may send duplicate: AP inquiry handler may not know for 5-7 days that invoice is in the system when vendor is calling.
- Sometimes invoice is already stamped Overdue when it gets to AP.
- Bill to address is department instead of Accounts Payable on PO.
- Have had discussion with purchasing to strengthen wording on contracts to include and enforce correct address (AP) to send invoices.

Scanning Capacity:

- Scanner can handle 300 one-sided pages on the tray at any one time. Some documents may be 1200 pp with backup documentation;
- Some documents arrive in duplex. Must be handled manually.

Accounts Payable Invoice Processing: Receive Invoices via Electronic Mail



Business Rules and Practices

- Standard practice is to provide general email address to all vendors – this was an improvement over historical practice of sending directly to a named AP specialist.
- Staples is set up from their own system to automatically email invoices; Due to volume, they have been provided with a separate, specific email address that routes directly for processing by AP2 specialist.
- Vendor systems typically generate invoices overnight – AP processes inbox first thing in the morning. Emailed is viewed as priority.
- All emails in AP email inbox are treated as priority – one (1) business day indexing accomplished.
- Emails are received almost exclusively from vendors.
- Typically, the vendor requests email format – COSA does not dictate.
- Occasionally, a Department will send an email invoice, but this is not encouraged or promoted – this is an exception.

Measures of Performance and/or Quality

High value perceived to traceability of receiving via email versus paper. Has increased over time from 50 a day to 150 invoices a day via email in just last three months.

- Emails per Day/Month/Quarter
- Average # attachments per email
- Average # invoices per email; pages per invoice
- # or % and Type vendors sending emails

Improvement Opportunities / Pain Points

Extracting Attachments from Emails:

- Manual process to open and/or mark as 'ready' email, then extract attachment and save as a file in a daily created file folder in specified location on AP shared drive.
- Email batch scan more time consuming on an invoice by invoice basis than paper.
- Future state vision: System will strip off invoice attachment from email automatically and capture image and data. Would allow higher volume of invoices via email – current process too manual to rollout in large scale.
- For example, Labor on Demand (now putting their own separator sheet), Keystaff & Tristar labor invoices grouped together in one document. Have to sort manually.

File Format Limitations:

Only accepts TIFF or PDF. Some vendors send in MS office formats for example (Word or Excel). Adds time – print off and scan.

Kofax does not recognize PDF format as single 'document' - cannot distinguish individual PDF files. User must indicate Single or Multi-page documents batch type before bringing in files from saved file location.

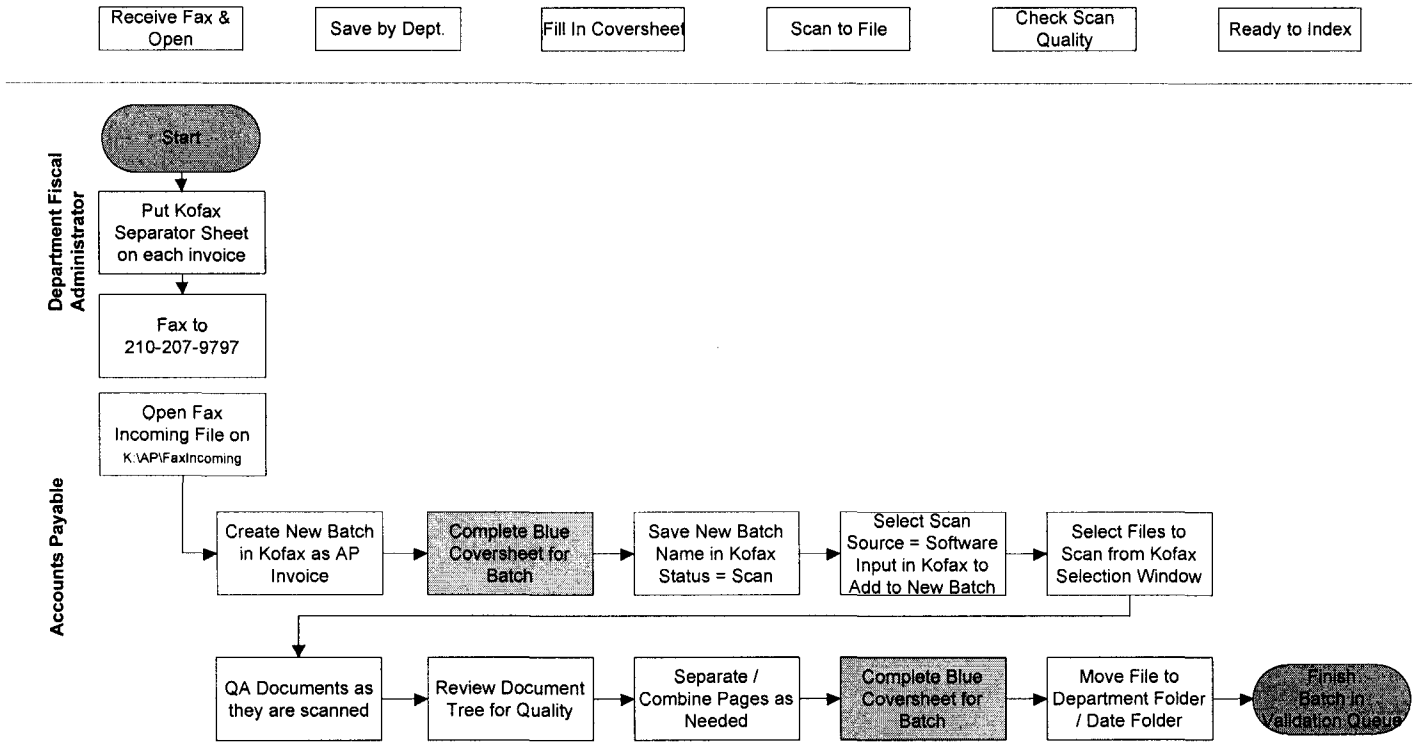
- PDFs brought in as Single = each page of PDF documents becomes single invoice. (e.g. Five files with 3 pages each = 15 one-page 'invoices').
- PDFs brought in as Multi = entire PDF batch becomes one multi-page document (e.g. Five files with 3 pages each = One (1) 15-page 'invoice')
- AP staff must manually group/identify individual documents as invoices once 'scan' is complete.

Vendor Communication:

Vendor inquiries and other non-invoice emails or spam often get routed to inbox. Future state vision: standard response to vendor when email that is not an invoice detected – "please send only invoices", direct inquiries to (e.g. xxx xxx xxxx, ###@sa.gov).

Future state vision: Generate receipt acknowledgement to the vendor. Do not want to imply commitment to pay; simple acknowledgement of receipt. Provide COSA AP contact information for further inquiry.

Accounts Payable Invoice Processing: Receive Invoices via Facsimile to File



Business Rules and Practices

Only specific Departments have been authorized to send Faxed invoices to AP. Departments include Kofax barcode separator sheets to allow scan to file & auto-detection of start/end of an invoice in the file.

Note that even if invoice is a single page, users always include separator sheet so best to identify as multi page in Kofax incoming batch.

Authorized Departments that fax:
1. DHS
2. Grants Monitoring
3. SAMHD
4. Neighborhood Action
5. OEP
6. Planning and Community Development

Measures of Performance and/or Quality

- Faxed Invoice Quantity per Day/Month/Quarter
- Average # invoices per fax; pages per invoice
- # / Type vendors for areas sending faxes
- *(small volume in general as % of all invoices received)*
- % day's faxes scanned same day
- Time to scan an average batch? page? Invoice?

Scan Quality (Only twice in six months unable to read a document via fax; *If faxed image was bad, cannot recreate good image from existing file.*)

Improvement Opportunities / Pain Points

Faxed Invoices High Quality, Low Touch:

Faxed invoices are easier to process for scanning than emailed or paper – fewer steps. The work to separate and review individual invoices done up front by departments prior to sending to AP.

Sent by Departments only (no vendors) who have been highly trained. Few, if any, duplicates; high quality images.

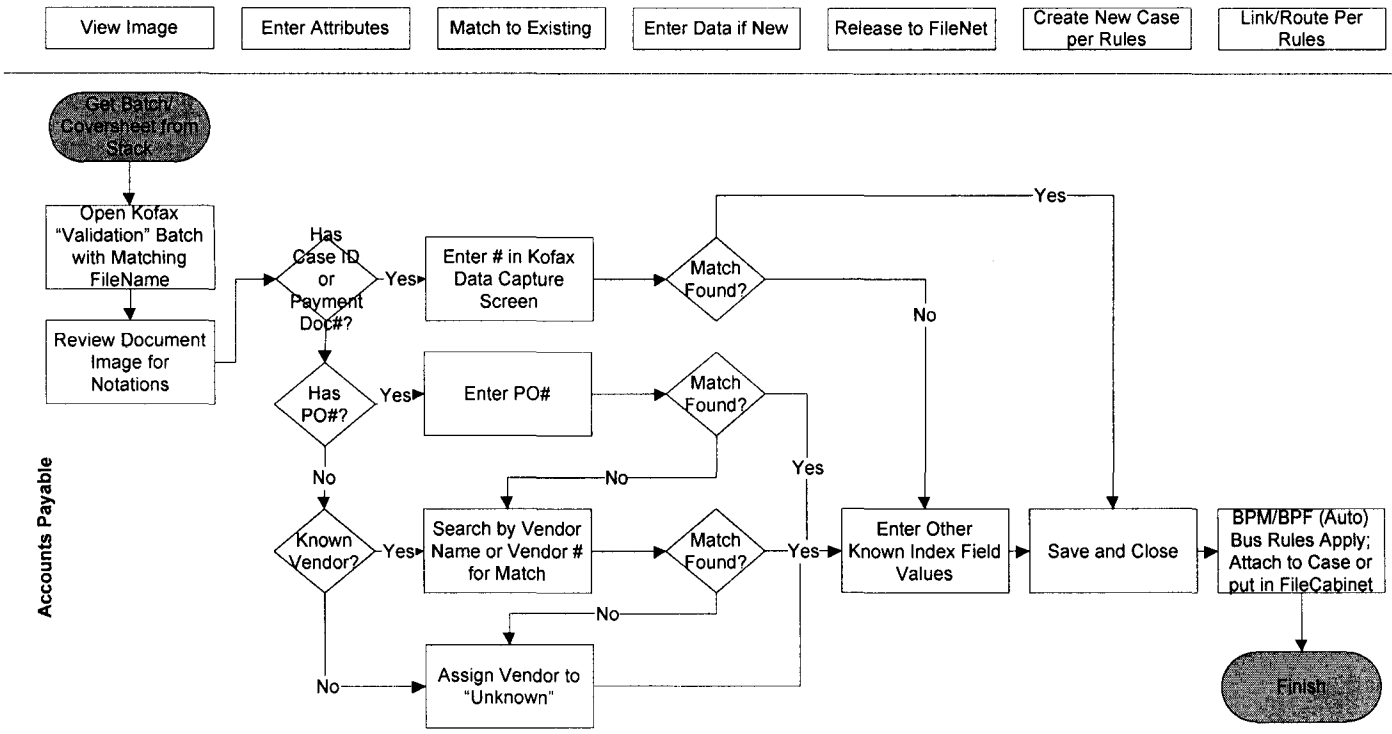
Mostly originate from delegate agency that require justification of compliance with grant to approve invoice. These must come from Departments; the Department actually generates the invoice.

Could possibly increase rollout to departments if they comply with guidelines and separator sheets. However, need to know what/how many departments already touching invoices and are good candidate for conversion to fax versus drive by. Best practice and future state direction is for Vendors to send directly to AP as per contract and function design.

Future State Incremental Upgrades:

- Visibility of annotations on PDF files is inconsistent - do not always copy over into Kofax TIFF image. Critical because it is typically a PO number.
- Label/barcode on bottom of a page would work the same as separator sheet.
- Design standardized template for internally-generated invoices to facilitate OCR or other data capture/reading to bypass manual indexing.
- Explore Fax-from-desktop capability as alternative to email as possible process improvement.

Accounts Payable Invoice Processing: Kofax & FileNet Enter Document Attributes



Business Rules and Practices

Indexing typically done immediately following scanning/imaging from paper, fax or email. However, can be done as separate tasks and by different people.

At time of handling paper, AP staff has begun practice of drawing attention to key fields using circling or other highlighting method. Speeds up indexing process significantly. Done up front at mail sort step.

Kofax Indexing Fields:

1. Document Type* (Invoice, Pay Estimate, Supporting Doc, Non-PO, Employee T&E)
2. PO# Number* (Look up returns SAP Vendor Name and Number)
3. Vendor Name*(Look up returns SAP Vendor Number)
4. Vendor Number*(Look up returns SAP Vendor Name)
5. *Vendor DBA (???)*
6. SAP IR Document #(Look up returns SAP Vendor Name, Vendor#, Invoice#, Amount, Date)
7. Vendor Invoice #*
8. Invoice Date*
9. Invoice Amount*
10. Case ID (Lookup returns all relevant information within FileNet
11. Doc Received Date*

*Required Fields

Measures of Performance and/or Quality

- Average # invoices indexed / day, month, quarter
- By Document types
- By Has PO#
- Time to index
- % New Case created without error
- % to Error queue

Improvement Opportunities / Pain Points

Error Handling:

Users select queues in "validation" status for indexing. After indexing, automatically removed from queue list – cases created on completion of indexing (not job). Queues that error out and move to QA status are not visible/known until open in batch manager.

Indexing Efficiency:

- Indexing screen only allows search on same Vendor or PO# the first time it is entered in sequence. If next invoice has same key information, search does not work – user must clear fields, search and repeat.
- Multi page invoices are difficult – key fields on different pages. At sort sometimes move last page to front if this is page with summary info. Then sometimes invoice# not there.
- Sometimes have multiple PO numbers on invoices. Future state: capture all PO numbers on indexing. (e.g. single invoice paid across multiple POs.; Airgas, for example: one for rental one for purchase of gas).

Image Quality Correction:

Some invoices are not clear (amount, vendor, etc.). Helps that we have them in the stacks. Must go back to AP Specialists. Some vendors still using dot matrix printers. Conversion to TIFF not high quality, distorted.

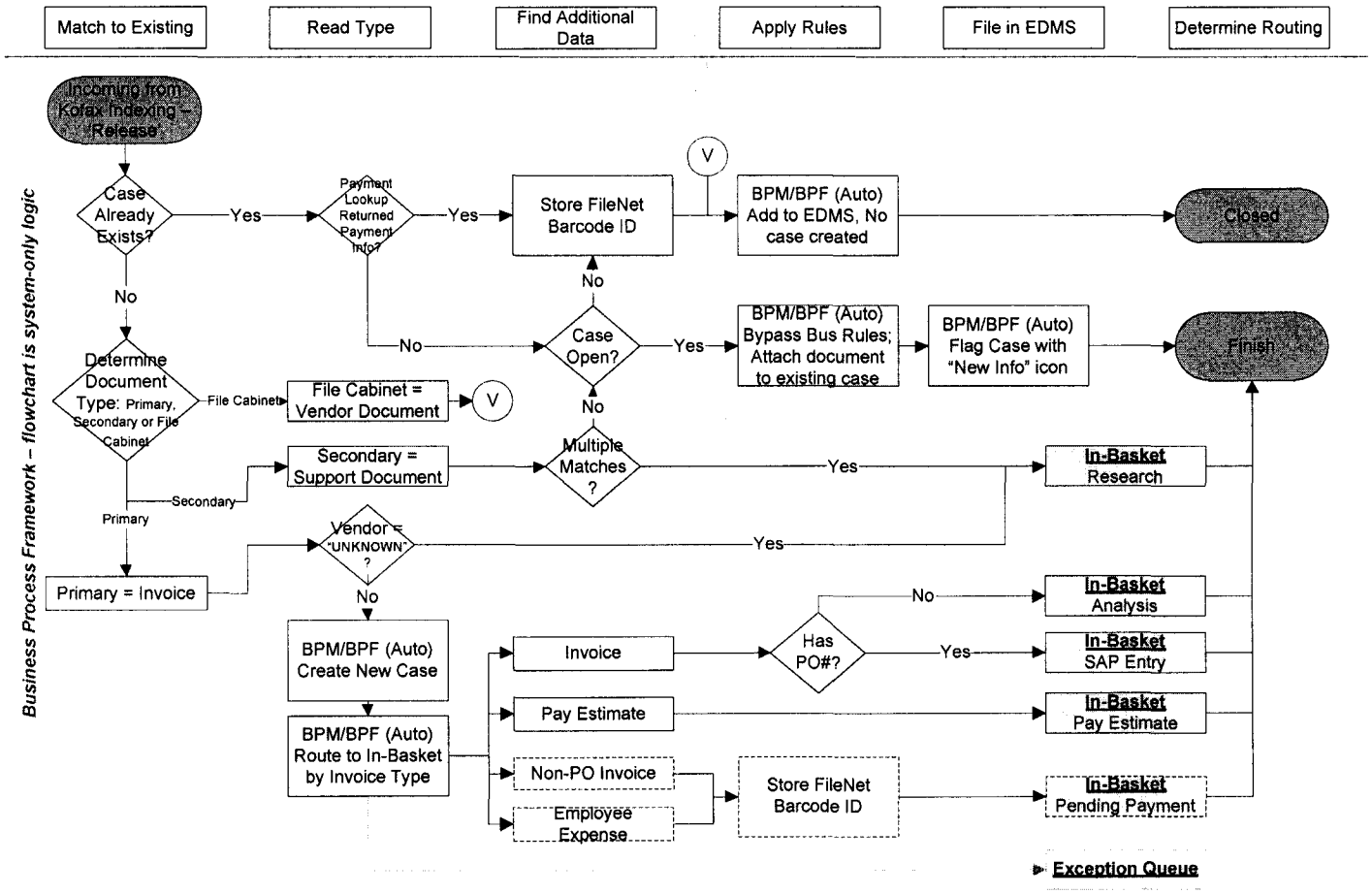
BPF Handling of Duplicates as Support Documents:

- Sometimes duplicates come in with PO and GR but the Invoice was already scanned before without a PO#. FileNet attaches this as a second document to the existing case (found by Vendor invoice#).
- Future state: system recognizes more current information (PO# & GR), adds to case and reapplies BPF to auto-move from "Analysis" or "Referred Work" to "SAP Entry".

Scope of EDMS to ERP Linking Incomplete:

If a document only exists in SAP as attachment to record, or Invoice only was processed via SAP, we would not see document/link in FileNet. Add to scope: Travel documents & Non-PO partially for this reason.

Accounts Payable Invoice Processing: Create New FileNet Case and Auto Route to Initial In-Basket



Business Rules

Case Prioritization Flags
AP Specialists manage work items based on priority set by system and/or by sorting or filtering (system) the inbox according to:

- Priority Vendor Flag (Yes, No)
- Case Priority Flag (High, Medium, Lo)
- PO# captured (Yes, No)
- Invoice Date (FIFO)

BPF Assigns "High" Priority to Case if any one of the following is true:
1. Priority Vendor ="Y", and Invoice Date > 5 days ago
2. Due Date expires within next five (5) calendar days
3. Priority Vendor <>"Y" and Invoice Date > 25 days ago

Case Creation
FileNet BPF rules determine initial document action based on associating document with one of three categories: Primary, Secondary or File Cabinet.

Document Type	Category
Invoice	Primary
Pay Estimate	Primary
Employee T and E	Primary
Invoice – NonPO	Primary
Supporting Document	Secondary
Statement	File Cabinet
Vendor Correspondence	File Cabinet
W-9	File Cabinet
Vendor Maintenance	File Cabinet

Volumes & Measures

Breakdown of Initial Routing of New Kofax items by Work Basket

- % and Count by Period selected
- % and Count by Document and Invoice Type

Improvement Opportunities / Pain Points

Duplicates and Handling of Supporting Documents:

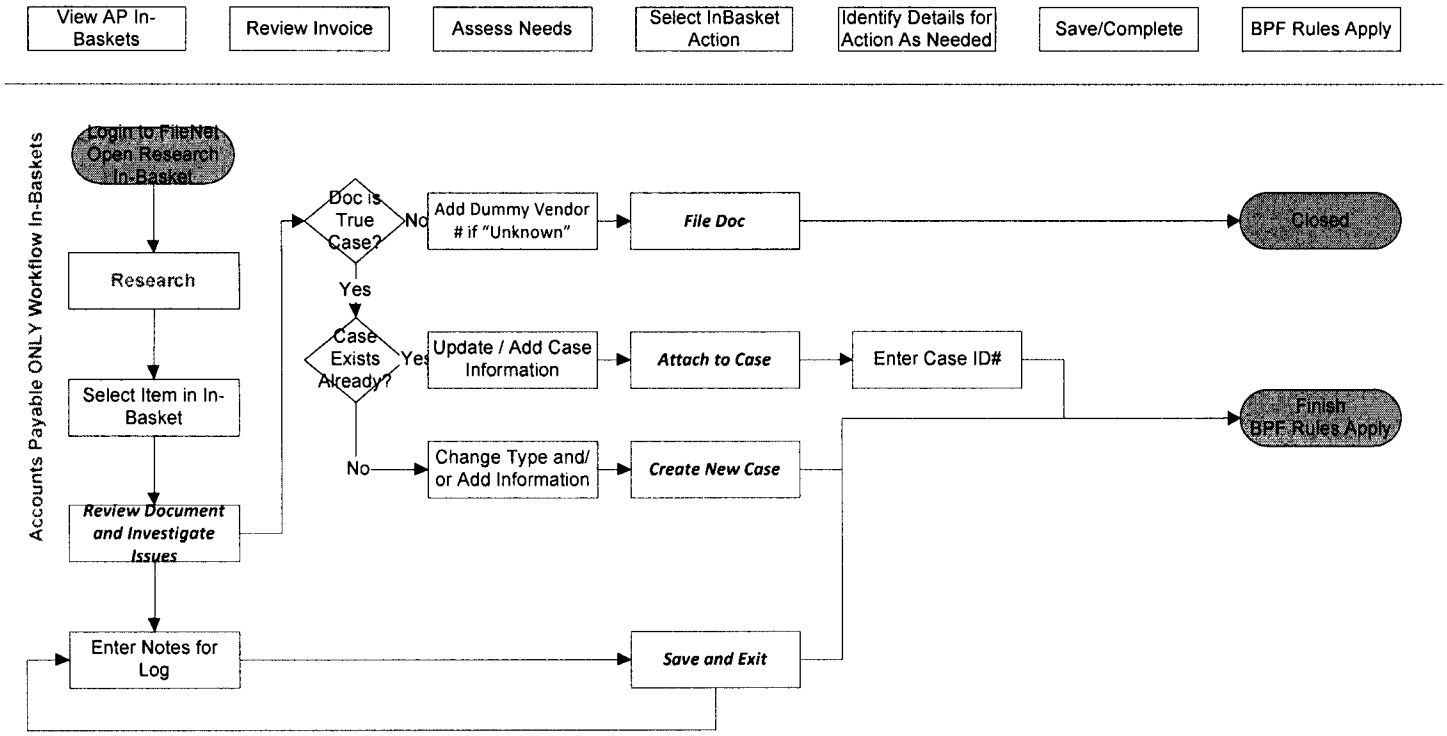
- Documents detected by BPF rules as either duplicates or supporting documents for existing cases attach without sufficient flag or notification to allow action based on new information.
- If supporting/duplicate attaches to Pending Payment or Referred Work, work item remains in place with no additional data added (even if available from Kofax indexing) and only "New info" flag activated.
- Cannot find or do not see document because it attaches to existing case wherever it is in the workflow.
- Common scenario is a document that is indexed with an existing Vendor Invoice # for that vendor. If case exists already but the second invoice (duplicate) has more information than existing case (i.e. PO#), second should supersede and move existing case to new In-Basket based on BPF rules (e.g. SAP Entry).
- AP Specialists noted time spent handling documents that ultimately prove to be duplicates: image capture and workflow system design does not allow discovery of duplicates until far along in the process; SAP will present error notification of duplicate entry only well into keying invoice.

Invoice Types Not Captured: Expense Reports, Non-PO
Non-PO documents keyed at Departments and Employee Expense reports are not yet included in imaging system.

SAP Barcode configuration is activated by Document Code and Transaction and is not turned on for Non-PO transactions. Currently, AP Specialists enter Non-PO items as "Invoice" to allow system to get barcode.

If documents were to be included, current BPF design calls for routing to Pending Payment. Without SAP IR# and "Post Successful" indicator, work items by design are likely to remain in Pending Payment without resolution as Payment Lookup auto-function will fail without sufficient information in case.

Accounts Payable Invoice Processing: FileNet BPF Review and Manage Research In-Basket



Business Rules and Practices

Items Routed to Research based on...

1. Multiple matches found for same information – user must determine which case to attach document or create new case;
   - If single match were found, document would have attached to existing case in its current InBasket location.
2. Majority of 'duplicates' are Supporting Document type; BPF rule to route to Research as existing / multiple matches may apply to any type (e.g. Payment Estimate)
3. Departments attach Credit Memo as a Supporting Document, to existing case; Research AP Specialist will change to Invoice type and Create New Case.
3. Indexed with "Vendor Unknown".

Volumes & Measures

Breakdown of Resolution of Research Work items
- % Create New Case
- % Attach to Existing Case
- % File Doc

Average time to resolve items, Average age of cases in WorkBasket

Volume (%) Items by Department

% Total Monthly (other period) Work Items routed to Research

Improvement Opportunities / Pain Points

Department "Attach" Document Function Creates Duplicates:

The "Attach Document" function used by Referred Work In-Basket results in many work items routing to Research. When 'Attaching' a document to an existing case, the User must manually enter all case information exactly – it does not default from the selected case to New Attachment attributes.

If information is entered incorrectly, the system creates a new case but no message is generated warning the initiating user of this unintended result; the Department User will re-attempt attachment multiple times until attachment is seen in view listing; Each attempt creates a duplicate that will route to Research.

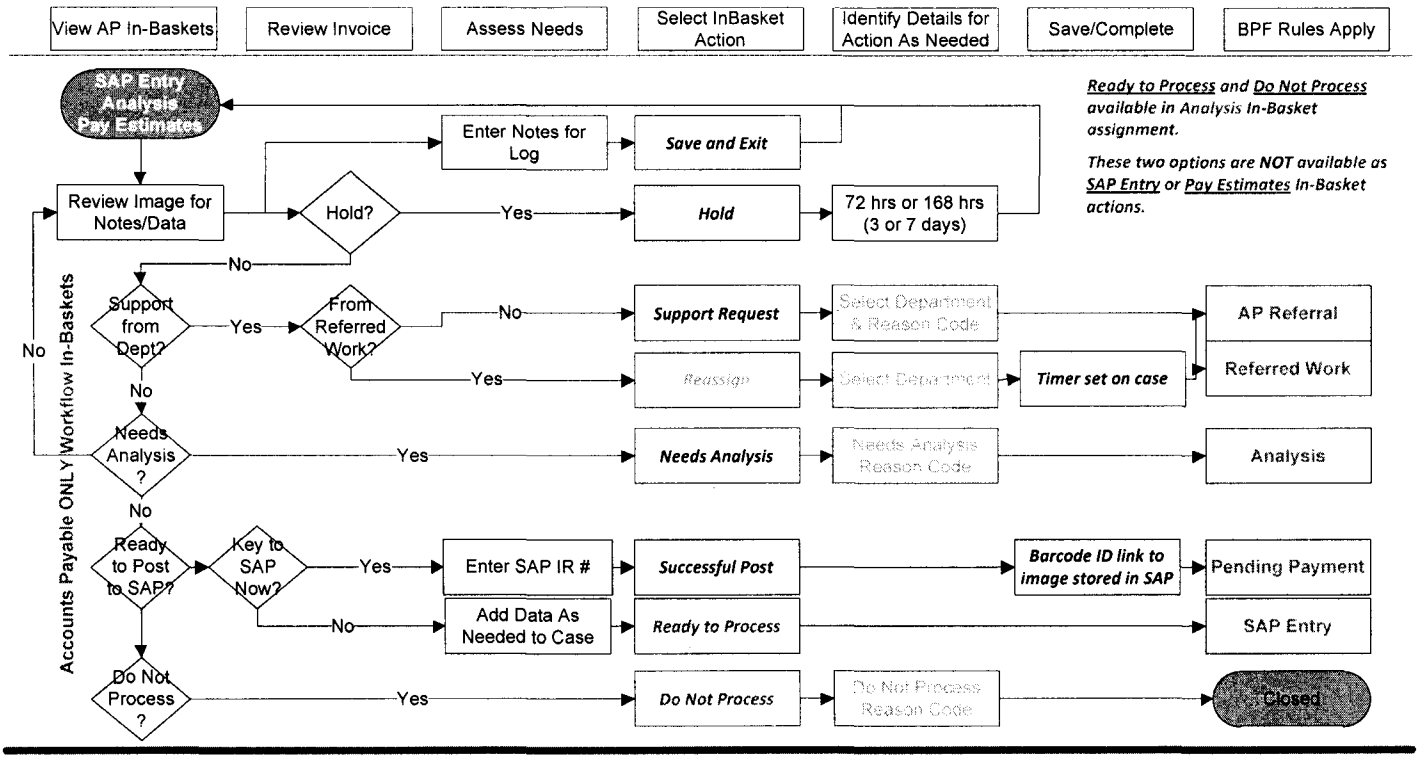
- Over 50% of documents in Research In-Basket are Supporting Document type that were detected as duplicates and/or system could not find matching case.
- Natural resolution would be to reach out to document owner, however, cannot tell origin of document because In-Basket indicates last action performed by "System User".
- Resolution is manual – Research AP Specialist makes determination item by item, even when items are multiple instances of same duplicate document.
- NOTE: There are cases where a User may need to attach the same document to multiple cases (e.g. detailed invoice with line item information related to multiple SAP entries).

User Interface – InBasket Functionality

Previously identified interface and functionality limitations apply to Research inbasket actions. Specifically:

- Message will indicate the routed document is related to existing case but does not identify case number, only criteria on which match was located (e.g. Vendor Number and Vendor Invoice#). Requires user to search using other criteria and/or going outside of BPF to Search Tool.
- Case details are in log information and image. Each requires clicks beyond initial view and in-basket listing to access. User must work in three or more tabs or windows to make determination of final case action to take. Consolidated view of data and preview pane would help significantly.

Accounts Payable Invoice Processing: FileNet InBaskets for AP Only — Manage In-Baskets and Post to SAP



Business Rules and Practices

This workflow addresses actions in the three (3) primary AP workbaskets according to the following rules and security access:

Inbasket Routing	SAP Entry	Analysis	Pay Estimates
Security Roles	APS1 APS2	APS2	APS2PE APS2
Inbasket Action			
Support Request	✓	✓	✓
Needs Analysis	✓		✓
Successful Posting	✓	✓	✓
Hold	✓	✓	✓
Save & Exit	✓	✓	✓
Do No: Process		✓	
Ready to Process		✓	

Do Not Process Reason Codes

- Duplicate
- Reverse to be Reentered
- Reverse Do Not Reenter
- Other Payment Method Found
- Other

Support Request Reason Codes:

- Missing or Invalid PO
- GR Entry Needed
- Quantity Difference
- Pricing Difference
- Pay Additional Charges
- Additional Info or Backup Needed
- Contract Question
- Vendor Inquiry on Status
- Other

Needs Analysis Reason Codes

- Missing or Invalid PO
- Quantity Difference
- Pricing Difference
- Contract Question
- Vendor Inquiry on Status
- Other

Improvement Opportunities / Pain Points

Data Integration for One-Time Keying:

- Build integration from FileNet workflow to SAP for keying of invoices. Kofax data comes across into FileNet case. Additional data is captured during FileNet workflow process. AP staff must key data again manually from FileNet Case and Invoice Image to SAP.
- Example: Telecom invoices indexed into Kofax, routed/touched in FileNet and keyed into SAP same day.
- Integration should consider bulk action requirements: Multiple invoices against same PO, e.g.
- NOTE: Indexing and SAP MIRO field order do not match. Oversight during Phase 1 design. Change now would result in inefficiencies / retraining. Consider field design with any future additions or modifications.

Workbaskets Actions:

- "Do Not Process" action not available to AP1. Allow "Do Not Process" action (Reason Code = Duplicate) to tell the AP2 why you are moving it to Analysis from SAP Entry. Duplicates show up late in process.
- Departments indicate "Ready to Process" but cannot enter PO# in primary screen (field restricted).

Communication Within Case Workflow:

- Case comment length limited to 100 characters. Restricts communication between AP and department. Workaround = send email or call directly.
- Save and Exit also functionality also space limited; Sometimes enter Save & Exit multiple times before sending to capture all information. (Example: SAPD invoice with different UOMs from PO, Line Items did not match; Difficult to explain clearly in 100 words.)
- High-value information from departments (PO# or GR#) appears in Log versus Comments field; requires back and forth – inefficient. Training today recommends using Comments to display key information on same tab; not enforced by system.

User Interface Functionality:

- Preview pane to replace tabbing for image view. Same-screen view creates efficiencies – e.g. View invoice header to identify which department owns the invoice; See key information next to fields; Vendor info.
- Copy/paste not available from audit log information (e.g. PO#). Can copy/paste from Case Comments field.
- Need a Flag within Analysis to indicate "referred to Vendor"; would assist APs in prioritizing work items.
- Create/access shortcut (hot) keys for high-volume data entry efficiency. Mouse required now for all commands or key action steps. SAP has hot keys (e.g. CTL+Key).

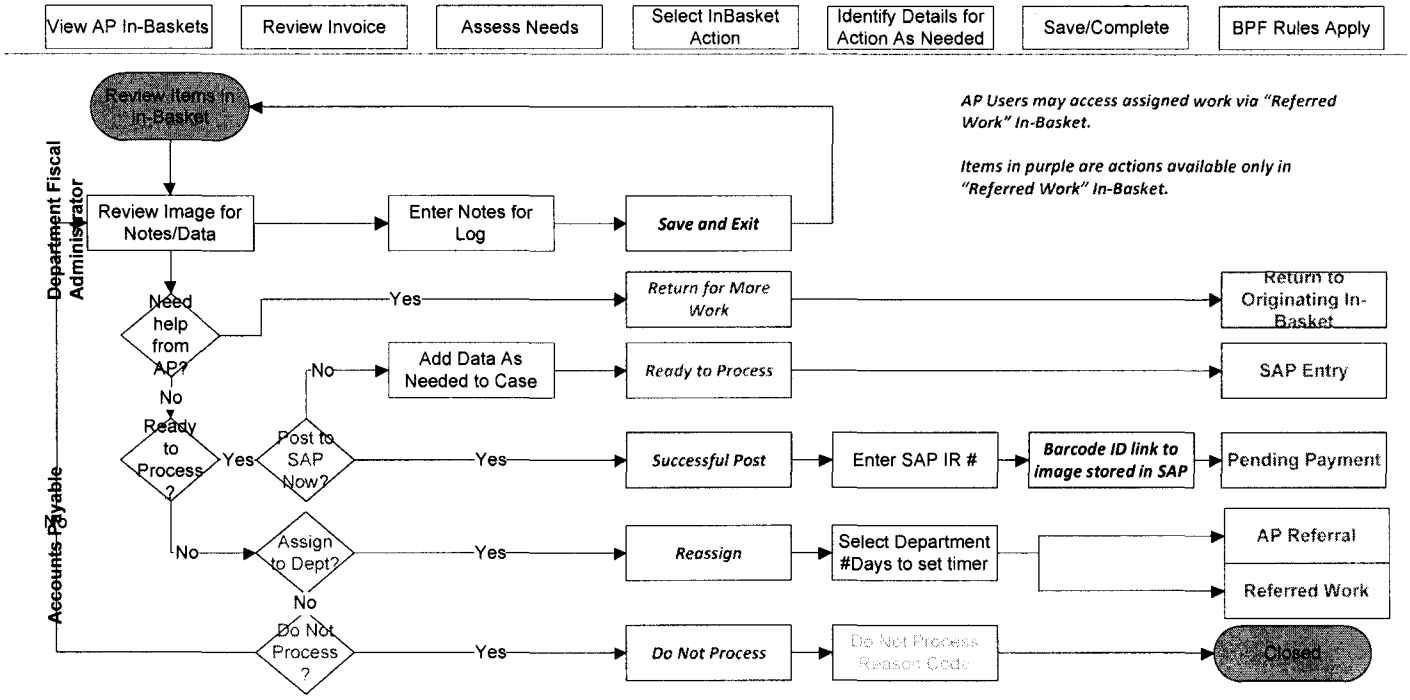
Performance Issues:

- Attachments to case within FileNet BPF take a long time to open; Case takes a long time to respond once you click "Post Successful" or any inbox action. Overall system needs to be faster. Documents open fastest from FileNet search tool.

Bulk Action and Routing:

Allow bulk action from AP In-baskets. For example: Multiple invoices from one vendor with same issue currently need to be routed one by one. Allow bulk action move from Analysis to SAP Entry if AP knows all invoices are on the same PO (e.g. Baker Taylor sends multiple invoices for one PO for library books in SAP; time consuming posting). One comment applies to all items to be moved along in workflow BPF.

Accounts Payable Invoice Processing: Manage FileNet Department Queue and Referred Work



Business Rules and Practices

Departments with non-SAP purchasing systems or other systems for Invoice or contracts or purchase management:
1. Library = Millennium for books
2. Fleet = Fleet Faster for work orders
(3. Public Works Portal/CIMS) – "Pay Estimates"

AP Referral baskets by department.
Referred Work In-Basket allows AP visibility to department referred items

Department Work Item Management:
- One department inbox exists for each department.
- All department members with P2P roles will be assigned to same box.
- All receive same email notifications from FileNet.
- Departments create off-line queue management and work distribution systems.
- For example, Human services (DHS) has a single person open and then distribute to others. Everybody receives the email; they are instructed not to do anything.
- Other departments have similar procedures.

Measures of Performance and/or Quality

- Referral analysis by APS and reason code.
- Average department items at any given time?
- Average age of items in work-basket?
- Referred item reason codes breakdown (by %)
- Average time to resolve items?
- Invoice volume by department.
- FileNet access (and/or touch invoices) per department.
- How many/% invoices received directly by department from vendor?
- % breakdown of referred items by top vendors? By departments?
- Items reassigned – wrong department first time.
- Date received by AP vs. date first received in department work-basket.
- How many invoices in Referred Work were past due at time of routing?

Improvement Opportunities / Pain Points

In-basket Actions
- Save & Exit (other In-basket actions) separate action from entering notes; GUI improvement = more integrated / automatic incorporation of notes. Allow more visible communication of last action to AP from the last department, e.g. specification of GR date versus real good receipt date.

Department Routing:
- Many users have created Outlook inbox rules, so they don't even see the email.
- Department Workaround = internal process with spreadsheet to track.
- Route more specifically and accurately (e.g. by vendor, buyer or POC in department).
- Create sub-department where distinctions are clear. (e.g. Aviation versus Stinson).
- Explore establishing roles for routing - Department would have to manage.
- Option to turn off emails except for flagged/priority. Send only when critical.
- Send summary email with list of past due / priority.
- Provide functionality to allow departments to assign and track.
- Provide ability to manage columns in Referred Work to allow user customized screen view.
- Add a column for view = work item (and case) CREATED date. Shows in a download but not on screen. Allow processors to sort by how long in in-basket.

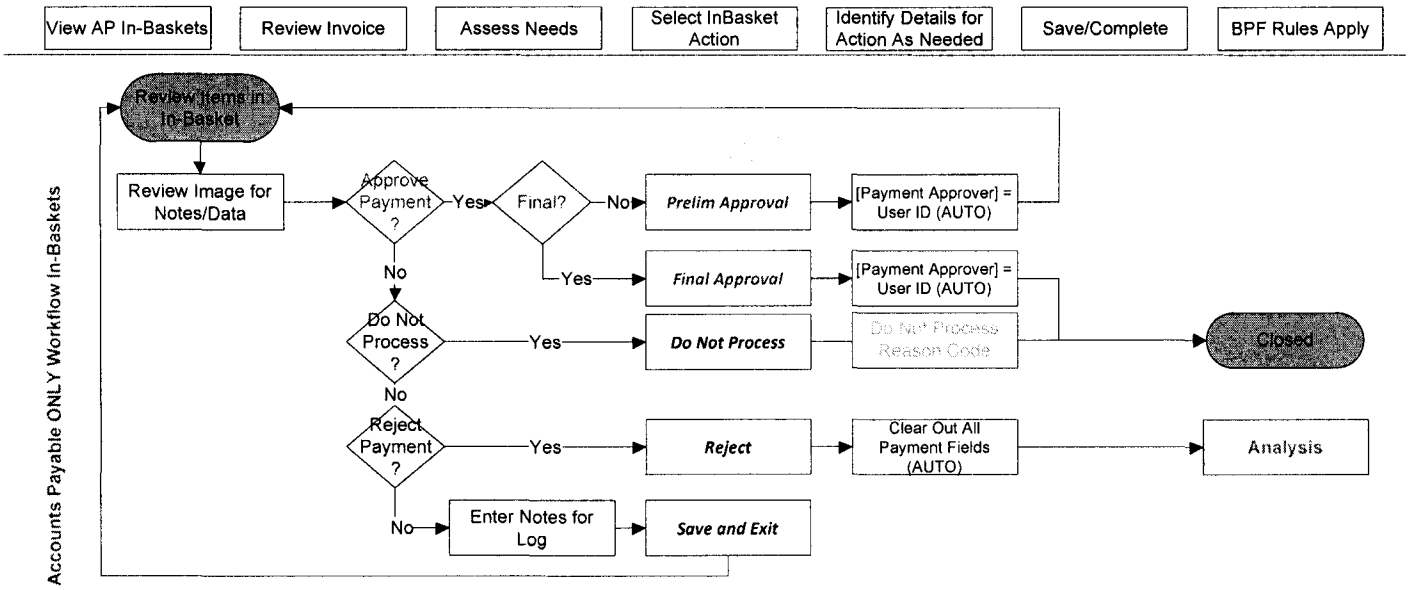
Incorrect Dates on Invoices
- Invoice sent to COSA department before a job finished.
- Other cases, vendor holds on to the invoice with invoice date and it looks late.
- Baseline date as default calculation is issue that comes up again and again.
- Routed invoice may have month-old invoice date (e.g. Terminix end of month service date).

SAePS Confirmation = SAP GR
- SAePS provides "confirmation 3000 number"; AP says need GR. AP has no SAePS roles so has no way to see which line item the confirmation is referencing so do not know what line of PO to post against. Training Job aid created = Refresh screen to see GR on confirmation line. Allow search for GR by confirmation number. Large impact as SAePS includes vendors such as Staples.

SAP HR and Assignments for SAePS approvals.
- New shared services roles mapping may affect approval flow. Also, other role changes, vacation and new hire can result in shopping carts getting stuck in inbox.

Vendor Process Improvement Opportunities
- Vendors do not often include line item references, only PO number.
- PO says 'remit to"; gives correct address but vendor sends incorrectly. Direction from team: need to work individually and directly with vendors to educate.
- Vendors submitting lump sum invoice instead of breaking down by PO/ LI. Example was PO for Concrete. Annual contract had steps: put in curb; sidewalk, etc. were line items on PO but they would send lump sum not by job/line item. Action: validate at bid that vendor can meet invoice format / submission requirements.

Accounts Payable Invoice Processing: MR (Manager Review In-Basket) and Pending Payments



Business Rules and Practices

Process Summary:

- Successfully posted (SAP IR) cases are routed to Pending Payment queue await confirmation of payment.
- SAP lookup runs nightly to match clearing document number to case using SAP IR#.
- *Daily Check for Payment Document # (auto)*
- *Payment Document # Received (auto)*
- If YES, add [Payment Document #] to case.
- If [Payment Amount] > $25,000 or [Payment Method] = Wire or ACH => **Manager Review**

No active roles apply to Pending Payment. However, Manager may review to determine if there are system problems (orphaned/ stuck cases) and/or to search for and act on cases that should be reversed or otherwise require action

Manager Review In-Basket

All items in Manager Review originate in Pending Payment. The Manager Review in-basket allows authorized users to review Wire, ACH and high-dollar check transactions before the FileNet case is closed. Actions available:

- Prelim Approval
- Final Approval
- Reject
- Do Not Process
- Save & Exit

Do Not Process Reason Codes

- Duplicate
- Reverse to be Reentered
- Reverse Do Not Reenter
- Other Payment Method Found
- Other

Volumes & Measures

Average Age of items in Pending Payment

Improvement Opportunities / Pain Points

Workflow Logic Timing Design Flaw:

- BPF workflow logic looks forward in time only (requirement driven by need to manage voided checks, avoid overwrite past data with current data for same transactions).
- Pending Payment uncleared items because in queue > payment run.
- Workaround: Referred Work queue by IR#.
- Manager Review timing flaw - items move from Pending Payment to MR if payment method = Wire or ACH. Vendor Master payment information indicates Wire or ACH, therefore, FileNet workflow will not know to move to MR until AFTER payment is made.
- Managers using FileNet search, Pending Payment filtering, or SAP directly.
- Impact of design is possible delay: Manager holds check pending review.
- Search tool by Check number is faster and more efficient that going to Manager Review.
- Manager Review advantage = linked to case, allows grouping of many associated images; FileNet search returns all images without reference; user must determine.
- Post date versus Check date. Post successfully = check date.
- Manager review = add column Check Number.

Performance Issues

- Search tool is highly critical product for both Invoice search and case search.
- Cumbersome to look for image from within SAP. Lots of clicks and screens.
- Because Manager Review box contents are not timely, search tool needed.

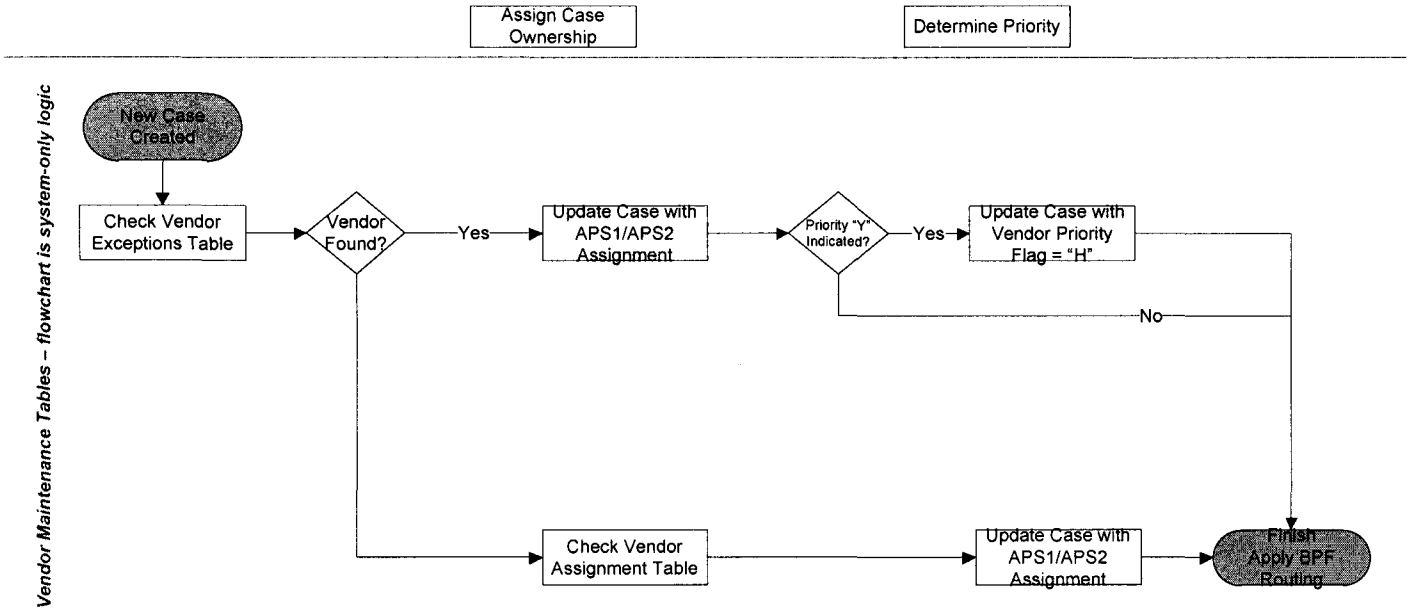
Bulk Action

- Need to add Bulk "Reject" functionality in Manager Review. Now only bulk 'Approve'.
- Also Bulk action in Pending Payment for any actions – Reject or Final, etc. No Bulk action available at all in PP. Would apply for reissuing voided check, e.g. as typically apply to many POs or invoices.

Pending Payment Orphans and Errors

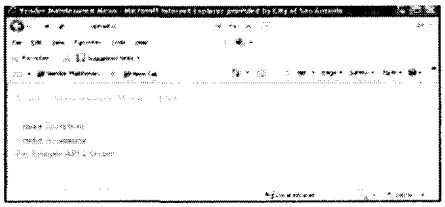
- Using Pending Payment to catch errors: since PP uses same basic fields as "Create Barcode" link, aged items in PP indicate link likely broken. "I" error indicates SAP information does not exactly match FileNet case. Very sensitive - must be exact and is manually keyed in FileNet.
- Improvement if logic allowed case to move automatically to close or Manager Review once manually corrected in Pending Payment. For example: if Vendor invoice number mismatch corrected, now, it rejects to Analysis, then user must go back into workbasket to fix again so line fixes itself. Redundant, duplicate work.
- Allow manual vs batch run for lookup. Rule now is first lookup at 12 hours; subsequent every 24 hours. Future State: allow forced/manual lookup to push MR corrections.
- Workplace exception queue used to search/find case in system. AP only uses.
- SAP FBL1N report added indicator 'has attachment' for error detection – very manual.
- Retro data link needed: October 1, 2009 to April 2010 via flat file to SAP group; Non-PO have no link because not processed in workflow.

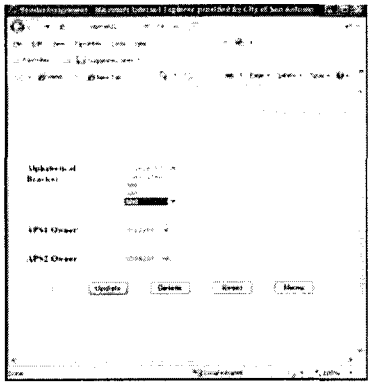
Accounts Payable Invoice Processing: Assign Case Ownership and Case Priority

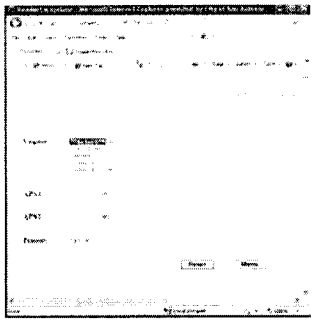


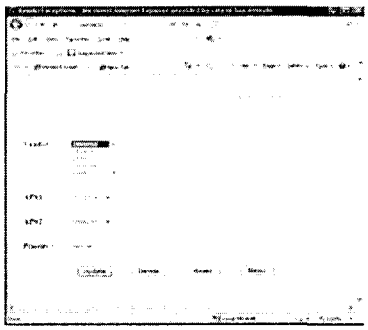
Business Rules and Practices

Custom functionality provides master data tables for managing work assignments in AP Specialist group as well as indication of specialty/priority vendor.









- **Vendor Assignment** = Alphabetical brackets assignments for APS1 and APS2. Brackets are defined by 'Bracket begin' and can be changed by End User with Table Administration rights.
- **Vendor Exceptions** = Allows overwrite of Alpha assignment based on specific Vendor Number. Table entries in Vendor Exceptions require User to indicate Exception APS1 and APS2 processor and/ or indicator of "Priority" vendor.
- **Pay Estimate** = AP Specialist for Pay Estimates must be defined in separate table.

Volumes & Measures

Number of steps / screens to update assignments

Time spent in maintenance activities

Improvement Opportunities / Pain Points

Custom Application for Vendor Maintenance

The AP Authorized user assigns APS1 / APS2 to Alphabetical Brackets defined by user. Bracket definitions and assignments CANNOT be viewed as list and must be defined and updated individually.

No List/Table View or Mass Reassign

Custom Vendor Exception program allows for individual updates by Vendor number only. Program does not provide a Table or List view. No spreadsheet output capability.

Vendor Exceptions apply to Large Volume and/or Priority Vendors (i.e. critical payment terms; complex invoices; known issues).

Shows only Vendor number – no listing to confirm name. There are approximately 2,000 active Vendors at any given time.

[Number must exist – validation is part of functionality].

Change in APS1 or APS2 assignments must be done individually – no mass reassign available to support organizational changes or employees leaving the organization.

Cases Do Not Appear in Filter

Reassignment of APS1 / APS2 applies only to New Cases coming in and will not update existing Workflow items.

Referred Work InBox action "Return for More Work" automatically returns item to APS1 / APS2 assigned at the time of initial routing. If that APS1 / APS2 has left the organization, the Case will no longer appear in the applied filter – Must search for specifically and manually reassign APS1 / APS2.

RFCSP EXHIBIT 5

COSA TECHNOLOGY STANDARDS

Attached as a separate document

RFCSP EXHIBIT 6

SMALL BUSINESS ECONOMIC DEVELOPMENT ADVOCACY (SBEDA) PROGRAM

A. Solicitation Response and Contract Requirements and Commitment

Respondent understands and agrees that the following provisions shall be requirements of this solicitation and the resulting contract, if awarded, and by submitting its Response, Respondent commits to comply with these requirements. In the absence of a waiver granted by the SBO, failure of a Prime Contractor to commit in its response, through fully-documented and signed SBO-promulgated Subcontractor/Supplier Utilization Plan form, to satisfying the SBE subcontracting goal shall render its response NON-RESPONSIVE.

Exception Request - A Respondent may, for good cause, request an Exception to the application of the SBEDA Program if the Respondent submits the *Exception to SBEDA Program Requirements Request* form *(available at* http://www.sanantonio.gov/SBO/Forms.aspx*)* with its solicitation response. The Respondent's Exception request must fully document why: (1) the value of the contract is below the $50,000 threshold for application of the SBEDA Program; or (2) no commercially-useful subcontracting opportunities exist within the contract scope of work; or (3) the type of contract is outside of the scope of the SBEDA Ordinance. **Late Exception Requests will not be considered.**

B. SBEDA Program

The CITY has adopted a Small Business Economic Development Advocacy Ordinance (Ordinance No. 2010-06-17-0531 and as amended, also referred to as "SBEDA" or "the SBEDA Program"), which is posted on the City's Economic Development (EDD) website page and is also available in hard copy form upon request to the CITY. The SBEDA Ordinance Compliance Provisions contained in this section of the Agreement are governed by the terms of this Ordinance, as well as by the terms of the SBEDA Ordinance Policy & Procedure Manual established by the CITY pursuant to this Ordinance, and any subsequent amendments to this referenced SBEDA Ordinance and SBEDA Policy & Procedure Manual that are effective as of the date of the execution of this Agreement. Unless defined in a contrary manner herein, terms used in this section of the Agreement shall be subject to the same expanded definitions and meanings as given those terms in the SBEDA Ordinance and as further interpreted in the SBEDA Policy & Procedure Manual.

C. Definitions

Affirmative Procurement Initiatives (API) – Refers to various Small Business Enterprise, Minority Business Enterprise, and/or Women Business Enterprise ("S/M/WBE") Program tools and Solicitation Incentives that are used to encourage greater Prime and subcontract participation by S/M/WBE firms, including bonding assistance, evaluation preferences, subcontracting goals and joint venture incentives. (For full descriptions of these and other S/M/WBE program tools, see Section III. D. of Attachment A to the SBEDA Ordinance.)

Certification or "Certified" – the process by which the Small Business Office (SBO) staff determines a firm to be a bona-fide small, minority-, women-owned, or emerging small business enterprise. Emerging Small Business Enterprises (ESBEs) are automatically eligible for Certification as SBEs. Any firm may apply for multiple Certifications that cover each and every status category (e.g., SBE, ESBE, MBE, or WBE) for which it is able to satisfy eligibility standards. The SBO staff may contract these services to a regional Certification agency or other entity. For purposes of Certification, the City accepts any firm that is certified by local government entities and other organizations identified herein that have adopted Certification standards and procedures similar to those followed by the SBO, provided the prospective firm satisfies the eligibility requirements set forth in this Ordinance in Section III.E.6 of Attachment A.

Centralized Vendor Registration System (CVR) – a mandatory electronic system wherein the City requires all prospective Respondents and Subcontractors that are ready, willing and able to sell goods or services to the City to register. The CVR system assigns a unique identifier to each registrant that is then required for the purpose of submitting solicitation responses and invoices, and for receiving payments from the City. The CVR-assigned identifiers are also used by the Goal Setting Committee for measuring relative availability and tracking utilization of SBE and M/WBE firms by Industry or commodity codes, and for establishing Annual Aspirational Goals and Contract-by-Contract Subcontracting Goals.

Commercially Useful Function – an S/M/WBE firm performs a Commercially Useful Function when it is responsible for execution of a distinct element of the work of the contract and is carrying out its responsibilities by actually performing, staffing, managing and supervising the work involved. To perform a Commercially Useful Function, the S/M/WBE firm must also be responsible, with respect to materials and supplies used on the contract, for negotiating price, determining quantity and quality, ordering the material, and installing (where applicable) and paying for the material itself. To determine whether an S/M/WBE firm is performing a Commercially Useful Function, an evaluation must be performed of the amount of work subcontracted, normal industry practices, whether the amount the S/M/WBE firm is to be paid under the contract is commensurate with the work it is actually performing and the S/M/WBE credit claimed for its performance of the work, and other relevant factors. Specifically, an S/M/WBE firm does not perform a Commercially Useful Function if its role is limited to that of an extra participant in a transaction, contract or project through which funds are passed in order to obtain the appearance of meaningful and useful S/M/WBE participation, when in similar transactions in which S/M/WBE firms do not participate, there is no such role performed. The use of S/M/WBE firms by CONTRACTOR to perform such "pass-through" or "conduit" functions that are not commercially useful shall be viewed by the CITY as fraudulent if CONTRACTOR attempts to obtain credit for such S/M/WBE participation towards the satisfaction of S/M/WBE participation goals or other API participation requirements. As such, under such circumstances where a commercially useful function is not actually performed by the S/M/WBE firm, the CONTRACTOR shall not be given credit for the participation of its S/M/WBE subcontractor or joint venture partner towards attainment of S/M/WBE utilization goals, and the CONTRACTOR and S/M/WBE firm may be subject to sanctions and penalties in accordance with the SBEDA Ordinance.

Evaluation Preference – an API that may be applied by the Goal Setting Committee ("GSC") to Construction, Architectural & Engineering, Professional Services, Other Services, and Goods and Supplies contracts that are to be awarded on a basis that includes factors other than lowest price, and wherein responses that are submitted to the City by S/M/WBE firms may be awarded additional Points in the evaluation process in the scoring and ranking of their proposals against those submitted by other prime CONTRACTORs or Respondents.

Good Faith Efforts – documentation of the CONTRACTOR's or Respondent's intent to comply with S/M/WBE Program Goals and procedures including, but not limited to, the following: (1) documentation within a solicitation response reflecting the Respondent's commitment to comply with SBE or M/WBE Program Goals as established by the GSC for a particular contract; or (2) documentation of efforts made toward achieving the SBE or M/WBE Program Goals (e.g., timely advertisements in appropriate trade publications and publications of wide general circulation; timely posting of SBE or M/WBE subcontract opportunities on the City of San Antonio website; solicitations of bids/proposals/qualification statements from all qualified SBE or M/WBE firms listed in the Small Business Office's directory of certified SBE or M/WBE firms; correspondence from qualified SBE or M/WBE firms documenting their unavailability to perform SBE or M/WBE contracts; documentation of efforts to subdivide work into smaller quantities for subcontracting purposes to enhance opportunities for SBE or M/WBE firms; documentation of a Prime Contractor's posting of a bond covering the work of SBE or M/WBE Subcontractors; documentation of efforts to assist SBE or M/WBE firms with obtaining financing, bonding or insurance required by the Respondent; and documentation of consultations with trade associations and consultants that represent the interests of SBE and/or M/WBEs in order to identify qualified and available SBE or M/WBE Subcontractors.) The appropriate form and content of CONTRACTOR's Good Faith Efforts documentation shall be in accordance with the SBEDA Ordinance as interpreted in the SBEDA Policy & Procedure Manual.

HUBZone Firm – a business that has been certified by U.S. Small Business Administration for participation in the federal HUBZone Program, as established under the 1997 Small Business Reauthorization Act. To qualify as a HUBZone firm, a small business must meet the following criteria: (1) it must be owned and Controlled by U.S. citizens; (2) at least 35 percent of its employees must reside in a HUBZone; and (3) its Principal Place of Business must be located in a HUBZone within the San Antonio Metropolitan Statistical Area. [See 13 C.F.R. 126.200 (1999).]

Independently Owned and Operated – ownership of an SBE firm must be direct, independent and by Individuals only. Ownership of an M/WBE firm may be by Individuals and/or by other businesses provided the ownership interests in the M/WBE firm can satisfy the M/WBE eligibility requirements for ownership and Control as specified herein in Section III.E.6. The M/WBE firm must also be Independently Owned and Operated in the sense that it cannot be the subsidiary of another firm that does not itself (and in combination with the certified M/WBE firm) satisfy the eligibility requirements for M/WBE Certification.

Individual – an adult person that is of legal majority age.

Industry Categories – procurement groupings for the City of San Antonio inclusive of Construction, Architectural & Engineering (A&E), Professional Services, Other Services, and Goods & Supplies (i.e., manufacturing, wholesale and retail distribution of commodities). This term may sometimes be referred to as "business categories."

Minority/Women Business Enterprise (M/WBE) – firm that is certified as a Small Business Enterprise and also as either a Minority Business Enterprise or as a Women Business Enterprise, and which is at least fifty-one percent (51%) owned, managed and Controlled by one or more Minority Group Members and/or women, and that is ready, willing and able to sell goods or services that are purchased by the City of San Antonio.

M/WBE Directory – a listing of minority- and women-owned businesses that have been certified for participation in the City's M/WBE Program APIs.

Minority Business Enterprise (MBE) – any legal entity, except a joint venture, that is organized to engage in for-profit transactions, which is certified a Small Business Enterprise and also as being at least fifty-one percent (51%) owned, managed and controlled by one or more Minority Group Members, and that is ready, willing and able to sell goods or services that are purchased by the CITY. To qualify as an MBE, the enterprise shall meet the Significant Business Presence requirement as defined herein. Unless otherwise stated, the term "MBE" as used in this Ordinance is not inclusive of women-owned business enterprises (WBEs).

Minority Group Members – African-Americans, Hispanic Americans, Asian Americans and Native Americans legally residing in, or that are citizens of, the United States or its territories, as defined below:

> African-Americans: Persons having origins in any of the black racial groups of Africa as well as those identified as Jamaican, Trinidadian, or West Indian.
>
> Hispanic-Americans: Persons of Mexican, Puerto Rican, Cuban, Spanish or Central and South American origin.
>
> Asian-Americans: Persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent or the Pacific Islands.
>
> Native Americans: Persons having no less than 1/16th percentage origin in any of the Native American Tribes, as recognized by the U.S. Department of the Interior, Bureau of Indian Affairs and as demonstrated by possession of personal tribal role documents.

Originating Department – the CITY department or authorized representative of the CITY which issues solicitations or for which a solicitation is issued.

Payment – dollars actually paid to CONTRACTORS and/or Subcontractors and vendors for CITY contracted goods and/or services.

Points – the quantitative assignment of value for specific evaluation criteria in the vendor selection process used in some Construction, Architectural & Engineering, Professional Services, and Other Services contracts (e.g., up to 10 points out of a total of 100 points assigned for S/M/WBE participation as stated in response to a Request for Proposals).

Prime Contractor – the vendor or contractor to whom a purchase order or contract is issued by the City of San Antonio for purposes of providing goods or services for the City. For purposes of this agreement, this term refers to the CONTRACTOR.

Relevant Marketplace – the geographic market area affecting the S/M/WBE Program as determined for purposes of collecting data for the MGT Studies, and for determining eligibility for participation under various programs established by the SBEDA Ordinance, is defined as the San Antonio Metropolitan Statistical Area (SAMSA), currently including the counties of Atascosa, Bandera, Bexar, Comal, Guadalupe, Kendall, Medina and Wilson.

Respondent – a vendor submitting a bid, statement of qualifications, or proposal in response to a solicitation issued by the City. For purposes of this agreement, CONTRACTOR is the Respondent.

Responsible – a firm which is capable in all respects to fully perform the contract requirements and has the integrity and reliability which will assure good faith performance of contract specifications.

Responsive – a firm's submittal (bid, response or proposal) conforms in all material respects to the solicitation (Invitation for Bid, Request for Qualifications, or Request for Proposal) and shall include compliance with S/M/WBE Program requirements.

San Antonio Metropolitan Statistical Area (SAMSA) – also known as the Relevant Marketplace, the geographic market area from which the CITY's MGT Studies analyzed contract utilization and availability data for disparity (currently including the counties of Atascosa, Bandera, Bexar, Comal, Guadalupe, Kendall, Medina and Wilson).

SBE Directory - a listing of small businesses that have been certified for participation in the City's SBE Program APIs.

Significant Business Presence – to qualify for this Program, a S/M/WBE must be headquartered or have a *significant business presence* for at least one year within the Relevant Marketplace, defined as: an established place of business in one or more of the eight counties that make up the San Antonio Metropolitan Statistical Area (SAMSA), from which 20% of its full-time, part-time and contract employees are regularly based, and from which a substantial role in the S/M/WBE's performance of a Commercially Useful Function is conducted. A location utilized solely as a post office box, mail drop or telephone message center or any combination thereof, with no other substantial work function, shall not be construed to constitute a significant business presence.

Small Business Enterprise (SBE) – a corporation, partnership, sole proprietorship or other legal entity for the purpose of making a profit, which is Independently Owned and Operated by Individuals legally residing in, or that are citizens of, the United States or its territories, and which meets the U.S. Small Business Administration (SBA) size standard for a small business in its particular industry(ies) and meets the Significant Business Presence requirements as defined herein.

Small Business Office (SBO) – the office within the Economic Development Department (EDD) of the CITY that is primarily responsible for general oversight and administration of the S/M/WBE Program.

Small Business Office Manager – the Assistant Director of the EDD of the CITY that is responsible for the management of the SBO and ultimately responsible for oversight, tracking, monitoring, administration, implementation and reporting of the S/M/WBE Program. The SBO Manager is also responsible for enforcement of contractor and vendor compliance with contract participation requirements, and ensuring that overall Program goals and objectives are met.

Small Minority Women Business Enterprise Program (S/M/WBE Program) – the combination of SBE Program and M/WBE Program features contained in the SBEDA Ordinance.

Subcontractor – any vendor or contractor that is providing goods or services to a Prime Contractor or CONTRACTOR in furtherance of the Prime Contractor's performance under a contract or purchase order with the City. A copy of each binding agreement between the CONTRACTOR and its subcontractors shall be submitted to the CITY prior to execution of this contract agreement and any contract modification agreement.

Suspension – the temporary stoppage of the SBE or M/WBE firm's beneficial participation in the CITY's S/M/WBE Program for a finite period of time due to cumulative contract payments the S/M/WBE firm received during a fiscal year that exceed a certain dollar threshold as set forth in Section III.E.7 of Attachment A to the SBEDA Ordinance, or the temporary stoppage of CONTRACTOR's and/or S/M/WBE firm's performance and payment under CITY contracts due to the CITY's imposition of Penalties and Sanctions set forth in Section III.E.13 of Attachment A to the SBEDA Ordinance.

Subcontractor/Supplier Utilization Plan – a binding part of this contract agreement which states the CONTRACTOR's commitment for the use of Joint Venture Partners and / or Subcontractors/Suppliers in the performance of this contract agreement, and states the name, scope of work, and dollar value of work to be performed by each of CONTRACTOR's Joint Venture partners and Subcontractors/Suppliers in the course of the performance of this contract, specifying the S/M/WBE Certification category for each Joint Venture partner and Subcontractor/Supplier, as approved by the SBO Manager. Additions, deletions or modifications of the Joint Venture partner or Subcontractor/Supplier names, scopes of work, of dollar values of work to be performed requires an amendment to this agreement to be approved by the EDD Director or designee.

Women Business Enterprises (WBEs) - any legal entity, except a joint venture, that is organized to engage in for-profit transactions, that is certified for purposes of the SBEDA Ordinance as being a Small Business Enterprise and that is at least fifty-one percent (51%) owned, managed and Controlled by one or more non-minority women Individuals that are lawfully residing in, or are citizens of, the United States or its territories, that is ready, willing and able to sell goods or services that are purchased by the City and that meets the Significant Business Presence requirements as defined herein. Unless otherwise stated, the term "WBE" as used in this Agreement is not inclusive of MBEs.

D. SBEDA Program Compliance – General Provisions

As CONTRACTOR acknowledges that the terms of the CITY's SBEDA Ordinance, as amended, together with all requirements, guidelines, and procedures set forth in the CITY's SBEDA Policy & Procedure Manual are in furtherance of the CITY's efforts at economic inclusion and, moreover, that such terms are part of CONTRACTOR's scope of work as

referenced in the CITY's formal solicitation that formed the basis for contract award and subsequent execution of this Agreement, these SBEDA Ordinance requirements, guidelines and procedures are hereby incorporated by reference into this Agreement, and are considered by the Parties to this Agreement to be material terms. CONTRACTOR voluntarily agrees to fully comply with these SBEDA program terms as a condition for being awarded this contract by the CITY. Without limitation, CONTRACTOR further agrees to the following terms as part of its contract compliance responsibilities under the SBEDA Program:

1. CONTRACTOR shall cooperate fully with the Small Business Office and other CITY departments in their data collection and monitoring efforts regarding CONTRACTOR's utilization and payment of Subcontractors, S/M/WBE firms, and HUBZone firms, as applicable, for their performance of Commercially Useful Functions on this contract including, but not limited to, the timely submission of completed forms and/or documentation promulgated by SBO, through the Originating Department, pursuant to the SBEDA Policy & Procedure Manual, timely entry of data into monitoring systems, and ensuring the timely compliance of its Subcontractors with this term;

2. CONTRACTOR shall cooperate fully with any CITY or SBO investigation (and shall also respond truthfully and promptly to any CITY or SBO inquiry) regarding possible non-compliance with SBEDA requirements on the part of CONTRACTOR or its Subcontractors or suppliers;

3. CONTRACTOR shall permit the SBO, upon reasonable notice, to undertake inspections as necessary including, but not limited to, contract-related correspondence, records, documents, payroll records, daily logs, invoices, bills, cancelled checks, and work product, and to interview Subcontractors and workers to determine whether there has been a violation of the terms of this Agreement;

4. CONTRACTOR shall immediately notify the SBO, in writing on the Change to Utilization Plan form, through the Originating Department, of any proposed changes to CONTRACTOR's Subcontractor / Supplier Utilization Plan for this contract, with an explanation of the necessity for such proposed changes, including documentation of Good Faith Efforts made by CONTRACTOR to replace the Subcontractor / Supplier in accordance with the applicable Affirmative Procurement Initiative. All proposed changes to the Subcontractor / Supplier Utilization Plan including, but not limited to, proposed self-performance of work by CONTRACTOR of work previously designated for performance by Subcontractor or supplier, substitutions of new Subcontractors, terminations of previously designated Subcontractors, or reductions in the scope of work and value of work awarded to Subcontractors or suppliers, shall be subject to advanced written approval by the Originating Department and the SBO.

5. CONTRACTOR shall immediately notify the Originating Department and SBO of any transfer or assignment of its contract with the CITY, as well as any transfer or change in its ownership or business structure.

6. CONTRACTOR shall retain all records of its Subcontractor payments for this contract for a minimum of four years or as required by state law, following the conclusion of this contract or, in the event of litigation concerning this contract, for a minimum of four years or as required by state law following the final determination of litigation, whichever is later.

7. In instances wherein the SBO determines that a Commercially Useful Function is not actually being performed by the applicable S/M/WBE or HUBZone firms listed in a CONTRACTOR's Subcontractor / Supplier Utilization Plan, the CONTRACTOR shall not be given credit for the participation of its S/M/WBE or HUBZone subcontractor(s) or joint venture partner(s) toward attainment of S/M/WBE or HUBZone firm utilization goals, and the CONTRACTOR and its listed S/M/WBE firms or HUBZone firms may be subject to sanctions and penalties in accordance with the SBEDA Ordinance.

8. CONTRACTOR acknowledges that the CITY will not execute a contract or issue a Notice to Proceed for this project until the CONTRACTOR and each of its Subcontractors for this project have registered and/or maintained active status in the CITY's Centralized Vendor

Registration System, and CONTRACTOR has represented to CITY which primary commodity codes each registered Subcontractor will be performing under for this contract.

E. SBEDA Program Compliance – Affirmative Procurement Initiatives

The CITY has applied the following contract-specific Affirmative Procurement Initiatives to this contract. CONTRACTOR hereby acknowledges and agrees that the selected API requirement shall also be extended to any change order or subsequent contract modification and, absent SBO's granting of a waiver, that its full compliance with the following API terms and conditions are material to its satisfactory performance under this Agreement:

SBE Prime Contract Program. In accordance with the SBEDA Ordinance, Section III. D. 7. (a), this contract is being awarded pursuant to the SBE Prime Contract Program, and as such, CONTRACTOR affirms that if it is presently certified as an SBE, CONTRACTOR agrees not to subcontract more than 49% of the contract value to a non-SBE firm.

F. Commercial Nondiscrimination Policy Compliance

As a condition of entering into this Agreement, the CONTRACTOR represents and warrants that it has complied with throughout the course of this solicitation and contract award process, and will continue to comply with, the CITY's Commercial Nondiscrimination Policy, as described under Section III. C. 1. of the SBEDA Ordinance. As part of such compliance, CONTRACTOR shall not discriminate on the basis of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation or, on the basis of disability or other unlawful forms of discrimination in the solicitation, selection, hiring or commercial treatment of Subcontractors, vendors, suppliers, or commercial customers, nor shall the company retaliate against any person for reporting instances of such discrimination. The company shall provide equal opportunity for Subcontractors, vendors and suppliers to participate in all of its public sector and private sector subcontracting and supply opportunities, provided that nothing contained in this clause shall prohibit or limit otherwise lawful efforts to remedy the effects of marketplace discrimination that have occurred or are occurring in the CITY's Relevant Marketplace. The company understands and agrees that a material violation of this clause shall be considered a material breach of this Agreement and may result in termination of this Agreement, disqualification of the company from participating in CITY contracts, or other sanctions. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party. CONTRACTOR's certification of its compliance with this Commercial Nondiscrimination Policy as submitted to the CITY pursuant to the solicitation for this contract is hereby incorporated into the material terms of this Agreement. CONTRACTOR shall incorporate this clause into each of its Subcontractor and supplier agreements entered into pursuant to CITY contracts.

G. Prompt Payment

Upon execution of this contract by CONTRACTOR, CONTRACTOR shall be required to submit to CITY accurate progress payment information with each invoice regarding each of its Subcontractors, including HUBZone Subcontractors, to ensure that the CONTRACTOR's reported subcontract participation is accurate. CONTRACTOR shall pay its Subcontractors in compliance with Chapter 2251, Texas Government Code (the "Prompt Payment Act") within ten days of receipt of payment from CITY. In the event of CONTRACTOR's noncompliance with these prompt payment provisions, no final retainage on the Prime Contract shall be released to CONTRACTOR, and no new CITY contracts shall be issued to the CONTRACTOR until the CITY's audit of previous subcontract payments is complete and payments are verified to be in accordance with the specifications of the contract.

H. Violations, Sanctions and Penalties

In addition to the above terms, CONTRACTOR acknowledges and agrees that it is a violation of the SBEDA Ordinance and a material breach of this Agreement to:

1. Fraudulently obtain, retain, or attempt to obtain, or aid another in fraudulently obtaining, retaining, or attempting to obtain or retain Certification status as an SBE, MBE, WBE, M/WBE, HUBZone firm, Emerging M/WBE, or ESBE for purposes of benefitting from the SBEDA Ordinance;

2. Willfully falsify, conceal or cover up by a trick, scheme or device, a material fact or make any false, fictitious or fraudulent statements or representations, or make use of any false writing or document, knowing the same to contain any false, fictitious or fraudulent statement or entry pursuant to the terms of the SBEDA Ordinance;

3. Willfully obstruct, impede or attempt to obstruct or impede any authorized official or employee who is investigating the qualifications of a business entity which has requested Certification as an S/M/WBE or HUBZone firm;

4. Fraudulently obtain, attempt to obtain or aid another person fraudulently obtaining or attempting to obtain public monies to which the person is not entitled under the terms of the SBEDA Ordinance; and

5. Make false statements to any entity that any other entity is, or is not, certified as an S/M/WBE for purposes of the SBEDA Ordinance.

Any person who violates the provisions of this section shall be subject to the provisions of Section III. E. 13. of the SBEDA Ordinance and any other penalties, sanctions and remedies available under law including, but not limited to:

1. Suspension of contract;

2. Withholding of funds;

3. Rescission of contract based upon a material breach of contract pertaining to S/M/WBE Program compliance;

4. Refusal to accept a response or proposal; and

5. Disqualification of CONTRACTOR or other business firm from eligibility for providing goods or services to the City for a period not to exceed two years (upon City Council approval).

019 RFCSP ATTACHMENTS

RFCSPATTACHMENT A, PART ONE

GENERAL INFORMATION

1. **Respondent Information:** Provide the following information regarding the Respondent.
(NOTE: Co-Respondents are two or more entities proposing as a team or joint venture with each signing the contract, if awarded. Sub-contractors are not Co-Respondents and should not be identified here. If this proposal includes Co-Respondents, provide the required information in this Item #1 for each Co-Respondent by copying and inserting an additional block(s) before Item #2.)

Respondent Name: _____
(NOTE: Give exact legal name as it will appear on the contract, if awarded.)

Principal Address: _____

City: _____ State: _____ Zip Code: _____

Telephone No._____ Fax No:_____

Website address:_____

Year established: _____

Provide the number of years in business under present name: _____

Social Security Number or Federal Employer Identification Number: _____

Texas Comptroller's Taxpayer Number, if applicable: _____
(NOTE: This 11-digit number is sometimes referred to as the Comptroller's TIN or TID.)

DUNS NUMBER: _____

Business Structure: Check the box that indicates the business structure of the Respondent.

___Individual or Sole Proprietorship If checked, list Assumed Name, if any: _____
___ Partnership
___Corporation If checked, check one: ___For-Profit ___ Nonprofit
Also, check one: ___Domestic ___Foreign
___Other If checked, list business structure: _____

Printed Name of Contract Signatory: _____
Job Title: _____

(NOTE: This RFCSPsolicits proposals to provide services under a contract which has been identified as "High Profile". Therefore, Respondent must provide the name of person that will sign the contract for the Respondent, if awarded.)

Provide any other names under which Respondent has operated within the last 10 years and length of time under for each:

_____
_____
_____

Provide address of office from which this project would be managed:
City: _____ State: _____ Zip Code: _____

Telephone No._____ Fax No: _____

Annual Revenue: $_____

Total Number of Employees: _____

Total Number of Current Clients/Customers: _____

Briefly describe other lines of business that the company is directly or indirectly affiliated with:

_____
_____
_____

List Related Companies:

_____
_____
_____

2. **Contact Information:** List the one person who the City may contact concerning your proposal or setting dates for meetings.

Name: _____ Title: _____

Address: _____

City: _____State: _____Zip Code: _____

Telephone No._____ Fax No: _____

Email: _____

3. Does Respondent anticipate any mergers, transfer of organization ownership, management reorganization, or departure of key personnel within the next twelve (12) months?

Yes ___ No ___

4. Is Respondent authorized and/or licensed to do business in Texas?

Yes ___ No ___ If "Yes", list authorizations/licenses.

_____

_____

5. Where is the Respondent's corporate headquarters located? _____

6. **Local/County Operation**: Does the Respondent have an office located in San Antonio, Texas?

Yes ___ No ___ If "Yes", respond to a and b below:

a. How long has the Respondent conducted business from its San Antonio office?

Years _____ Months_____

b. State the number of full-time employees at the San Antonio office.

If "No", indicate if Respondent has an office located within Bexar County, Texas:

Yes ___ No ___ If "Yes", respond to c and d below:

c. How long has the Respondent conducted business from its Bexar County office?

Years _____ Months_____

d. State the number of full-time employees at the Bexar County office. _____

7. **Debarment/Suspension Information**: Has the Respondent or any of its principals been debarred or suspended from contracting with any public entity?

   Yes ___ No ___ If "Yes", identify the public entity and the name and current phone number of a representative of the public entity familiar with the debarment or suspension, and state the reason for or circumstances surrounding the debarment or suspension, including but not limited to the period of time for such debarment or suspension.

   _____

   _____

8. **Surety Information**: Has the Respondent ever had a bond or surety canceled or forfeited?

   Yes ___ No ___ If "Yes", state the name of the bonding company, date, amount of bond and reason for such cancellation or forfeiture.

   _____

   _____

9. **Bankruptcy Information**: Has the Respondent ever been declared bankrupt or filed for protection from creditors under state or federal proceedings?

   Yes ___ No ___ If "Yes", state the date, court, jurisdiction, cause number, amount of liabilities and amount of assets.

   _____

   _____

10. **Disciplinary Action:** Has the Respondent ever received any disciplinary action, or any pending disciplinary action, from any regulatory bodies or professional organizations? If "Yes", state the name of the regulatory body or professional organization, date and reason for disciplinary or impending disciplinary action.

    _____

    _____

11. **Previous Contracts:**

    a. Has the Respondent ever failed to complete any contract awarded?

       Yes ___ No ___ If "Yes", state the name of the organization contracted with, services contracted, date, contract amount and reason for failing to complete the contract.

       _____

       _____

    b. Has any officer or partner proposed for this assignment ever been an officer or partner of some other organization that failed to complete a contract?
       Yes ___ No ___ If "Yes", state the name of the individual, organization contracted with, services contracted, date, contract amount and reason for failing to complete the contract.

       _____

       _____

c. Has any officer or partner proposed for this assignment ever failed to complete a contract handled in his or her own name?

Yes ___ No ___ If "Yes", state the name of the individual, organization contracted with, services contracted, date, contract amount and reason for failing to complete the contract.

_____

_____

REFERENCES

Provide three (3) references, that Respondent has provided services to within the past three (3) years. The contact person named should be familiar with the day-to-day management of the contract and be willing to respond to questions regarding the type, level, and quality of service provided.

Reference No. 1:

Firm/Company Name _____

Contact Name: _____ Title: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Telephone No. _____ email: _____

Date and Type of Service(s) Provided: _____

_____

Reference No. 2:

Firm/Company Name _____

Contact Name: _____ Title: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Telephone No. _____ email: _____

Date and Type of Service(s) Provided: _____

_____

Reference No. 3:

Firm/Company Name _____

Contact Name: _____ Title: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Telephone No. _____ email: _____

Date and Type of Service(s) Provided: _____

_____

RFCSP ATTACHMENT A, PART TWO

EXPERIENCE, BACKGROUND, QUALIFICATIONS

Prepare and submit narrative responses to address the following items. If Respondent is proposing as a team or joint venture, provide the same information for each member of the team or joint venture.

1. Describe Respondent's experience relevant to each of the major deliverable component areas in the Scope of Services requested by this RFCSP. List and describe three (3) relevant projects of similar size and scope performed over the past four (4) years. Identify associated results or impacts of the project/work performed. In particular, describe your experience with integrated solutions that combine invoice imaging, workflow and routing, automated data capture via OCR or other method, EDI/XML or other paperless solution implementations, and integration with SAP for invoice posting. Highlight any implementations for public entities and/or entities with complex and varied purchasing processes.

2. Describe all other Accounts Payable Invoice Management or Purchase-to-Pay related products and services your company provides.

3. List and describe all software and hardware providers you have utilized in Accounts Payable Automation solutions designs and/or implementations. Indicate any ownership or partnership positions. Identify any solution-specific associations such as certified integration partner, value added reseller or distributor. Include in your listing any and all experience and associations with SAP, FileNet, and Kofax.

4. Identify and describe any unique capabilities of your approach, services, and/or system(s). Describe the differentiating factors between the goods or services being described and similar offerings from other vendors.

5. Describe the future strategic direction of your solution(s) that is currently planned.

6. Describe your best practices implementation approach with:

- AP Invoice Automation systems including invoice imaging, workflow, data capture and data transfer/integration;
- Purchase-to-Pay business process analysis and continuous improvement solutions; and
- Identifying and addressing challenges and risks to an integrated, multi-platform approach.

7. Indicate the number of years Respondent has been in the business of providing products and/or services related to Accounts Payable Automation and Purchase-to-Pay process analysis and improvement. Indicate if this is the Respondent's primary line of business. If not, state the Respondent's primary line of business.

8. Describe Respondent's specific experience with public entities clients, especially large municipalities or authorities. If Respondent has provided services for the City in the past, identify the name of the project and the department for which Respondent provided those services.

9. Provide an organizational chart of the respondent's company. Should only include employees.

10. If Respondent is proposing as a team or joint venture or has included sub-contractors, describe the rationale for selecting the team and the extent to which the team, joint ventures and/or sub-contractors have worked together in the past.

11. Provide an organizational chart showing how the Respondent proposes to staff the project. For each position reflected on the organizational chart:

- Identify each individual's relationship with the respondent organization (e.g. employee, contractor, 3rd party service/software provider)
- List the individual's professional qualifications (to include licenses, certifications, and associations).
- Describe all relevant experience on projects of similar size and scope.
- State the primary work assignment and the percentage of time to be devoted to the project.

12. Describe the company's support organization and volume of support inquires managed per month over the past two (2) years.

13. List all Accounts Payable Automation projects that Respondent has in progress as of the proposal due date and give the target date of completion.

RFCSPATTACHMENT A, PART THREE

PROPOSED PLAN

Prepare and submit your proposal for the design of an overall invoice receipt-to-posting system, and a recommended phased implementation plan for development and deployment. Scope of proposal should include the actual implementation work. Include in your proposal:

System Design and Technical Architecture: – Describe the overall design of the system you are recommending to automate and streamline the City's Accounts Payable invoice processing.

- Describe any and all software or hardware components required for the proposed solution.
- Present the architecture with one diagram identifying the software products and, if applicable, brand/type of equipment that would typically be deployed.
- Include specific details of how the system(s) fits with the City's IT infrastructure.
- Highlight all integration points and method for integration between components.
- Explain the specific selection criteria and expected benefits of the proposed solution over other options considered and/or available.
- Provide references to best practices supported by your proposed solution set.

The proposed design should address system components of the three major deliverables areas:

1. Invoice Capture, Workflow, Posting: Invoice Image and Data Capture; Workflow; Data Integration.
2. Vendor Outreach and Onboarding: Recommended suite of data and/or image capture solutions
3. Performance Measurement and Reporting: Proposed reporting tool(s) and data consolidation

Program Development & Implementation Plan – Describe the proposed plan to develop and implement your proposed solution.

1. Present your plan as a program of work, including prioritization/sequence of program components, dependencies between program components, and detailed plan by component
2. Describe the approach and methodology behind each program components, making reference to best practices as applicable
3. For Vendor Outreach and Onboarding, describe the approach to vendor segmentation, communications and onboarding
4. Identify and explain dependencies between program components and rationale behind prioritization and sequencing of program components
5. Provide a detailed implementation timeline by component, broken down by major activities and milestones

Resource Plan – Present a suggested resource plan to execute your proposed program development and implementation plan by program component, explain resource type and skills/knowledge required.

Training Plan – Outline a proposed training approach by role / user type. Include general topic(s), summary content outlines, and recommended training delivery method(s). Include estimated time to develop training content.

Risk Identification & Mitigation Plan – Identify known or anticipated risks to program development and implementation and propose options for risk reduction or elimination. Apply experience and/or best practice to include assessment of impact and probability.

Maintenance/Ongoing Support Plan- Identify known or anticipated ongoing support needed to sustain proposed program/system. Define proposed plan along with any associated costs beginning at implementation phase and recurring years through year six.

Detailed Business and Functional Requirements Please complete Attachment E

RFCSP ATTACHMENT B

PRICE SCHEDULE

Price shall include all costs to perform the scope of services as identified in this RFCSP including all materials, supervision, labor, travel, transportation, recurring fees and any direct or indirect cost to this project.

Please identify a breakdown of each task/work/deliverable required to perform completion of the services as described in this RFCSP

1. One Time Costs:

Task/Deliverable Name	Timeline/Range/Frequency	One Time Costs (A)	Deliverable type/Category (i.e. software, implementation, consulting, project management etc)
Design & Implementation Plan			
1.		$	
2.		$	
3.		$	
4.		$	
5.		$	
Invoice Capture, Workflow, Posting			
1.		$	
2.		$	
3.		$	
Vendor Outreach			
1.		$	
2.		$	
3.		$	
4.			
Performance Measurement and Reporting			
1.		$	
2.		$	
3.		$	
4.		$	
		$	
Total One Time Costs		$	

2. Recurring Costs:

Task/Deliverable Name	Timeline/Range/Frequency	Recurring Fees (B) (Annual)	Deliverable type/Category (i.e. software, implementation, consulting, etc)
Design & Implementation Plan			
1.		$	
2.		$	
3.		$	
4.		$	
5.		$	
Invoice Capture, Workflow, Posting			
1.		$	
2.		$	
3.		$	
Vendor Outreach			
1.		$	
2.		$	
3.		$	
4.			
Performance Measurement and Reporting			
1.		$	
2.		$	
3.		$	
4.		$	
		$	
Total Recurring Costs		$	

***NOTE: Respondent <u>must</u> provide cost breakdown by task**

Total Price to Provide Proposed Services to City including one time costs and recurring fees:

Total One Time Costs (A) $_____

Total Annual Recurring Fees (B) $_____

3. Hourly Rates

As a point of reference, please submit applicable hourly rates for each member of vendor's staff who will be engaged in work on this project:

Name	Title	Hourly Rate

RFCSP ATTACHMENT C

DISCRETIONARY CONTRACTS DISCLOSURE FORM

Discretionary Contracts Disclosure Form may be downloaded at
https://www.sanantonio.gov/eforms/atty/ContractsDisclosure.pdf.

Instructions for completing the Discretionary Contracts Disclosure form are listed below:

1. Download form and complete all fields. Note: All fields must be completed prior to submitting the form.

2. Click on the "Print" button and place the copy in proposal response as indicated in the Proposal Checklist.

RFCSP ATTACHMENT D

LITIGATION DISCLOSURE FORM

Respond to each of the questions below by checking the appropriate box. Failure to fully and truthfully disclose the information required by this Litigation Disclosure form may result in the disqualification of your proposal from consideration or termination of the contract, once awarded.

Have you or any member of your Firm or Team to be assigned to this engagement ever been indicted or convicted of a felony or misdemeanor greater than a Class C in the last five (5) years?

Yes ___ No ___

Have you or any member of your Firm or Team to be assigned to this engagement been terminated (for cause or otherwise) from any work being performed for the City of San Antonio or any other Federal, State or Local Government, or Private Entity?

Yes ___ No ___

Have you or any member of your Firm or Team to be assigned to this engagement been involved in any claim or litigation with the City of San Antonio or any other Federal, State or Local Government, or Private Entity during the last ten (10) years?

Yes ___ No ___

If you have answered "Yes" to any of the above questions, please indicate the name(s) of the person(s), the nature, and the status and/or outcome of the information, indictment, conviction, termination, claim or litigation, as applicable. Any such information should be provided on a separate page, attached to this form and submitted with your proposal.

RFCSP ATTACHMENT E

DETAILED BUSINESS FUNCTIONAL REQUIREMENTS

Attached as a separate document

RFCSP ATTACHMENT F

SBEDA FORM(S)

Attached as a separate document(s)

RFCSP ATTACHMENT G

SIGNATURE PAGE

Respondent, and co-respondent, if any, must complete City's Certified Vendor Registration (CVR) Form prior to the due date for submission of proposals. The CVR Form may be accessed at: http://www.sanantonio.gov/purchasing/.

By submitting a proposal, whether electronically or by paper, Respondent represents that:

If Respondent is a corporation, Respondent will be required to provide a certified copy of the resolution evidencing authority to enter into the contract, if other than an officer will be signing the contract.

If awarded a contract in response to this RFCSP, Respondent will be able and willing to comply with the insurance and indemnification requirements set out in RFCSP Exhibits 1& 2.

If awarded a contract in response to this RFCSP, Respondent will be able and willing to comply with all representations made by Respondent in Respondent's proposal and during Proposal process.

Respondent has fully and truthfully submitted a Litigation Disclosure form with the understanding that failure to disclose the required information may result in disqualification of proposal from consideration.

Respondent agrees to fully and truthfully submit the Respondent Questionnaire form and understands that failure to fully disclose requested information may result in disqualification of proposal from consideration or termination of contract, once awarded.

To comply with the City's Ethics Code, particularly Section 2-61 that prohibits a person or entity seeking a City contract - or any other person acting on behalf of such a person or entity - from contacting City officials or their staff prior to the time such contract is posted as a City Council agenda item.

(S)he is authorized to submit this proposal on behalf of the entity.

If submitting your proposal by paper, complete the following and sign on the signature line below. Failure to sign and submit this Signature Page will result in rejection of your proposal.

_____
Respondent Entity Name

Signature: _____

Printed Name: _____

Title: _____

(NOTE: If proposal is submitted by Co-Respondents, an authorized signature from a representative of each Co-Respondent is required. Add additional signature blocks as required.)

If submitting your proposal electronically, through City's portal, Co-Respondent must also log in using Co-Respondent's log-on ID and password, and submit a letter indicating that Co-Respondent is a party to Respondent's proposal and agrees to these representations and those made in Respondent's proposal. While Co-Respondent does not have to submit a copy of Respondent's proposal, Co-Respondent should answer any questions or provide any information directed specifically to Co-Respondent.

_____
Co-Respondent Entity Name

Signature: _____

Printed Name: _____

Title: _____

RFCSP ATTACHMENT H

PROPOSAL CHECKLIST

Use this checklist to ensure that all required documents have been included in the proposal and appear in the correct order.

Document	Initial to Indicate Document is Attached to Proposal
Table of Contents	
Executive Summary	
General Information and References RFCSP Attachment A Part One	
Experience, Background & Qualifications RFCSP Attachment A, Part Two	
Proposed Plan RFCSP Attachment A, Part Three	
Pricing Schedule RFCSP Attachment B	
Discretionary Contracts Disclosure form RFCSP Attachment C	
Litigation Disclosure RFCSP Attachment D	
Additional Documents- Detailed Business and Functional Requirements RFCSP Attachment E	
* SBEDA Forms RFCSP Attachment F; Utilization Plan & Mentorship Incentive Commitment Form	
Proof of Insurability (See RFCSP Exhibit 1) Insurance Provider's Letter Copy of Current Certificate of Insurance	
Financial Information	
* Signature Page RFCSP Attachment G	
Proposal Checklist RFCSP Attachment H	
One (1) Original signed in ink and 13 copies, and one (1) CD of entire proposal in PDF format if submitting in hard copy.	

*Documents marked with an asterisk on this checklist require a signature. Be sure they are signed prior to submittal of proposal.

EXHIBIT B

Statement of Work

City of San Antonio

A/P Automation Phase 1

Version 1.4

August 19, 2014

ReadSoft, Inc.

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1 Project Summary

ReadSoft, Inc. will implement the Accounts Payable Invoice Automation System Project for the City of San Antonio.

1.1 Project Scope

The scope of this project is Phase 1 of the Accounts Payable Invoice Automation System Implementation for the City of San Antonio. Subsequent phases will be contracted for in separate statements of work.

The purpose of this scope section is to understand and document in as exclusive terms as possible those factors which govern, limit, and bound the ReadSoft project work necessary to satisfy San Antonio's business needs.

1.1.1 What is in the Project Scope

ReadSoft will implement the ReadSoft Best Practice Solution (BPS). This is a packaged solution that is delivered without customization. ReadSoft is able to implement the BPS at a lower cost by delivering a standard solution and standard documentation following ReadSoft's own methodology. Deviations from standard would raise the cost of the project. The defined in-scope items based on the ReadSoft Proposal include:

- ReadSoft INVOICES
- ReadSoft Capture Package
- COLLECTOR
- ReadSoft PROCESS DIRECTOR for Accounts Payable
- ReadSoft SAP Package
- ReadSoft WORK CYCLE
- ReadSoft Check Request

Included in the scope is project management and related documentation, software installation and base configuration, training, and go-live support.

1.1.2 What is not in the Project Scope

Only items for AP processing are considered in-scope, unless otherwise indicated.

2 Project Management

The project management approach is based upon ReadSoft's standard implementation practice, addressing each of the five major project management processes: Project Initiation, Project Planning, Project Execution, Project Control, and Project Closeout.

A comprehensive project management methodology is focused upon the following tasks required for the planning of activities, identifying milestones, and ensuring on-time, on-budget deliverables:

- Managing staff
- Allocating resources
- Performing quality assurance activities
- Controlling project scope
- Producing meaningful project status reports
- Identifying project risks and risk mitigation strategies
- Providing a structure for planning the sequencing and timing of tasks
- Collecting relevant progress data
- Managing changes to the project work plan
- Controlling project costs
- Managing the deliverable review process

A project management methodology consists of project management strategies, control mechanisms, quality assurance protocols, and risk identification and mitigation plans. Most project management tasks will be continuous throughout the project implementation life cycle, providing a planning framework for the management of the project.

Quality assurance and performance reporting aspects of project management are particularly important. We can monitor the quality of the project because strict client-management and end-user measures are agreed on during the initial project phases. The process helps ensure that clients stay abreast of developing issues on their projects so that potential problems are addressed and solved before they become liabilities.

2.1 Project Status Reporting

Project status reporting is the presentation of relevant, factual project data in an objective, understandable format. Reporting provides management with an objective picture of the project's current status. Status reporting is an inherent part of the management of a project. Reporting does the following:

- Provides a picture of project status
- Identifies obstacles and vulnerabilities

- Highlights future trends
- Communicates the appropriate level of detail for the designated audience

When effective project control processes have been implemented, project reports present management with very few surprises. Most problems will have been anticipated and appropriate corrective actions will already be in place.

A variety of reports can be used to identify project status and trends. Project characteristics, including project risk levels and duration, are assessed to determine the specific reports required. Basic report categories are presented in the following table, along with a sample listing of analytical questions to be addressed by reports in each category.

2.1.1 Project Reporting Tools

The City uses Microsoft Project to manage project activities and deliverables. Reports from this project management application can be distributed to all members of the project team at any time, permitting evaluation of project events. ReadSoft will work with the City project management team to determine appropriate formats for reporting.

2.1.2 Project Reporting Schedule

Project status meetings will be held on a regular basis. This helps ensure that all project staff are up to date on the current project status, possible issues and risks, and planned activities in the coming weeks and months. The following describes our recommended project status reporting schedule.

2.1.2.1 Weekly status report and meeting

The project management team attends this meeting along with various staff from both teams who are involved in that week's activities. This meeting generally lasts no longer than one hour and gives an overview of the week's successes and issues. It also discusses strategies and plans for the following week. The meeting is scheduled regularly on the project calendar. We will also prepare and deliver a weekly status report, risk and issues log, and project plan update (as required). The typical weekly project management reporting includes the following:

- Status report
- Issue summary and resolution report
- Change control summary with detailed change control report
- Project work plan updates, incorporating agreed changes and defining the implications for resources and schedules

2.1.2.2 Periodic quality assurance review meetings

As part of the management structure, a quality assurance team will perform independent reviews of the progress of the project. This review will verify and validate the following:

- This is a fixed price project to deliver the BPS
- Outstanding issues and risks and how these issues and risks will affect the project

2.1.2.3 Project Management Plan

ReadSoft will provide a project management plan to the City which will include the agreed Statement of Work. This will be presented to the City and, once approved, a project kick-off meeting will be scheduled for the project team and stakeholders.

2.2 City Responsibilities

The City also expects a significant number of informal meetings to take place on specific project issues. These meetings, unscheduled or unplanned at project onset, are documented and included in the monthly status reports.

ReadSoft will rely on the City's Project Manager to provide all information necessary for satisfactory performance of the required tasks. ReadSoft will direct all communication to, and take direction from the City's project manager. Project meetings should be scheduled on a regular basis and will serve as a means of identifying emerging issues and reporting on progress. The initial meetings may be brief, but subsequent meetings will at times require a number of personnel to address problems and answer questions.

The City's project manager and project team will be responsible for contributing to and reviewing Weekly Status Reports, reporting Project Issues, and updating the Project Plan.

2.3 Documentation

ReadSoft will deliver standard documentation that is part of the BPS. ReadSoft has quoted the City of San Antonio using our Best Practice Solution Scope. ReadSoft avoids the pitfalls of traditional solution delivery approaches with an implementation strategy which leverages "best learning's" to provide high impact, tangible and quick results with a minimal total cost of ownership. Part of the cost savings is around using ReadSoft's documentation and methodology.

3 Implementation Work

3.1 Software Installation and Configuration

The following tasks will be completed as a part of the Implementation effort:

3.1.1 Installation of the ReadSoft PROCESS DIRECTOR for AP Solution software in four environments

The following ReadSoft PROCESS DIRECTOR for AP Solution modules will be installed:

a. ReadSoft INVOICES and ReadSoft Capture Package - Installation of ReadSoft INVOICES and ReadSoft Capture Package consists of the following tasks:
   - Load software on workstations and servers
   - Configure the software using the ReadSoft BPS configuration

b. ReadSoft PROCESS DIRECTOR for Accounts Payable and the ReadSoft SAP Package - Installation of ReadSoft PROCESS DIRECTOR for Accounts Payable and the ReadSoft SAP Package consists of the following tasks:
   - City will provide remote access to the SAP system for ReadSoft team along with developer's key.
   - City will create RFC users as required for connectivity between ReadSoft products.
   - ReadSoft will provide transports to the City
   - City employees will apply the transports to the SAP development environment.
   - ReadSoft will complete the configuration of the software once it is loaded in the SAP development environment, generating another transport.
   - City will create SAP roles to enable access to the transactions. ReadSoft will provide model roles.

c. COLLECTOR – Installation of COLLECTOR consists of the following tasks:
   - ReadSoft will load software on a server with assistance of City employees.
   - City will create an email address and Outlook rules to route mail to designated folders.

d. WORK CYCLE and Check Request – Installation of WORK CYCLE and Check Request consists of the following tasks:
   - City will provide a server with TomCat loaded.
   - ReadSoft will load the software with assistance of City employees.
   - ReadSoft will configure the software.

3.2 Professional Services

ReadSoft Professional Services personnel will provide the following services:

3.2.1 Integration

ReadSoft will provide its Best Practice Solution. This is a predefined solution that incorporates practices that have successfully served the requirements of many companies and agencies.

3.2.2 Processes

ReadSoft will provide its Best Practice Solution. This is a predefined solution that incorporates practices that have successfully served the requirements of many companies and agencies. City will adopt the practices provided by the solution.

ReadSoft will rely on the City of San Antonio to provide its "As-Is" process documentation for a ReadSoft Business Consultant to review. Upon review, the Business Consultant will conduct discovery sessions with representatives from each department and the project team to develop the "To- Be" processes to be implemented in ReadSoft PROCESS DIRECTOR for AP Solution.

3.2.3 Product Enhancements

Per the Best Practice Scope, any product enhancements would need to be done in a second phase after Go-Live.

3.2.4 Testing

ReadSoft will work with the City to develop a test plan for Unit, System, Integration, Regression and Stress testing of the application and interfaces. The development of the plan will require input from the City and will be the responsibility of both ReadSoft and the City of San Antonio. ReadSoft will provide test scripts to the City. These test scripts can be modified by the City as desired for the City's testing of the solution.

Testing will include all installed and configured ReadSoft PROCESS DIRECTOR for AP Solution software (including integration code) to be used in Phase 1.

ReadSoft will document the test results and provide them to the City for review. Defects will be logged in a defect tracking system. Defects will be reviewed as to priority, assigned to responsible parties for resolution, assigned an expected resolution date and re-tested when believed to be resolved.

ReadSoft will conduct testing in the City's SAP development system using adequate test data provided by the City. After ReadSoft's testing is completed, the City will move the SAP transports to the City's SAP quality assurance system and the City will perform its testing in that system.

The City will be responsible for performing User Acceptance Testing.

3.3 Training

As part of the BPS implementation, ReadSoft provides onsite training. Three sessions are conducted. Each session can be attended by 8 or fewer students. If the City requires more students to attend, a second ReadSoft instructor will be required in the session. The time and expense of the second instructor would be an incremental cost to the City.

The first session is training on the use of the INVOICES modules. This session covers the relationship of the modules and how to use the modules on a daily basis. Attendees would be those responsible for scanning invoices, verifying the data captured by the OCR engine, optimizing the capture process, and managing the system. This session is offered just before the City begins its testing. This is a three day session.

The second session is on the processing of invoices within PROCESS DIRECTOR for Accounts Payable, the SAP components. Attendees would be the accounts payable employees who process invoices within SAP. The SAP analysts who support AP and the trainers who will train workflow recipients should also attend this session. This session is offered just before the City beings its testing. Process Director training will be conducted with two sessions back to back. Each is a two day session.

The third session is for the advanced users who will be responsible for optimizing the capture process and those who will manage the INVOICES product. This session is offered after the solution is in production. This is a two day session.

3.4 Warranty Period

ReadSoft will provide a warranty period of 60 days from Go-Live for all deliverables.

4 Project Assumptions

The following assumptions have been made in support of this Statement of Work and its associated effort estimate:

City of San Antonio Assumptions

1. The City of San Antonio will be responsible for the installation and configuration of all hardware required for the project based on System/Architecture Design as agreed upon at time of City and Readsoft's License Agreement.
2. The City of San Antonio must make available the necessary technical, business, testing and training personnel to support the deployment throughout the project. Failure to provide personnel in a timely manner, as defined in the approved Project Management Plan (deliverable milestone 1), may cause delays in delivery of the solution.
3. The City will provide a full time Project Manager and Business Analyst for this project and access to technical personnel.
4. City leadership will continue to support the project with the necessary resources and commitment to transition and change that this project will entail; City will provide needed departmental liaisons and access as needed.
5. An appropriate work environment must be provided to ReadSoft personnel working on-site. The location should be co-located or near the locations of the work to be performed. ReadSoft personnel will require access to the City's network and installed software components, Internet and telephone service (to include teleconference compatible telephones).ReadSoft agrees to follow applicable City policies and/or guidelines for appropriate use of City infrastructure (e.g., Internet, network, etc.).
6. The City of San Antonio will be responsible for ensuring that all discussion, workshop and training sessions are attended by City personnel, as scheduled.
7. The City of San Antonio will be responsible for the scheduling of meeting rooms, training facilities, and requisite equipment.
8. The City of San Antonio will assign a primary contact and point of authorization. This single point of contact will be responsible for facilitating all communications between San Antonio and ReadSoft. The timeliness of communication and review will directly affect ReadSoft's ability to meet agreed upon schedule deadlines. All project deliverables must be signed-off on within ten business days of notification that the deliverable is complete. If sign-off has not been completed within ten business days, and no notification of reason for the delay is received, the city acknowledges that this may result in a project change order.
9. The parties agree that the warranty obligations and the support and maintenance obligations contained within the Supply Agreement entered into by and between the City and ReadSoft
10. Any changes requested to the scope documented in this Statement of Work and the Project Schedule document or due to the City's dependencies will be handled via a Change Request process. Any change request will be handled as a separate project after the BPS is in production.
11. The City will maintain non-ReadSoft PROCESS DIRECTOR for AP Solution software licenses and provide infrastructure and middleware needed for this project, based on the ReadSoft PROCESS DIRECTOR for AP Solution Software Agreement and the agreed Systems/Architecture Design.
12. Ownership of and responsibility for the ReadSoft PROCESS DIRECTOR for AP Solution environment is by the City or their contractor and not ReadSoft. All necessary access, including remote privileges (VPN), will be provided to ReadSoft personnel working on this project. ReadSoft agrees to follow applicable City policies and/or guidelines for appropriate use of City infrastructure (e.g., Internet, network, etc.).

13. The scope and assumptions within this document only pertain to Phase 1 (current scope of work – any additional scope may be determined to be delivered in a future phase). Additional phases as well as optional items will require an additional scoping and SOW.
14. The City will be responsible for making any modifications to SAP and make available SAP access for integration to ReadSoft PROCESS DIRECTOR for AP Solution software
15. The City will be responsible for ensuring that the versions of SAP running on all environments remain the same across all environments.
16. The City will schedule and perform User-acceptance Testing (UAT).
17. This SOW does NOT include any services for the following:
    a. Additional configuration, development of reports, etc, unless described in this statement of work.
    b. Configuration, development, other work or integrations other than those described in this statement of work.

ReadSoft Assumptions

1. The ReadSoft North America Best Practice Solution includes INVOICES, PROCESS DIRECTOR for AP, WORK CYCLE, CHECK REQUEST, COLLECTOR, North American Capture Package, and North American SAP Package. Appropriate licenses must be purchased for each product.

2. The implementation will be done on a currently installed, single SAP production instance in a single business location unless otherwise specified in the solution description.
3. City of San Antonio is trained on their SAP system and has been using the system in production for a minimum of one year.
4. City of San Antonio has not made any modifications to the SAP standard in the area of processing of AP invoices. No substitution and validation rules are in place in that area.
5. The solution as described is available for SAP releases 4.6C and newer (up to ECC 6.0 at the time of this writing).
6. User access to R/3 is via the SAP GUI or SAP Portal.
7. No integration into an existing workflow solution is to be provided.
8. City of San Antonio has reviewed all relevant hardware requirements documents provided by ReadSoft and agrees to provide all infrastructure components necessary for implementation of the proposed solution.
9. An ArchiveLink certified repository is installed and functional.
10. City of San Antonio will provide a server with Apache Tomcat configured or ReadSoft will provide a configured Apache Tomcat.
11. For "in-Frame" display inside SAPGUI, Adobe Reader needs to be available.
12. City of San Antonio shall provide ReadSoft direct and remote access to City of San Antonio's network. City of San Antonio shall provide all relevant ReadSoft project team members with user accounts to the SAP development platform and user accounts with administrative access to all INVOICES related servers and web application servers, including the database servers.
13. City of San Antonio shall provide ReadSoft debug access to the Quality Assurance platform.
14. City of San Antonio shall provide ReadSoft with developer key(s) and the necessary developer access to the SAP development platform.
15. It is the City of San Antonio's responsibility to configure SAP to transfer workflow notifications to the City of San Antonio's email system.

16. ReadSoft will provide a list of PROCESS DIRECTOR for AP and WORK CYCLE transaction codes grouped by role. City of San Antonio will be responsible for the implementation of roles that will contain the objects.
17. The schedule and project effort detailed in the Project Definition must be accepted by City of San Antonio before configuration work begins. Any change requested by City of San Antonio to the schedule or to the scope will be estimated and itemized in a change request that will identify the incremental cost.
18. The project will not begin until all hardware and security access is in place. ReadSoft will provide a document titled "ReadSoft Best Practice Solution Checklists". This document has been reviewed by City of San Antonio and all required resources are available prior to commencement of work.
19. ReadSoft will install the INVOICES software and the WORK CYCLE web application in one environment. City of San Antonio personnel will shadow ReadSoft during this installation and will install other environments and workstations. ReadSoft recommends implementing INVOICES on a server that will ultimately become the production server. A test server would be built during or after the completion of the project.
20. The standard project estimate presupposes that project status meetings will be conducted no more frequently than weekly. Additional hours will be added to the project if more frequent status meetings are requested. With the exception of one-on-one meetings, conference calls can only be scheduled by the ReadSoft Project Manager or the City of San Antonio Project Manager. If meetings become excessive (at ReadSoft's discretion), additional hours will be added to the project.
21. Invoice data extraction accuracy rates depend upon image quality. The scanner(s) must be on the ReadSoft certified scanner list, use VRS software and be set to scan at a 300 DPI minimum, black and white. Invoices that are scanned by a third party must also use VRS (or similar) software and scan documents at 300 DPI, black and white.
22. The solution will be configured only for the English language.
23. Data from the SAP HR Organizational Management or a simple lookup table to be provided by City of San Antonio will be used for approval hierarchy.
24. After City of San Antonio has approved this Solution Description, all subsequent changes or additions to scope mutually agreed upon in this document will be addressed through a change request and these changes will be implemented after the scheduled go-live date.
25. ReadSoft will provide City of San Antonio with a set of base test scripts to assist in testing the functionality of the solution. City of San Antonio is responsible for modifying the delivered test scripts to conform to their testing requirements.
26. City of San Antonio shall provide test data in the development and QA environments that properly reflect real world scenarios to enable ReadSoft to adequately train on and test the solution from scanning in INVOICES through workflows and posting in SAP.
27. City of San Antonio will conduct integration testing in a two week period and user acceptance testing in a four week period.
28. ReadSoft will provide "train the trainer" training sessions per the project plan, but subsequent end user training will be developed and delivered by the City of San Antonio.
29. This agreement shall cover the initial solution rollout described in this document. Subsequent implementations to other divisions or users shall be provided by City of San Antonio. ReadSoft is available to participate under a separate agreement.
30. City of San Antonio shall certify that the solution meets the business requirements and is ready for production prior to production go-live.

31. For image operations, standard ArchiveLink interfaces are used and must be configured properly. The image can be accessed throughout the entire approval process in WORK CYCLE as well as in PROCESS DIRECTOR for AP. ReadSoft is not responsible for installing or configuring the content repository or for configuring SAP to communicate with SAP Content Server
32. A maximum of twenty currencies per country profile can be determined in the INVOICES product.
33. The INVOICES system environment will consist of a maximum of five workstations, one application server, and one database server.
34. ReadSoft will train no more than eight individuals for INVOICES and ten individuals for PROCESS DIRECTOR for AP and WORK CYCLE. Training is done in a train-the-trainer format.
35. City of San Antonio will provide a training classroom for all trainings. ReadSoft will show City of San Antonio personnel how to install one workstation in the classroom and the remainder will be setup by City of San Antonio. The SAP GUI must be installed on each workstation.
36. The WORK CYCLE web server will utilize a Windows operating system. City of San Antonio will download and install the SAP Java Connector component.
37. A single business process will be implemented for FI invoices and a single business process will be implemented for MM invoices. Separate business processes will not be allowed within the scope of this project for the purpose of accommodating various divisions, plants, or other business entities.
38. In the event that invoices are processed in various currencies, the solution will not support automatic currency conversion.
39. The INVOICES environment is implemented in a two-tiered architecture only. There is no need for three tiers (DEV, QA, PRD).
40. Go-live support will occur for a maximum of two weeks.
41. WORK CYCLE workflows are not connected to SAP workflows. However, a work item can be created that will allow WORK CYCLE workflows to appear in a user's SAP inbox.
42. City of San Antonio is responsible for closely managing any outsourced resource(s). ReadSoft expects that any outsourced activity to be entirely transparent to the implementation.
43. City of San Antonio does not use invoice reduction as it is not a supported process.
44. Posting of down payments is supported using transaction F-47.

5 Software

ReadSoft will, as a part of this Phase 1 engagement, install the following software procured by the City of San Antonio:

ReadSoft PROCESS DIRECTOR for AP Solution Application Server (production and nonproduction)

Which includes:

- ReadSoft INVOICES
- ReadSoft Capture Package
- COLLECTOR
- ReadSoft PROCESS DIRECTOR for Accounts Payable
- ReadSoft SAP Package
- ReadSoft WORK CYCLE
- ReadSoft Web Application
- ReadSoft Check Request

6 Payment Milestones

ReadSoft will provide this service to the City of San Antonio on a fixed fee with accepted deliverables based payments. The City of San Antonio will be billed on the invoice schedule below after acceptance of the milestone by the City. Invoices will be due net 30 days from the invoice date. The Milestone Value is full value for each accepted deliverable payment. The net due at each Payment Milestone is the net of Milestone Value minus the Retention 10% holdback. The cumulative total of the retention holdback amounts will be paid at the time of the final Payment Milestone:

Requirement Reference	#	Deliverable Description	Scheduled Date	Contract %	Retention %	Value
	1	Project Kick Off	9/30/14	5	10	$6,200
	2	Installation		80	10	$99,200
	3	Training				
	4	Testing assistance				
	5	Go Live		15		$18,600
Total						$124,000.00

This Agreement has been duly signed by authorised representatives of the parties, each party taking one copy.

ReadSoft

Date 7/30/14

_____

Robert L. Fresneda, President

City of San Antonio

Date _____

_____

Hugh Miller, Chief Technology Officer

READSOFT®

ReadSoft Proposal: City of San Antonio.

SUMMARY:

RFP Response

Written by: Margaux Vourvoulias
Created: September 2013
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Exhibit C

READSOFT®

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(INCLUDED IN RFP RESPONSE)

ATTACHMENTS A-F

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READSOFT

Executive Summary

ReadSoft is pleased to respond to this RFP from the City of San Antonio. The goal of ReadSoft is to provide technology to simplify an organization's processing of time consuming documents and internal requests in a way that best utilizes their existing infrastructure.to enhance document handling reliability, and increase the speed of document processing to dramatically cut the costs of operations. The transformation of document handling from a tedious and expensive manual process to a streamlined and auditable electronic process is the ultimate goal of all the technology that ReadSoft develops.

This proposal addresses the City of San Antonio's requirements as have been discussed in conversations and information exchanged in the weeks prior to this RFP date; specifically for an optimized accounts payable solution in the following areas of front end data capture of supplier invoices from paper, SAP integration, workflow accessible inside and outside of SAP, Non-PO coding and approval, PO-based invoice exception resolution, and Archive and retrieval of imaged documents via FileNet using the SAP Archive link. Additionally we have included information on Taulia's vendor portal services to increase vendor adoption of electronic invoice submittal and communication.

This proposal includes the industry-leading ReadSoft INVOICES solution including software, professional services and support for the ReadSoft COCKPIT and WORK CYCLE, Taulia vendor portal and related software; all of which are SAP-certified solutions. ReadSoft has over 8,500 customers globally, over half of which are customers using our A/P Automation solutions, making ReadSoft the most experienced and trusted vendor in the marketplace.

ReadSoft commits to providing the licenses and services in the manner and within the timelines specified in this document.

As Regional Account Manager, any questions regarding this proposal and any following steps can be addressed to my attention.

We look forward to working with the City of San Antonio and thank you for your consideration.

Cordially,

Margaux Vourvoulias
Regional Account Manager

3838 N. Causeway Blvd.
Suite 2400
Metairie, LA 70002
Phone: (504) 841-0128
Email: Margaux.Vourvoulias@ReadSoft.com

General Information Form

Please see form included in Attachments section

Experience, Background & Qualifications

1. Over 8,500 enterprises around the globe automate document processes such as data entry, document classification, information matching against ERP systems, document workflows and more with ReadSoft to achieve faster and less expensive document processing and increased control. ReadSoft has the widest experience with the most deployed invoice automation solutions. Specialized solution labs for SAP, Oracle, Microsoft and capture processes ensure cutting edge solutions with great customer value. Since the start in 1991, ReadSoft has grown to a worldwide group with operations in 16 countries on five continents and a network of local and global partners. Being a publicly traded organization capitalized through shareholders gives ReadSoft a distinct advantage over our competitors.

   In 1991, ReadSoft initially launched a forms processing solution that propelled ReadSoft into the worldwide market. After six years of exceptional growth, ReadSoft then introduced revolutionary technology to capture information from semi-structured documents. This solution, INVOICES by ReadSoft, found and captured all required information regardless of where it was on the page. ReadSoft's over 500 employees and the industry's largest research and development staff have enabled our data capture products to stay well ahead of the market. ReadSoft stands for continuous innovation, and we take pride in being innovators of document process automation technology.

   In 1996, ReadSoft developed a revolutionary auto-learning technology for automated invoice handling. Today, ReadSoft is the number one solution provider in its market with the greatest number of installations, most experience and widest range of expertise. Customers include Sony, Lockheed Martin, John Deere, Pfizer, Porsche and many more. ReadSoft's comprehensive accounts payable automation solution covers every step of invoice processing, from capture to post. Many companies seek one vendor that can provide all of these solutions in one offering and this wide range of capabilities is unique to ReadSoft.

   ReadSoft became the first certified data capture SAP partner in 2001 and today, ReadSoft's PROCESS DIRECTOR for AP resides within SAP as an "SAP add on" therefore offering a more seamless integration with your familiar SAP environment. ReadSoft software is also "Powered by SAP Netweaver" and our SAP-certified

integrations possess the highest level of SAP-certification. Please visit SAP EcoHub for more details and reviews.

With over a thousand SAP installations around the world, ReadSoft has more expertise and experience than the rest of the market combined. ReadSoft's SAP Solution Lab is a division of ReadSoft solely devoted to SAP integration. Some 50 highly skilled SAP experts work with developing and installing our SAP solutions all over the world. Many of them have backgrounds as core developers at the SAP headquarters. With a well-proven project process, including pre-study, project planning and project implementation, you will be guided all the way through the project by SAP-savvy professionals. ReadSoft and Taulia'- The founders of ReadSoft's SAP Solutions are the founders of Taulia and their vendor onboarding services and portal, leading to a strategic partnership that delivers dramatic ROI and money savings to customers by providing this early discount capability all with a solution that is fully certified by SAP

ReadSoft:

- Processes billions of invoices a year
- Developed the first semi-structured capture technology in the marketplace
- Has over 8,500 production clients using INVOICES
- Offered the first SAP-certified invoice automation solution in the marketplace
- Is fully SAP-certified with over 1000 SAP customers

Below are some results of ReadSoft SAP customers using our Image and Data Capture Solutions, and Processing Automation and Workflow Solution for AP

TransMontaigne

- Reduced average cycle time from 32 to 6 days
- Improved D&B credit score by 20 points
- Reduced monthly accruals by $1 million
- Reduced 1099 processing time from 15 days to ½ day
- Reduction in staff overtime by 98% in the first 2 years
- Reduced average cost per transaction from $30 to less than $7
- Increased volume-based vendor discounts enough to cover the cost of the new technology in the first year

Energizer

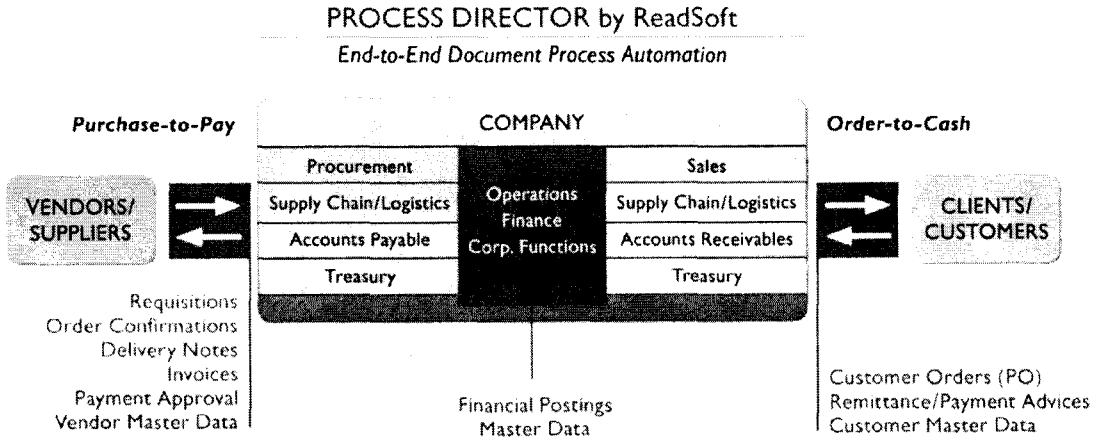
- Decreased FTEs from 21 to 11 while going through an acquisition
- Increased volume by 110,000 invoices
- Eliminated complicated and time-consuming 100% audit

Rich Products

- 74% of PO-based invoices pass three-way match first time

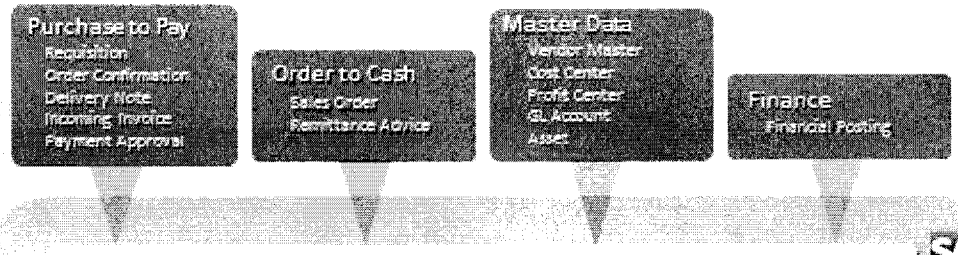
- Discount capture increased from 70%-92%
- Acheieved ROI in year 1 of project

2. **Financial Processing**- ReadSoft provides solution in the SAP space to automate financial processing. While AP is a common starting point for our customers, many extend the use of Process Director to automate additional processes and document types: Such as Requisitions, Master Data, Delivery Notes, Payment Approvals, Remittance Advices, etc..



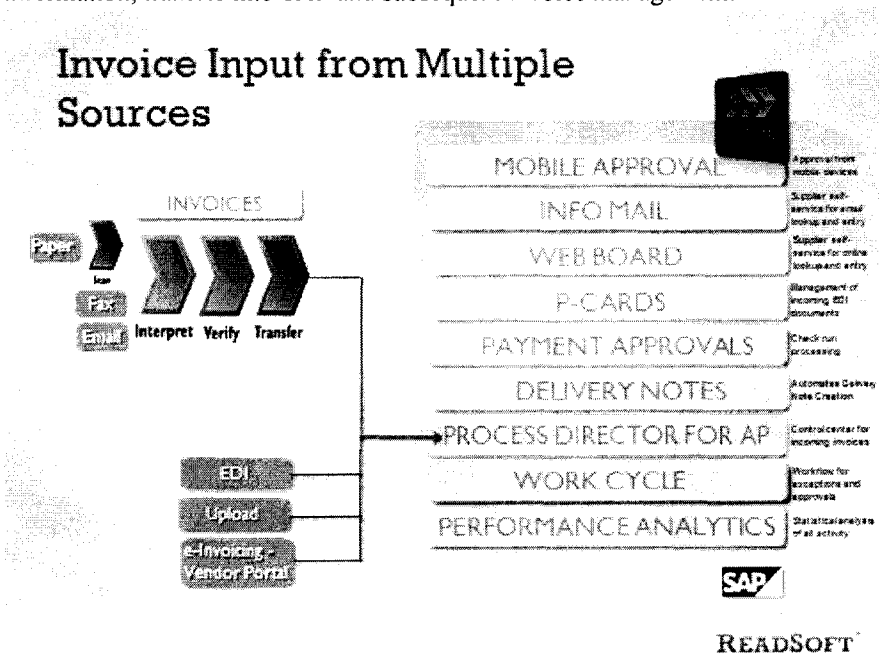
ReadSoft Process Director allows users to leverage their existing SAP infrastructure and "fill-in the gaps" within the SAP process, making problem resolution and visibility more streamlined and easier to manage than native SAP.

Process Automation by ReadSoft



- Determinations and checks against SAP data
- Visibility based on exception type
- Workflow routing
- Complete audit trail
- Handles requests and incoming documents

AP Processing -ReadSoft's accounts payable automation solution for SAP includes INVOICES and the PROCESS DIRECTOR suite of AP applications. These components enable (in the case of paper documents) the capture of the invoice image, invoice data, the interpretation and verification of that information, transfer into SAP and subsequent invoice management.



3. Software, Hardware, and Certifications

<u>ReadSoft Software-Core AP Automation Solution inside of SAP</u>

ReadSoft is proposing the following Best Practice Solution based on your needs assessment:

INVOICES OCR- front end scanning and data capture of invoices. Kofax scanning module can be utilized in place of ReadSoft's Scan module if preferred

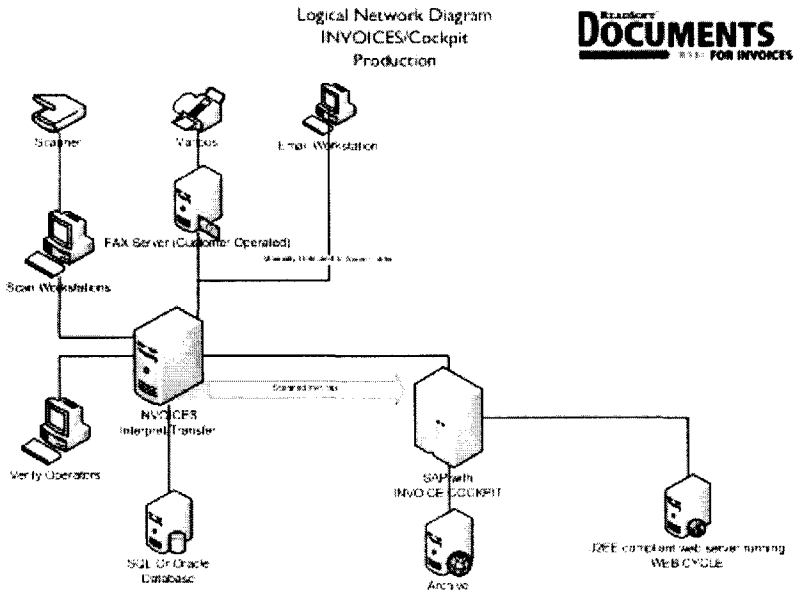
Process Director for AP

INVOICE COCKPIT- command and control center for Ap personnel to see invoices, status, and drill down to SAP data and document

WORK CYCLE- workflow that is fully certified with SAP but accessible inside and outside of SAP

PERFORMANCE ANALTICS (optional)- if additional reporting is desired on top of the increased visibility and audit trails that are provided with COCKPIT, PERFORMANCE ANALYTICS can be implemented.

Logical Network Diagram of ReadSoft Components:



Recommended Hardware

Hardware requirements are minimal for ReadSoft's invoice automation solution for SAP as most components reside inside SAP and require no additional hardware. Components requiring servers outside of SAP are:

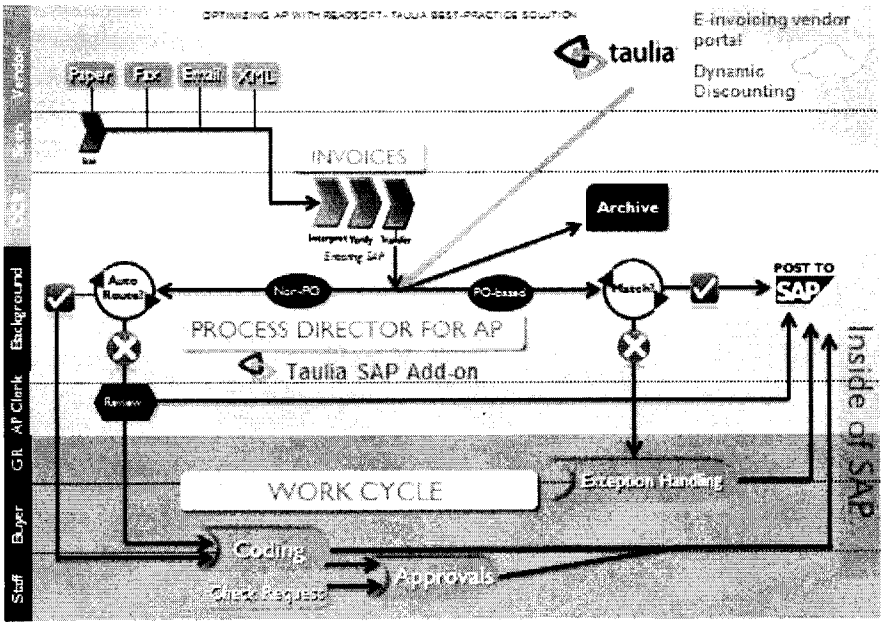
- INVOICES – Invoice image and data capture components
- WORK CYCLE – for the "presentation layer" of ReadSoft's workflow for invoice approvals when users are outside of SAP

For details of specific hardware recommendations see ReadSoft Hardware Recommendations included in Appendices

Third Party Providers –providing services to benefit additional automation of AP process

TAULIA- ReadSoft partner that provides a service based vendor portal to increase electronic receipt of invoices.

ReadSoft Taulia Proposed Process Flow



READSOFT

Taulia Supplier Enablement Process—FREE to Vendors for increased adoption

Supplier Enablement Process

Internal	External
1. Create Awareness	
▪ E-mail announcement ▪ Request for contact information ▪ FAQ's published on intranet	▪ E-mail announcement ▪ Supplier FAQ's ▪ Enrollment web form ▪ Data cleansing campaign
2. Onboarding	
▪ Face-to-face meetings with supplier facing employees ▪ Email announcing the portal is live	▪ Formally invite suppliers ▪ Automatic invitation reminders ▪ Onboarding campaign
3. Operationalizing	
▪ Supplier invitation request form ▪ Portal signup in new vendor packet ▪ Promote portal in new contracts ▪ Inbound queries result in portal invitation	▪ Informational webinars ▪ Ongoing calling campaign

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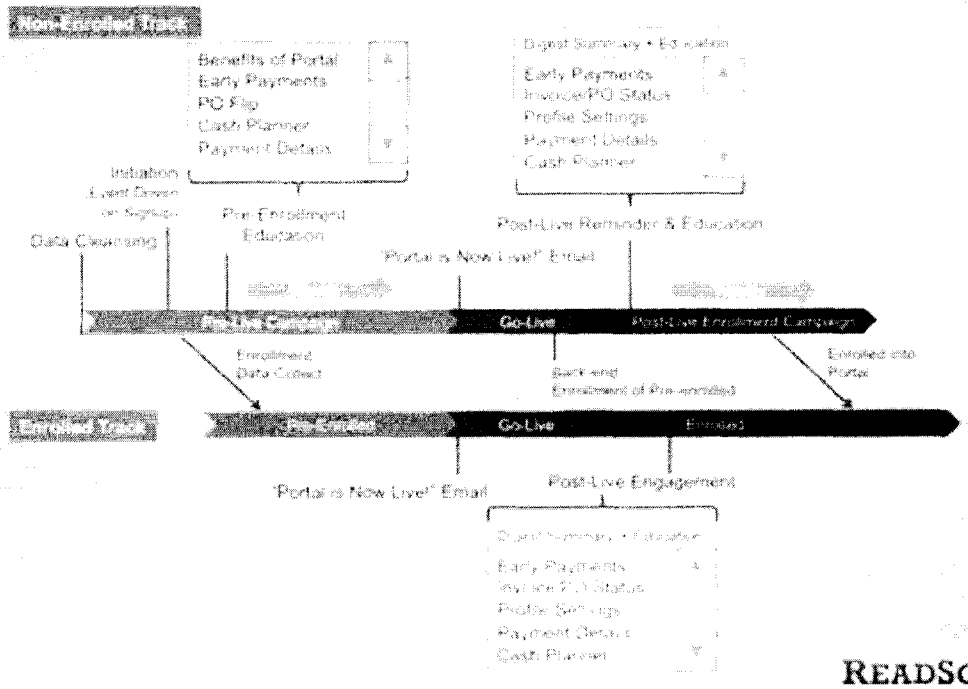
Supplier Enablement Process



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ReadSoft SAP Certifications

CERTIFICATE

SAP Certified
Powered by SAP NetWeaver

SAP AG
hereby confirms that the interface software for the product

PROCESS DIRECTOR 7.1

of the company **ReadSoft GmbH**

has been certified for integration with **SAP NetWeaver 7.0** via the SAP integration scenario **ABAP add-on for SAP Enterprise Resource Planning**.

This certificate confirms the existence of product features in accordance with SAP certification procedures. It does not guarantee that the product is error-free.

The certification test is documented in report no. 18561170 and expires March 7, 2015.

Vendor Hardware: PC-Pentium
Vendor Operating System: Windows Platform
SAP Test System: SAP NetWeaver 7.0
Used Integration Tools: SAP Java Connector

This configuration meets the requirements for running PROCESS DIRECTOR 7.1 on the SAP NetWeaver platform.

Certified Functions:
Integration with SAP ERP
SAP Solution Manager Ready functionality

Walldorf, March 8, 2012

Christoph Claus, SAP AG

SAP, R/3, and SAP NetWeaver are registered trademarks of SAP AG Germany. All other names are registered or unregistered trademarks of the individual firms.
www.sap.com/icc

THE BEST-RUN BUSINESSES RUN SAP

4. Unique Capabilities

ReadSoft workflow focuses on the inside of SAP space, since in our experience this leads to the least amount of project risk and the lowest total cost of ownership. **Once inside of SAP, ReadSoft is the ONLY vendor that provides the flexibility to proactively correct documents prior to creating the SAP transaction entry.** We also have the ability to operate in an environment where the SAP transaction has already been created, **this being the only option for another inside of SAP Solution**

Outside SAP	Inside SAP READSOFT® READSOFT®	
	Prior to SAP transaction entry	After SAP transaction entry
Pros • Where SAP is minor application • Where AP is standalone **Cons** • Extensive interfacing • Excessive maintenance • Required synchronization • Upgrade issues • High TCO	**Pros** • No Interfaces to maintain • No synchronization • Access to all SAP data • Survives upgrades • Intercepts and solves problems early • No transactions to undo • Less complexity • Shorter implementation time • Low TCO • Greater Flexibility **Cons** • Must have SAP	**Pros** • No Interfaces to maintain • No synchronization • Access to all SAP data **Cons** • Triggered after financial transactions are posted • Must reverse transactions • Requires more complexity - training and maintenance • Long implementation time • High TCO • Less flexible • Must have SAP

Differentiators

- INVOICES OCR is the first to market for Invoice capture and has more AP customers than our top competitors combined.
- ReadSoft was the first to offer OCR in conjunction with an SAP certified workflow
- Fully SAP-certified
- Lives inside the SAP system
  - High user acceptance/short learning curve
  - Easy access to SAP data without external interfacing
  - No duplication of data
- Intercepts invoices for matching and approval and posting prior to the SAP transaction entry
  - However, workflows <u>may</u> be triggered prior to or after invoice entry as desired

- The WORK CYCLE provides a fully integrated workflow solution inside SAP
    - Information can be accessed inside and outside SAP

5. Strategic Direction of Solutions

ReadSoft will continue to provide Document Automation solutions to organizations seeking increased control, efficiency, and visibility. Our strategic focus in the SAP space is on continued development and adoption of best practices to facilitate processing inside of SAP. This includes providing our continued unique approach to invoice processing but expanding the adoption of the functionality further for other processes such as AR, Requisitions, Master Data, Financial Postings, etc.

6. Best Practice Implementation

Invoice Capture-INVOICES by ReadSoft

System Overview

INVOICES is a pre-packaged, configurable suite of software modules, the basic function of which is to provide an automated input of invoice data from any invoice source into your ERP system. INVOICES captures the invoice image, extracts, interprets and verifies that information and transfers it to your SAP accounting system. Any type of invoice may be captured: electronic or paper, single or double sided, black and white or color, letter, legal or A4. The user interface is easily understandable and comes with extensive on-screen help. INVOICES provides an effective way to dramatically cut costs while improving your invoice ReadSoft processing. The ROI is typically under a year. The greater the number of invoices you are processing, the more time and money you will save by automating the process.

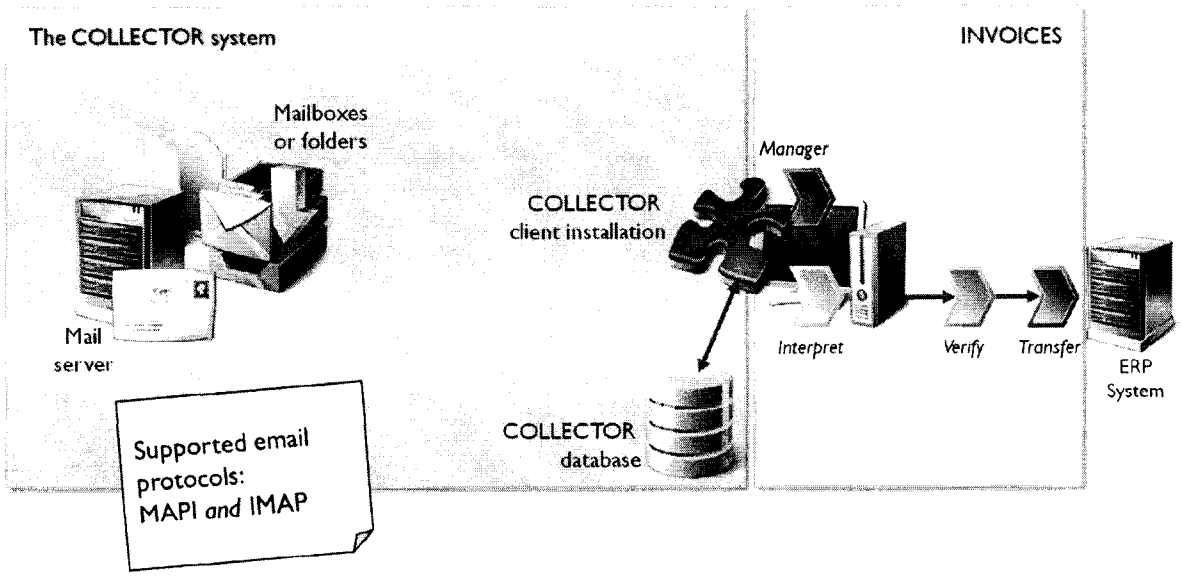
Four modules make up the production environment of INVOICES: Scan, Interpret, Verify and Transfer. Scan and Verify (data entry) are the only two modules requiring manual, human intervention. Interpret and Verify run as services in the background.

Two additional modules support administrative roles: Manager and Optimize.

The Manager module includes setup and administrative functions. Optimize is the module used to further fine-tune the Interpreter module's ability to read invoices.

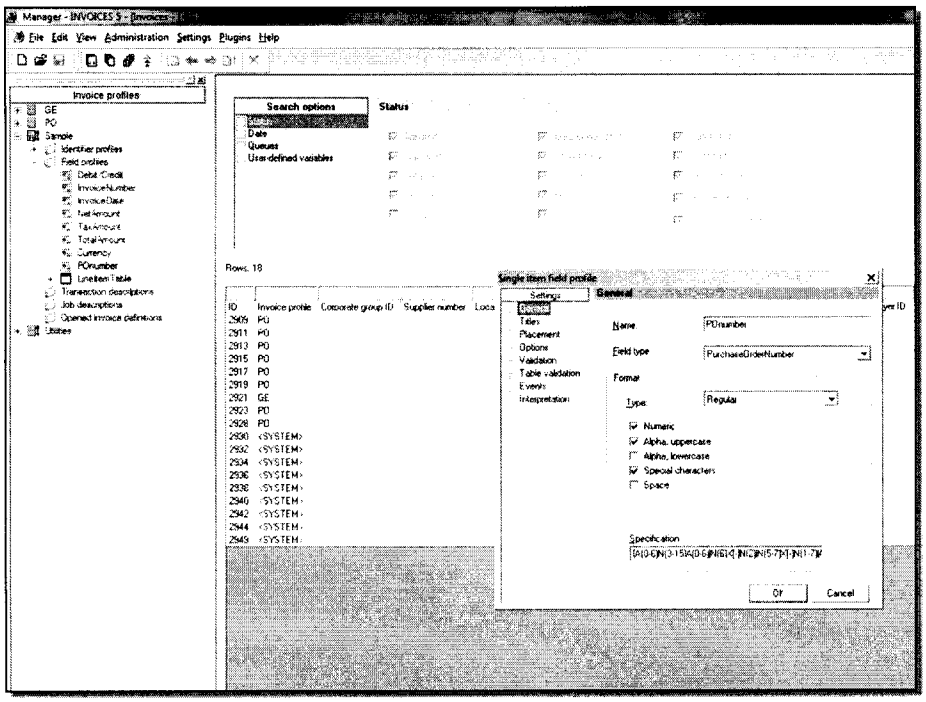
COLLECTOR is an add-in product for ReadSoft INVOICES, which instead of scanning the invoice will poll defined email inboxes. Suppliers instead of sending paper invoices can send their invoices as an electronic attachment e.g. PDF, tiff. This product offers the advantage that vendors do not have to print or post their invoices. The collector product will read the invoice directly into the ReadSoft INVOICES Interpret module. Deploying COLLECTOR results in faster processing time, and will also improve OCR rates as the electronic image will generally be a higher quality image then a paper invoice. Added advantages include the consequent work load reduction of sorting and scanning and less chance of lost invoices.

Experience has shown this approach is very popular with vendors. It is very easy to produce a PDF image, with virtually no set up costs. The vendor also saves cost through not printing and posting the invoice.



Modular overview

Manager Overview (Administrative)



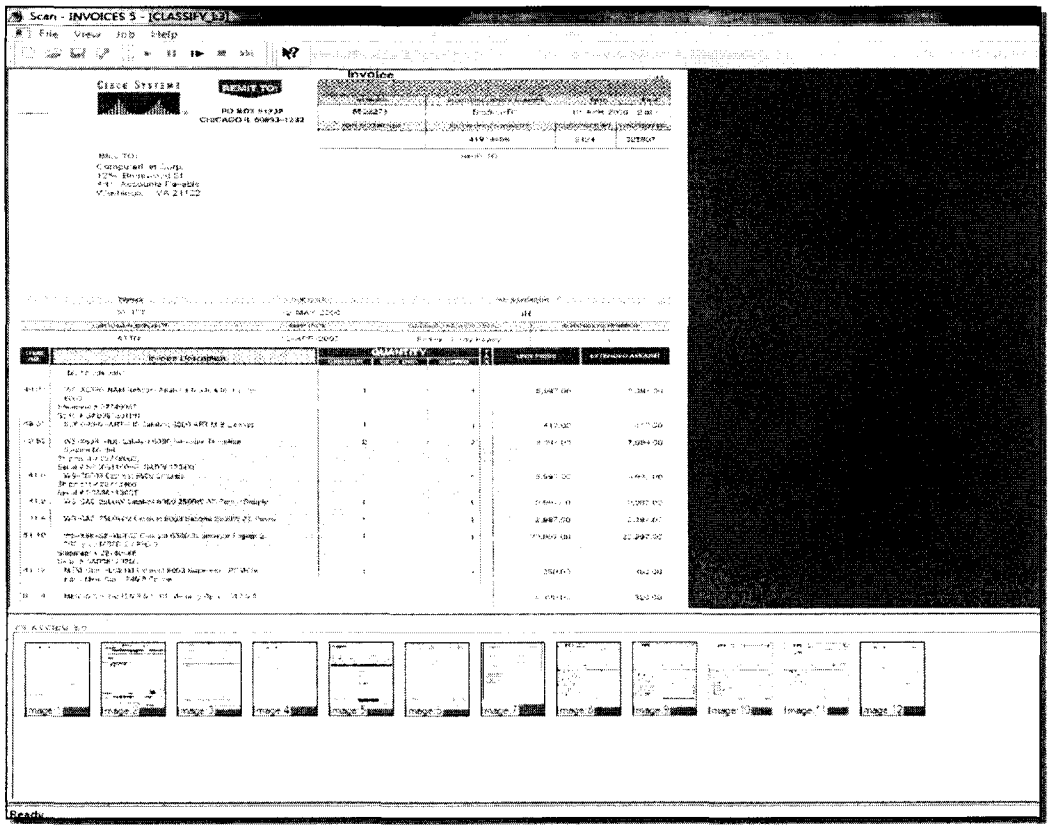
The Manager module is used to prepare invoices for production and to administer them. The key elements of the Manager module are:

- Defining invoice profiles
- Defining job descriptions
- Defining scanner settings
- Defining users
- Optionally, defining validation tables
- Optionally, defining batches

To administer the workflow, one will need to:

- Manage many objects that INVOICES works with, such as invoice profiles, user profiles and so on
- Manage the INVOICES database

Scan Overview (Production)



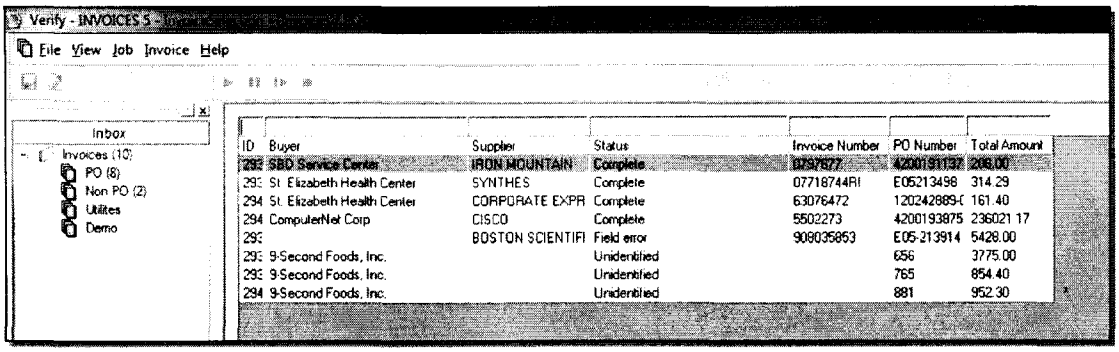
The Scan module is used for scanning paper invoices after the invoice profile has been created which will be used by the invoice types. The images of the invoices are captured and saved as TIFF (Tag Image File Format) files, which will be used by other INVOICES modules. INVOICES can be instructed to save the TIFF files for archiving purposes or for processing outside the program.

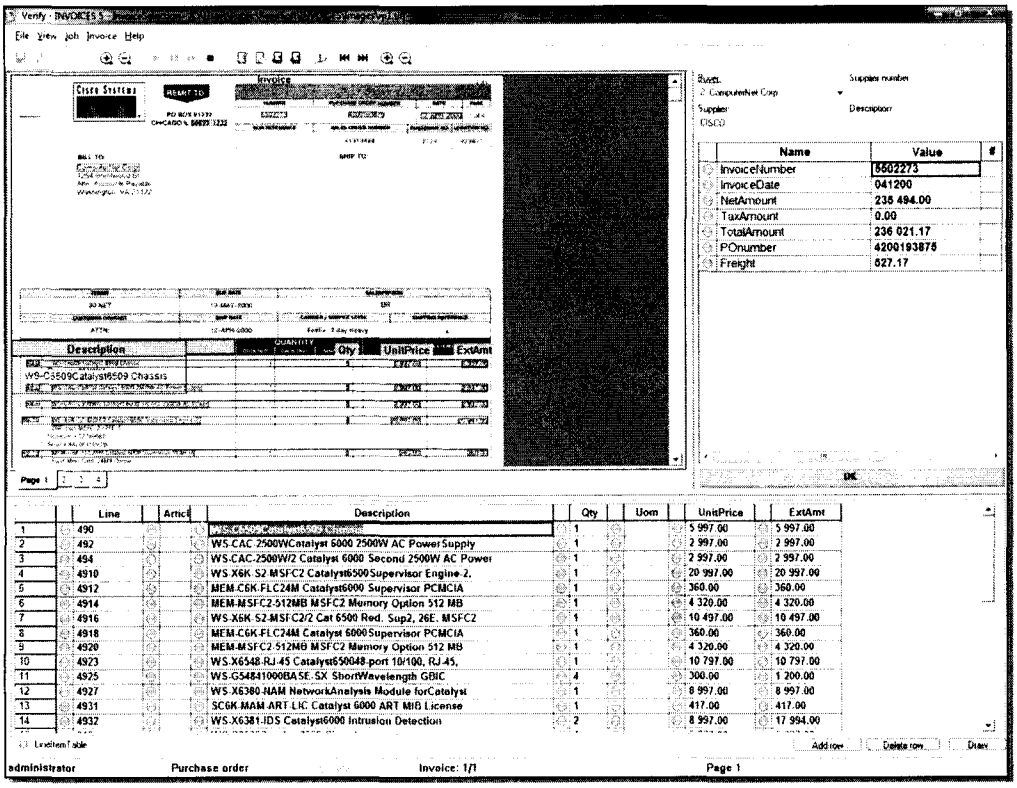
When a Scan job is initiated, an information window displays real time data. The start date, start time and run (elapsed) time are also displayed in that window. The screen also shows a bar chart displaying how many invoices have been scanned.

Interpret Overview (Production)

The Interpret module is a background process used to interpret and validate the invoices scanned using Scan or invoices saved in image files (TIFF format). The interpretation process is fully automatic and usually runs in the background without supervision.
The Interpret module contains advanced routines that are built on state-of-the-art technology within the management of image-based information. The essence of the Interpret module is to find a key word (i.e. *invoice number*) or a synonym (i.e. *inv #*) and capture the associated characters. The system contains comprehensive assurance to control and validate an interpreted result. Together with different business rules for interpretation, this gives a solid and flexible support system for reading the invoices.

Verify Overview (Production)





Use the Verify module to correct and approve certain invoices that have been processed by Interpret. To verify means to check, supplement and correct interpreted invoices. The program displays interpreted field values, and one can confirm, add or correct values as required.
An operator of the Verify module can be very functional with only a few hours of training. Operators typically perform at speeds of 2 to 10 times faster than an average invoices data entry operator.

The verifier decides which invoices you want to verify and correct. In addition, the verifier can limit the work to invoices and fields with a certain status and choose from many options during the process,

which will be critical to your business success and the elimination of human interaction. These settings are all made in the Verify Job Description.
When an invoice has been approved and processed by Verify, the invoice image and the data are ready to be transferred to a file using the Transfer module.

Transfer Overview (Production)

The Transfer Module is another background process used to transfer data from processed invoices via a transfer file to a target system, which can be an archive, workflow, or financial system. The target system can be another application on the same computer where INVOICES by ReadSoft is loaded or a separate repository. The data is transferred in transactions, which usually contain many records whose format is specified by one or more transaction descriptions. Records can be specified as a variable or fixed length.

Accounts payable departments realize the importance of the Transfer module by having the module interact with their financial systems on a transactional or batch basis. Transferring data and images can be done through the standard product or can be customized easily with the ReadSoft API functionality.

Workflow: Process Director for AP -INVOICE COCKPIT and WORK CYCLE

ReadSoft's SAP specialists have developed a complete and fully certified invoice management solution for the SAP environment. This solution has extensive capabilities to manage invoices through to payment; automating the posting of matched invoices, the resolution of problem invoices and the approval and coding of non-PO based and service invoices.

ReadSoft INVOICE COCKPIT

The INVOICE COCKPIT is the interface between the ReadSoft's INVOICES system and SAP. The INVOICE COCKPIT resides in SAP and is accessed through the SAP GUI. Some of the INVOICE COCKPIT functionality includes:

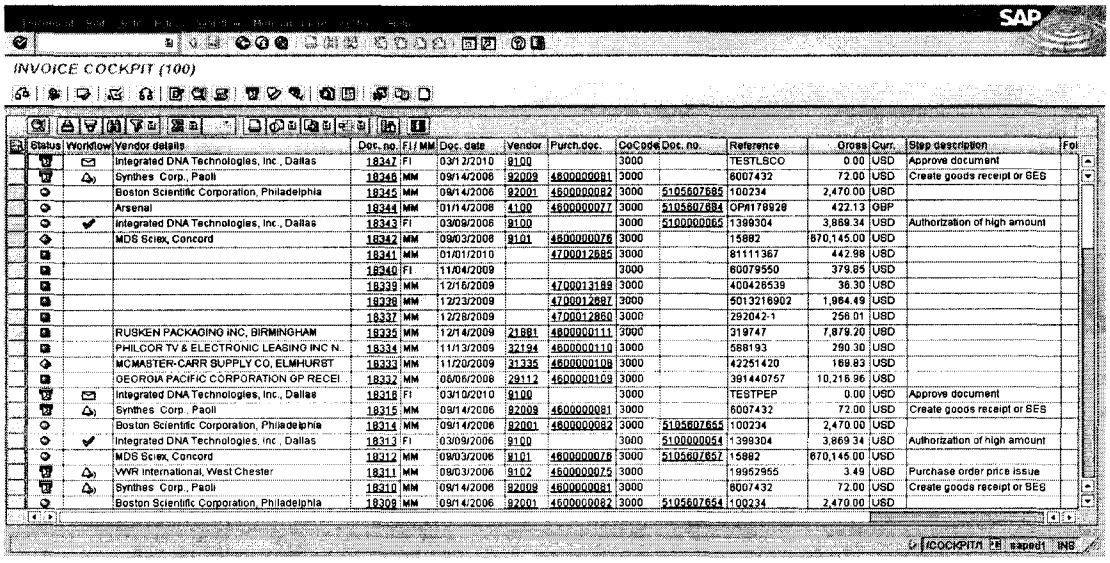
- Transfer of the data and image from the INVOICES Transfer module
- Document numbering of the data received into the INVOICE COCKPIT
- Archiving of the image into an SAP-certified archive solution through the SAP ArchiveLink
- Retrieval of archived images
- Linking of the archived image to the INVOICE COCKPIT document and subsequent SAP posting
- Automated master data checks of extracted data within SAP
- Automated postings into SAP
- Logging of a complete audit trail for each document

The INVOICE COCKPIT provides a consistent user interface to view all the documents transferred from the INVOICES system. Through the interface the users can:

- List documents at different statuses, e.g. posted, in error, not posted, etc.
- View the document image in a split screen
- Pre-load purchasing data from the SAP system and display details below the invoice data
- View the audit trail of pre-posting checks to quickly identify problems needing resolution

- View invoice data pre-loaded in similar looking screens to SAP invoice entry (MRHR, MIRO & FB01, FB10, FB60)
- Easily see the field status of all non-posted documents because they are highlighted
- Edit data on non-posted documents in the INVOICE COCKPIT to resolve posting problems
- Launch the appropriate SAP transaction for supplier invoices; either MIRO, MRHR or FB01 or FB60 to pre-load the data for posting
- Re-run posting checks and auto post directly from the INVOICE COCKPIT
- Triggers ReadSoft's WORK CYCLE workflow to resolve invoice inquiries, collect account assignments, and gain approvals
- Check approval values against the approval hierarchy
- Track the status of any invoice in the WORK CYCLE workflow
- Re-call any WORK CYCLE invoice from the workflow
- Sort, list, find and sum documents

ReadSoft's INVOICE COCKPIT is fully configurable to meet the requirements of each customer. The INVOICE COCKPIT has its own "IMG" configuration tables, patterned after SAP's IMG tables through which changes to the system can be managed and transported through your SAP landscape. The configuration provides rules and controls to manage the data through the INVOICE COCKPIT into a SAP invoice posting.



Status	Workflow	Vendor details	Doc. no.	FI / MM	Doc. date	Vendor	Purch.doc.	CoCode	Doc. no.	Reference	Gross	Curr.	Step description	Fol
		Integrated DNA Technologies, Inc., Dallas	18347	FI	03/12/2010	9100		3000		TESTLSCO	0.00	USD	Approve document	
		Synthes Corp., Paoli	18346	MM	09/14/2006	92009	4600000081	3000		6007432	72.00	USD	Create goods receipt or SES	
		Boston Scientific Corporation, Philadelphia	18345	MM	09/14/2006	92001	4600000082	3000	5105607685	100234	2,470.00	USD		
		Arsenal	18344	MM	01/14/2006	4100	4600000077	3000	5105607684	OPM178928	422.13	GBP		
		Integrated DNA Technologies, Inc., Dallas	18343	FI	03/09/2006	9100		3000	5100000065	1399304	3,869.34	USD	Authorization of high amount	
		MDS Sciex, Concord	18342	MM	09/03/2006	9101	4600000076	3000		15882	670,145.00	USD		
			18341	MM	01/01/2010		4700012685	3000		81111367	442.98	USD		
			18340	FI	11/04/2009			3000		60079550	379.85	USD		
			18339	MM	12/16/2009		4700013189	3000		400428539	36.30	USD		
			18338	MM	12/23/2009		4700012887	3000		5013216902	1,984.49	USD		
			18337	MM	12/28/2009		4700012860	3000		292042-1	256.01	USD		
		RUSKEN PACKAGING INC, BIRMINGHAM	18335	MM	12/14/2009	21881	4600000111	3000		319747	7,879.20	USD		
		PHILCOR TV & ELECTRONIC LEASING INC N.	18334	MM	11/13/2009	32194	4600000110	3000		588193	290.30	USD		
		MCMASTER-CARR SUPPLY CO, ELMHURST	18333	MM	11/20/2009	31335	4600000108	3000		42251420	169.83	USD		
		GEORGIA PACIFIC CORPORATION GP RECEI	18332	MM	06/06/2008	29112	4600000109	3000		391440757	10,216.96	USD		
		Integrated DNA Technologies, Inc., Dallas	18316	FI	03/10/2010	9100		3000		TESTPEP	0.00	USD	Approve document	
		Synthes Corp., Paoli	18315	MM	09/14/2006	92009	4600000081	3000		6007432	72.00	USD	Create goods receipt or SES	
		Boston Scientific Corporation, Philadelphia	18314	MM	09/14/2006	92001	4600000082	3000	5105607655	100234	2,470.00	USD		
		Integrated DNA Technologies, Inc., Dallas	18313	FI	03/09/2006	9100		3000	5100000054	1399304	3,869.34	USD	Authorization of high amount	
		MDS Sciex, Concord	18312	MM	09/03/2006	9101	4600000076	3000	5105607657	15882	670,145.00	USD		
		VWR International, West Chester	18311	MM	09/03/2006	9102	4600000075	3000		19952955	3.49	USD	Purchase order price issue	
		Synthes Corp., Paoli	18310	MM	09/14/2006	92009	4600000081	3000		6007432	72.00	USD	Create goods receipt or SES	
		Boston Scientific Corporation, Philadelphia	18309	MM	09/14/2006	92001	4600000082	3000	5105607654	100234	2,470.00	USD		

ReadSoft WORK CYCLE

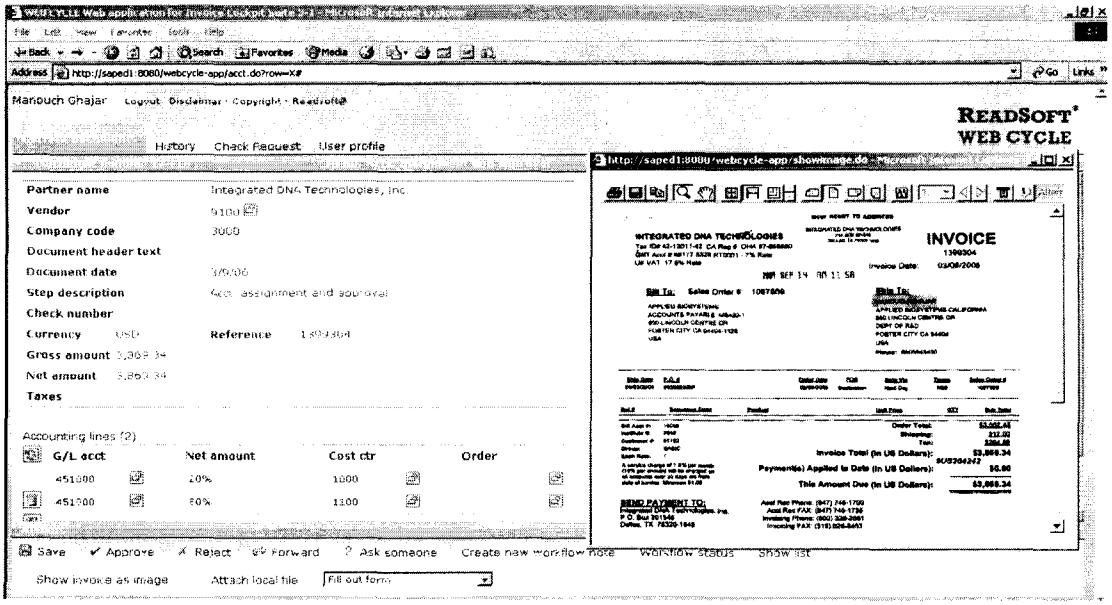
The WORK CYCLE is a workflow tool for managing subsequent invoice processing such as invoice approvals, account coding of invoices, purchase order price and quantity errors. **The WORK CYCLE has been designed for use either inside SAP or outside SAP**. The WORK CYCLE is fully integrated with the INVOICE COCKPIT. Accounts payable users may trigger WORK CYCLE workflows from the INVOICE COCKPIT as well as track their status.

WORK CYCLE triggers workflow using either SAP Business Workflow or an SMTP email (compatible with Microsoft Exchange/Outlook and Lotus Notes). The user can access the invoice to take the appropriate action by following the SAP Business Workflow, or in the case of outside-SAP usage, linking to the web page through the hyperlink provided in the email. In both cases the user can view the image of the invoice and be prompted to take the appropriate action through a choice of action buttons.

Any data that is entered, e.g. general ledger accounts, is checked online with SAP. An audit trail of all approvals and changes is kept and when the invoice is posted, the audit trail is provided. This is done in the form of a PDF attachment and can be viewed from the SAP financial posting.

The status of any invoice can be monitored from the INVOICE COCKPIT. Reminders are sent to users to process the invoices in a timely manner.

As with the INVOICE COCKPIT, WORK CYCLE changes to layout, content, and functionality are configurable.



OPTIONAL COMPONENTS-available but not included in Best Practice

PAYMENT APPROVALS

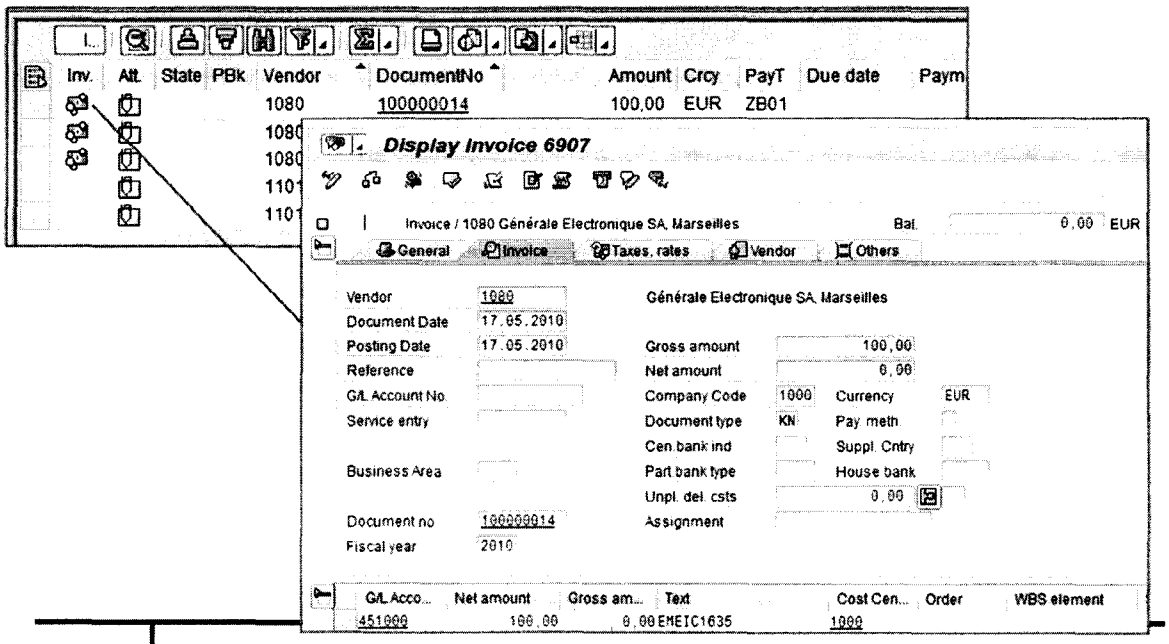
Payment Approvals are an internal process where invoices to be paid are gathered in a payment proposal document and circulated via workflow for payment approval. This is a way to bring the payment approval process into a manageable and visible environment where status overview, workflow functions and unified approval process can be easily handled.

Key Features:

- Proposals are brought into a single ledger
- Each proposal can be viewed at the proposal line item level
- For each proposal line item, the original invoice image is viewable to the user in a workflow if an image is available
- Easy to jump to the corresponding original document
- Workflow user can change the line item payment blocks
- Built-in workflow
- Audit trail functionality to secure well defined processes
- Single interface to interact with the process
- Web browser interface

Key Benefits:

- Payment approval meets business requirements
- Fulfills SOX requirements for payment
- Invoice image is directly accessible in the workflow
- Easy access to see image or related information
- Eliminate paper documents that are printed just for payment approvals
- Higher user acceptance as compared to SAP transactions

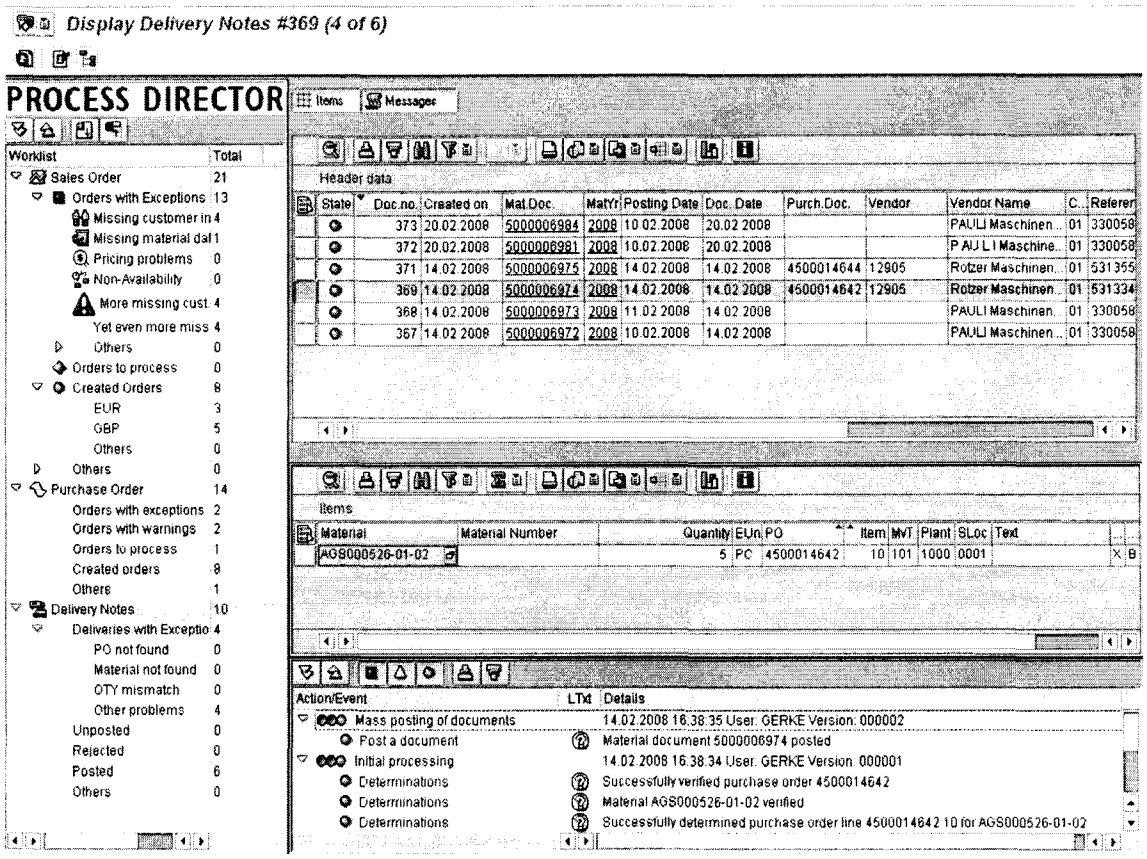


DELIVERY NOTES

A delivery note is an incoming document accompanying a shipment of goods, used for matching against the Purchase Order and for creating a Goods Receipt. A Delivery Note lists the description and quantity of the goods delivered. A signed copy is usually returned to the seller or consignor as a proof of delivery. For best quality, required fields are extracted early in the process and as data is transferred, a digital document created and archived electronically. The warehouse clerk can check the delivery physically and work on the scanned document, archived and connected to the digital document. Validations are made for quantity and other industry-relevant information. In case of deviations, workflow inquiries are automatically initiated before the Delivery Note is finally posted. Automatic electronic archiving makes for fast and simple retrieval as well as a complete audit trail.

Key Features:

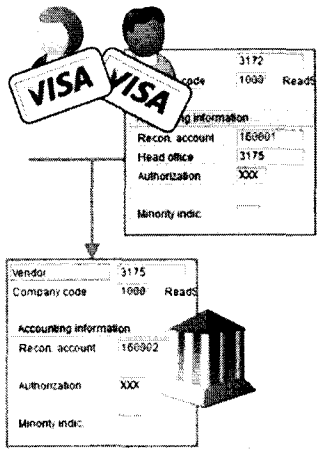
- Delivery Notes are automatically turned into goods receipt documents in your SAP system.
- Document archiving ArchiveLink-compliant content repositories
- Reduces manual data entry in a quick and simply way and transfers retrieved delivery note data into the SAP system
- Intelligent determinations and checks of process relevant data
- Good traceability and handling of exceptions using the built in workflow



PCard Processing

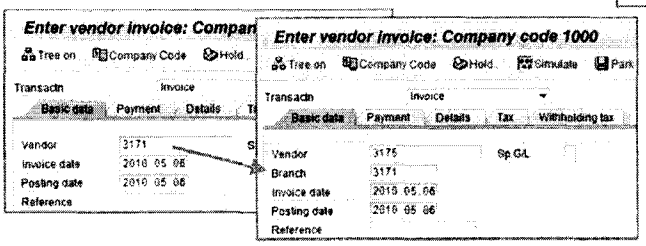
PCards provides the capability to process transactions generated through the use of procurement cards. Part of this component is a "front end" to the INVOICE COCKPIT and provides yet another source for the receipt of invoices – in this case import data from your procurement card provider. Once in INVOICE COCKPIT, they may be treated like any other invoice transactions and may be routed for further coding and approval(s).

The PCard processing module provides the appropriate accounting reconciliations to meet your company procurement card business rules.



Key Benefits

- Eliminates hand keying
- Backup receipts may be attached
- Eliminates manual reconciliation
- Eliminates inaccuracies
- Automates the approval process
- Reduces cycle time



ReadSoft INFO MAIL

INFO MAIL enables suppliers to request the status of their invoices via email. The supplier will provide an invoice number in the subject of an email to a specified email address. The system will then automatically reply with invoice details. Estimate includes set up and configuration to handle supplier requests against one SAP client.

MOBILE APPROVE

MOBILE APPROVE is an add-on product for WORK CYCLE. It supports approval of WORK CYCLE workflows via a mobile device. Information is transported via an e-mail. Workflow features are triggered by use of "mail-to"-links, shown in the e-mail. Invoice details can be added into the e-mail based on customizations.

Supported Workflow actions are:
Approve
Reject
Create WORK CYCLE note
Actions are processed by a Web application, analyzing incoming e-mails. MOBILE APPROVE should be used with focus on basic workflow processes without complex decision rules or parallel steps.

ReadSoft EDI COCKPIT

Electronic Data Interchange is a Business to Business solution developed for Vendors with high transaction volumes.

The purpose is to receive automated electronic data and convert this to a format which SAP can read so invoice transactions can be processed automatically without user input. However, one of the key issues with this type of transactions processing is how to deal with those transactions that have some kind of error e.g. a lack of data or bad data format. Correcting this data in the standard R/3 system is often not an easy task. The most difficult problem is that key technical people, who are able to correct this data, often do not have the required business knowledge.

EDI COCKPIT solves this problem in a very easy way. The EDI COCKPIT function can be configured so that successful transactions can be posted directly into SAP as normal, or posted via INVOICE COCKPIT to maintain a full entry ledger concept. Alternatively, just those invoices that fail are routed to INVOICE COCKPIT, so that they can be handled directly by Accounts Payable. As with invoices transferred via INVOICES, a full message log is provided, which details the posting checks made and the reason for the validation fail. This enables Accounts Payable to route the invoice for appropriate internal approval, or route the query back to the vendor as required.

EDI cockpit can be further extended to handle other forms of e-invoicing such as EIPP (Electronic Invoice Presentment and Payment). A paperless invoicing strategy which organizations often adopt as their P2P process matures therefore becomes an option.

Continuous Improvement of the P2P Process-Performance Analytics for BW

Continuous process performance improvement is vital for a successful organization. It is, however, both challenging and expensive if you don't have access to accurate and timely information in a format suitable for easy analysis. ReadSoft offers a suite of flexible components and reports designed to intelligently analyze, evaluate and report on information acquired throughout the process from Scan to Post.

ReadSoft's PERFORMANCE ANALYTICS solution provides detailed reporting for the Accounts Payable automation process (handling of incoming invoices). It comes complete with ready to go reports, data models, extractors and transformations to significantly reduce implementation time and costs. The solution is extensible, web-enabled and provides an integrated view of corporate data. Business benefits include:

- Ready-to-go reports, data models,extractors, transformations
- Significant cut down of implementation time and costs
- Easily extensible
- Integrated view of corporate data
- Tight integration with the ReadSoft solution for Accounts Payable Automation in SAP
- Web-enabled

Reporting on Document Volumes

Different reports provide information on document volumes and their amounts at specified dates, document volume changes on a given day or some ABC analysis to identify the largest vendors in terms of document volumes.

Discounts Reporting

The reports on payment discounts provide an overview of discounts that were gained or lost. Questions like "How much money was saved because invoices were paid early?" or "What were the discounts lost and gained for a specified period?" and "What's the best payment date to gain the maximum discount?"

Transaction Analyses /Processing Times / Resource Analysis

The Status Transition report shows the transition of documents from one status to another. Questions like "How long does it take for documents to be posted after being sent to a workflow?" Another report shows details regarding the processing times in the AP process. The report will answer questions like "How much time elapsed before work begun on a document?" or "How old are documents that have not yet been posted?" and "How long did it take to post documents."

Workflow (WORKCYCLE) reporting

Different workflow reports off er e.g. information about outstanding documents in workflow, their amounts and which users are assigned. As well you get some insight about the time taken to process certain workflows and workflow steps.

Risk Mitigation

Perceived Technical Risk and Mitigation of that Risk
Risk: The PROCESS DIRECTOR installation is SAP related and focused. This means that skilled project members in that area are a plus.
Mitigation: ReadSoft brings seasoned SAP technicians to the project with experience with previous global installations which will mitigate this risk.
Risk: Integral / Interface issues are often a concern.
Mitigation: Integration between OCR and PROCESS DIRECTOR is a standard component with a proven track record. Since PROCESS DIRECTOR Solutions are already inside SAP there are no integration issues.
Potential Hazards and Minimization
In our experience, the following factors are important to limit the risks in any project:
- Customer availability and involvement throughout the project is key to ensure all milestones are met according to plan.
- Appropriate resources allocated on the customer site: AP and IT
- Thorough change analysis within the customer organization
- Active customer participation in any training given by ReadSoft to ensure sufficient product and solution knowledge prior to User Acceptance Testing (UAT) and Go Live
- Dedicated customer resources throughout the scheduled User Acceptance Testing period

7. ReadSoft Experience

Seventeen years ago ReadSoft developed a revolutionary auto-learning technology for automated invoice handling. Today, ReadSoft is the number one solution provider in its market with the greatest number of installations, most experience and widest range of expertise. ReadSoft's comprehensive accounts payable automation solution covers every step of invoice processing, from capture to post. Many companies seek one vendor that can provide all of these solutions in one offering and this wide range of capabilities is unique to ReadSoft.

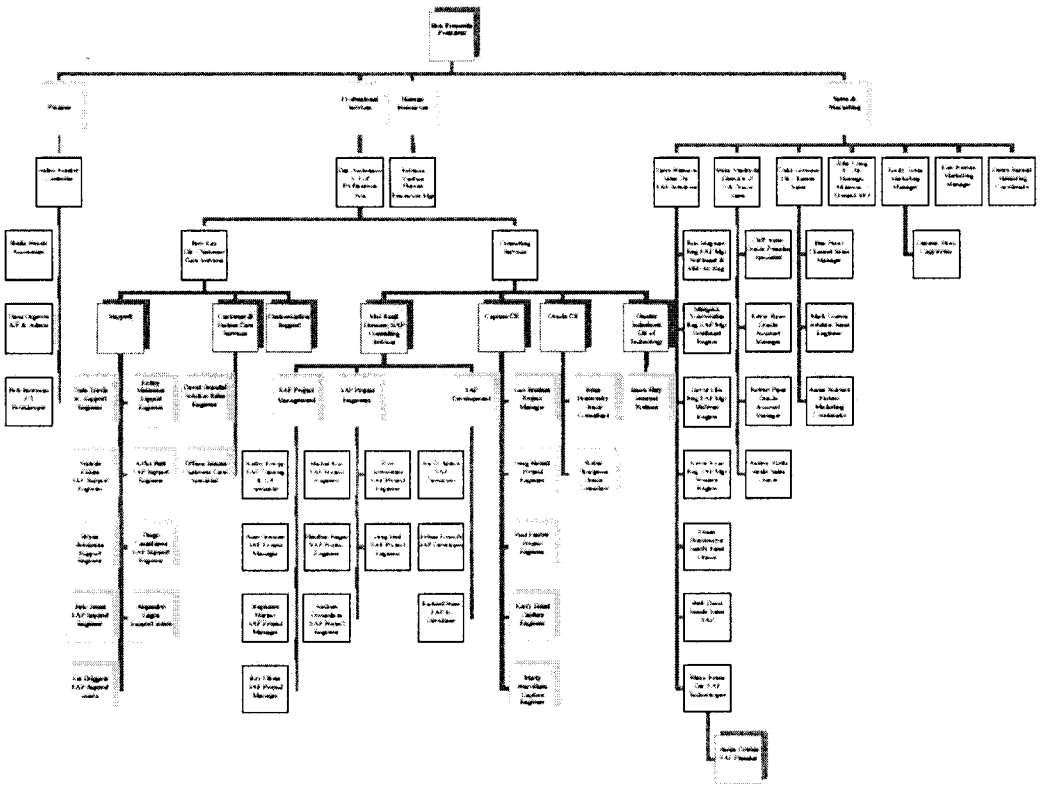
The majority of ReadSoft's customer base uses our solutions for AP Automation.

8. Public Sector Experience

ReadSoft has extensive Public Sector expertise. While many AP Departments share common pains, the public sector can offer unique processing needs that only a flexible solution like ReadSoft's can address. Our integration with SAP Funds Management, our easy to configure workflows, and ability to leverage your existing SAP infrastructure for a lower total cost of ownership are just of few of the reason why ReadSoft is often selected as the solution of choice for AP inside of SAP in the Public Sector.

Below is a list of ReadSoft's US based SAP AP Public Sector Clients.

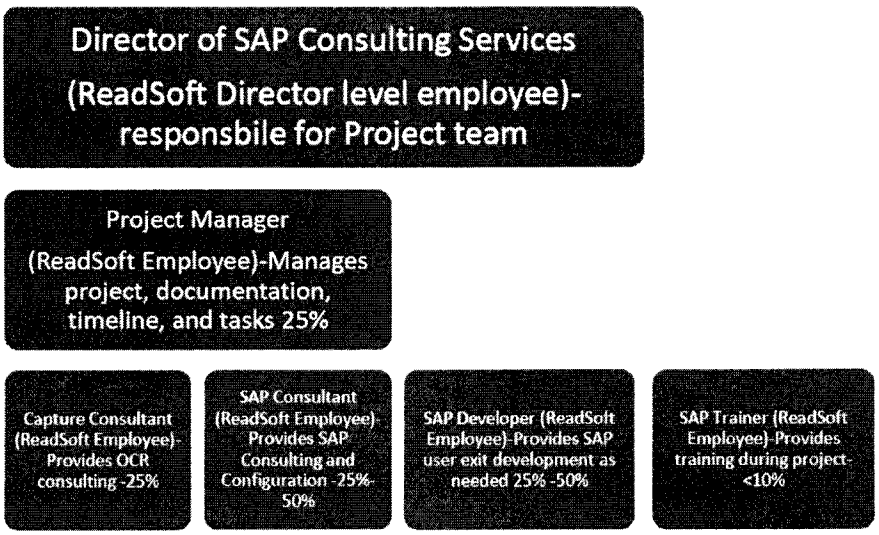
9. Org Chart



11. Project Org Chart

ReadSoft maintains and in house staff of 50+ SAP AP experts, anyone of which are uniquely qualified to be assigned to the project. ReadSoft Project Staff average 5 year tenure with ReadSoft and 8 years of experience in the SAP space.

Below are the roles that are commonly assigned to an SAP project along with the typical percentage of time dedicated to the project. ReadSoft has found as a best practice that dedicated staff leads to higher project costs for our customers and therefore adopt the model of using multiple roles on multiple projects.



12. Support Organization

Staffing 2012

7 FTE's 1st and second 2nd line support, and Director of Support
Working hours in US 8:00 AM to 5:00 PM all US continental time zones.
6.8 % of case escalated to ReadSoft's 3rd line product develop labs at corporate level.
Support Case volume 2012 avg 276 cases handled per month

Staffing 2013

9 FTE's 1st and second 2nd line support, plus administrator and Director of support
Working hours in US 8:00 AM to 5:00 PM all US continental time zones.
4.6% of cases escalated to ReadSoft's 3rd line product develop labs at corporate level.
Support Case Volume 2013 avg 322 cases handled per month

13. Current Projects: ReadSoft

	Project End
Project 1	May-15
Project 2	Jan-14
Project 3	Jan-14
Project 4	Mar-14
Project 5	Dec-13
Project 6	Dec-13
Project 7	Apr-14
Project 8	Jun-14
Project 9	Feb-14
Project 10	Jan-14
Project 11	Nov-14
Project 12	Mar-14
Project 13	May-14
Project 14	Dec-13
Project 15	Dec-13
Project 16	Mar-14
Project 17	Feb-14
Project 18	Mar-14
Project 19	Feb-14
Project 20	Apr-14

Proposed Plan

Please see Best Practice Solution Scope for specifics on solution

Implementation Methodology

Senior executive project sponsors are looking for the greatest positive impact that can be achieved in the shortest period of time for the lowest possible cost. ReadSoft avoids the pitfalls of traditional solution delivery approaches with an implementation strategy called *Best Practice Solution Deployment* which leverages "best learning's" to provide high impact, tangible and quick results with a minimal total cost of ownership.
A key to achieving executive sponsor objectives is to recognize that the last 20% of benefits is the most costly and time consuming to achieve. Projects in which scope containment is an underlying goal tend to be more efficient and cost effective. ReadSoft provides four important elements to accomplish this:

- **Comprehensive best practice focused solutions** - ReadSoft solutions have been implemented literally hundreds of times – yielding the highest possible percentage of functional capability in the market
- **Highly Configurable** – Solutions architected to be easily configurable meet the individual needs of any company with fewer customizations
- **Experienced project teams with strong leadership** to stay focused, contain scope and drive through to completion – helps to keep your eye on the high impact items
- **A structured implementation approach** – *Best Practice Solution Deployment* is a structured, formal implementation methodology with clear guidelines, processes and documentation to ensure a project's success

Best Practice Solution Deployment– a strategic implementation approach

Best Practice Solution Deployment provides not only a predictable and measurable outcome but one with the highest possible impact in the shortest time at the lowest total cost of ownership.

- Mutually defined deliverables and role responsibilities and project timelines
- Customer focused training and other knowledge transfer
- Clearly defined milestones
- Changes controlled by a strict change management process

Project Methodology

ReadSoft follows a structured process to ensure that we are delivering to customer expectations. You will be assigned a Project Manager who will work with you throughout every step of the process. Your ReadSoft Account Manager will remain your overarching permanent contact with ReadSoft. The methodology includes the following:

Kickoff Workshop

This is an onsite meeting with ReadSoft project team members and your key personnel. The objective of a workshop is to exchange information and gather requirements surrounding business processes, targeted goals and technical requirements.

Solution Description

ReadSoft also discusses potential changes to administrative routines which could benefit your organization. After the workshop, ReadSoft will fine-tune a mutually defined Solution Description for the agreed upon solution.

Upon mutual signoffs, ReadSoft will perform any configuration and customizations of the system.

Installation and Training

Once configurations are complete, ReadSoft installs the software and customizations; and subsequently provides system, administrative, and end user training

Training may be provided in three ways. Knowledge transfer which occurs as part of the standard implementation progresses and your team interacts with ReadSoft. Secondly, formal training sessions are provided within the implementation framework. Thirdly, follow up sessions may be contracted either online, onsite at your facility or in the ReadSoft training facility.

ReadSoft uses a train the trainer approach. Training includes end user functional, administrative training and technical elements.

Training is supplemented by digital documentation, help files and an instructor lead curriculum.

Testing

Next, time will be spent testing to ensure the desired results are achieved. During this time we will provide user acceptance testing support. The recommended period of testing is generally three to four weeks.

Go Live

After user acceptance testing, the new system will move into production. ReadSoft will provide onsite support for the Go Live process as well as remote support.

Post Implementation Review

Optionally, a few months after Go Live, ReadSoft returns to perform a post implementation review. This review will focus on the system functionality, business and system processes, and potential for additional training. We will offer suggestion for process improvements. Informal training and system optimization will also be included during this process.

INVESTMENT SUMMARY

ReadSoft

AP: ReadSoft Process Director for AP Licenses-one time fee based on invoice volume 150,000 Invoices annually	List	PD for AP Discount 20%	Net
License Investment			
INVOICES OCR with Capture Pkg	$94,864	$18,973	$75,891
COLLECTOR	$12,622	$2,524	$10,098
PROCESS DIRECTOR for AP	$91,746	$18,349	$73,397
WORK CYCLE w/ Check Request	$66,032	$13,206	$52,826
LICENSE TOTAL	**$265,264**	**$53,053**	**$212,211**
Annual Support and Maintenance-8 x 5- US based			
Annual SSA Total	$53,053	$10,611	$42,442
Annual SAP Pkg Support	$4,000		$4,000
Professional Services Estimate-			
60 PS days x $2000/day	$120,000		$120,000
Project Total	**$442,317**	**$63,663**	**$378,653**

Taulia Investment Summary

Taulia has developed a straightforward and predictable pricing model for the use of all modules within our product suite, Taulia Business Exchange™. As a SaaS solution, our pricing model is an annual **subscription fee** across the term of the contract. Taulia's standard subscription term is **3 years.** Annual fees are paid in advance. There are two components of price: one-time implementation fee and an annual subscription license fee.

Annual Subscription Pricing Proposal: City of San Antonio	**9/25/13**
Assumed Spend (USD BN)	***$1.00***
	Annual Price
Taulia Business Exchange™	
Hosted Supplier Portal, includes Supplier Self-Service, Unlimited suppliers, Supplier Launch and Support.	$135,000
Additional Modules	
Inbox by Taulia™ - Full Spectrum eInvoicing (incl. EDI transactions) ***NO supplier fee's or transaction costs.***	$72,000
Annual Subscription Subtotal	**$207,000**
Annual Subscription Government Discount	-$45,500
TOTAL Annual Subscription (All Modules)	**$162,000**

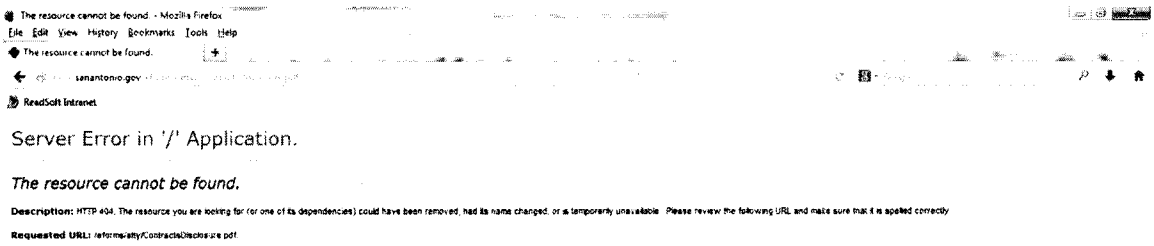
One Time Professional Service Fee	**One Time Fee**
Professional Services (One Time Fee)	
Taulia Now™ - *Proven, repeatable supplier onboarding program*	$50,000
Product Installation & Onsite Workshops	$40,000
TOTAL One Time Professional Service Fee	**$90,000**

Taulia Pricing Summary

Annual Summary of Pricing			
Pricing for E-Invoicing Vendor Portal	***Year 1***	***Year 2***	***Year 3***
(1) Annual Subscription License *(Supplier Portal, Full Spectrum eInvoicing)*	162,000	162,000	162,000
(2) One-time Implementation Fee (Taulia Now™, Product Installation & Onsite Workshops)	90,000	-	-
Total Annual Cost	**$252,000**	**$162,000**	**$162,000**

Discretionary Contracts Disclosure

Please see Attachments. Please note link provided was invalid.



Litigation Disclosure Form

Please see attachments

Additional Project Documents

Please see attachments

SBEDA Program

ReadSoft is unable to participate in this program at this time

Signature Page

Please see attachments

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ATTACHMENT A Questions:

Please provide responses to these questions in advance of your scheduled interview:

1. Given the volume estimates and the estimated percent of invoices received electronically and hard copy, what is the projected FTE headcount with your proposed solution? Include all steps from receipt of invoice through SAP processing. What is the FTE for other document identified as to be "filed" only?

2. If **optional** modules are suggested in the proposal but were not included in the pricing, please identify these optional modules. Identify all the relevant costs of those **optional** modules to include cost of any software and the estimated implementation costs.

Answers:

1. ReadSoft customers have processers that mange to 150-300+ invoice per day per person from end to end. By stremlining the entry and procesing of invoices we are able to reduce cycle time and touchpoints in the AP process.

   Your Daily average daily invoice volume: 600
   Estimated FTEs needed with ReadSoft: 2-4 FTEs

   ReadSoft Solution includes:

- Automated data extraction of invoice fields
- Seamless integration of data transfer to SAP
- Automated hands-off background posting of invoices with a successful three-way match
- Automated exception handling, invoice coding and approval through workflow

READSOFT

Primary Contributing factors to Efficiency Gains

Automatic Posting- Invoices without discrepancies are automatically posted without any human intervention. This is because PO invoices are checked against the PO in SAP and the goods receipt is also checked by our system to ensure it has been filled out.

Automatic Resolution Routing- Instead of AP touching every invoice in a manual environment, only those invoices with problems need to touched. Both PO and Non-PO invoices can be routed automatically sent the appropriate parties based on your hierarchy and authority limits.

Research time reduction.--Through the use of automation, the amount of time needed to resolve discrepancies is typically cut in half.

Visibility- City of San Antonio can eliminate the manual tracking of these problem invoices. Individual emails, Manila folders and baskets will be replaced by the INVOICE COCKPIT command and control center, allowing for A/P's complete visibility and sorting of all invoices, regardless of where they are in the process. Once more, this increased visibility of errors will enable City of San Antonio to analyze the types of issues most commonly occurring and take the appropriate action to further improve the department's efficiency

Status calls- the number of vendor inquiries and status calls will be greatly reduced as invoices are paid on time. Additionally, when calls are made they can be answered quicker, allowing staff more time to focus on processing invoices discrepancies.

Cycle Time Reduction- Reduce the cycle time of invoices and allow AP to have more control over the process. City of San Antonio can then determine whether the invoice will be paid early for a discount and be in a better position to negotiate with vendors.

- **Hard-dollar Benefits (Quantifiable):**
  - ***Headcount Savings*** in AP enabling:
    - Overall increased production capacity
    - Improved daily invoice production
    - The ability to grow volumes without adding headcount
  - ***Time Savings*** due to the elimination of:
    - Manual activity such as:
      - keying of invoices
      - manually sending problem invoices for resolution
      - manually parking and setting parking reason codes
      - manual verification of approvers and approval signatures
      - Duplication of effort
  - ***Status Calls*** are largely eliminated because
    - Time to pay service levels improve
  - ***Backlogs are eliminated***
  - ***Faster Service Level Agreements*** with vendors/internal payees
    - Better pricing/discounts leverage because you are paying on time (negotiating power, etc.)
    - Prove to vendors the ability to pay early or on time within terms. For example, you can choose your top 10 vendors to negotiate with—figure out annual spend and impact of 1% extra
  - ***Accounting***
    - Documents are readily available and linked to transactions for audit ability.
    - Accruals. Time typically spend gathering estimated accrued liabilities is greatly reduced
    - Reporting accuracy of outstanding liabilities, cost centers, etc.

- **Soft Benefits (Important, but a little harder to quantify):**
  - Improved reputation and customer service to Vendors
  - Invoices are paid on time or early
  - Suppliers do not put the company on "hold" status for shipping goods due to late invoices
  - Complete reporting capabilities
  - Process statistics enabling root-cause analysis for continued process improvement
  - No need to spend time creating special "work-arounds" or reports
  - Approvers and coders spend less time
  - User-friendly approval screens
  - Ability to quickly fix any pricing or quantity issues
  - Have a methodology to facilitate efficient communication with vendors and internal associates
  - Account assignment and coding validation is done in real-time
  - Approvers are automatically designated from approval hierarchy

READSOFT®

- No nuisance workflows for Goods Receipt/Quantity issues until after the expected ship date
- Quick access to all information necessary to resolve quantity problems

2. Please see Proposal with updated amounts included for optional modules. Please note ReadSoft recommends starting first with our core solution in order to achieve:
   -A quicker implementation
   -Better understanding of the automation and your "to be" process
   -Quicker ROI

READSOFT®

ReadSoft
Best Practice Solution Checklists

Created: May 13, 2011
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1 Purpose

The purpose of this document is to describe all of the required resources (personnel, access levels, user accounts, protocols, etc.) that will be needed prior to commencement of work on the client's solution.

2 Scope

This document provides all of the necessary checklists for implementing a Best Practice Solution for the SAP market.

3 Assumptions

1. The SQL Server system account (SA) will be used to create databases through the ReadSoft installation software.
2. Apache Tomcat will be used as the web application server.
3. All INVOICES applications, plug-ins, or components will not be installed on the C: drive, unless no other drives exist.
4. The VendorSearch plug-in and the RCE plug-in require execution of additional SQL scripts that must be run against the INVOICES database. A DBA or someone with adequate access to the SQL Server must be available during the installation process.

4 INVOICES Checklist

Item	Description	Owner
Decision Point	Determine whether IMAP/MAPI is to be used if COLLECTOR is in scope.	Customer
	Determine if SQL databases will be installed using SQL scripts or using the database tool creation process	Customer
User Access	Domain account(s) with local administrator rights to be used for installing server and workstation software.	Customer
	Active Directory groups are created. See section 4.6.3.4 of the Solution Description.	Customer
	Remote access (VPN or other) for the Project Manager, INVOICES Consultant,SAP Consultant, and Trainer(s).	Customer
	The system account (sa) will be used to create SQL databases through the ReadSoft installation software.	Customer
	Access to the internet from the application server is crucial as it may be required to install items that are not readily available such as patches, service packs, etc. (e.g., Microsoft, ReadSoft) for performing the installation activities.	Customer
	Install Microsoft Word and Microsoft Excel 2010/2013 (32-bit) if COLLECTOR Converters are to be used.	Customer
	Install Microsoft Outlook 2010/2013 (32-bit) if MAPI (as opposed to IMAP) is to be used to connect to the mail server.	Customer
	Provide test mailbox credentials to ReadSoft	Customer
INVOICES Servers	Application Server – Windows 2003/2008/2012 with latest service packs and patches	Customer
	Database Server – Windows 2003/2008/2012 with latest service packs and patches. Collation: SQL_Latin1_General_CPI_CI_AS	Customer
	Latest version of SAP GUI installed on INVOICES application server with latest service packs and patches	Customer
	.NET Framework 2.0, 3.5, and 4.0 installed	Customer

Item	Description	Owner
Workstations	Scan workstation – the scanner, including VRS, is installed, communicating and functioning normally.	Customer
	.NET Framework 2.0, 3.5, and 4.0 installed	Customer
	Users must have read/write permission to the path stored in the environment variable READSOFTEILOCALDIR.	Customer
Licensing	FlexLM license file is on-hand and ready for installation. FlexLM communicates on port 27000 so this port must be open for TCP communication.	ReadSoft
Software	DOCUMENTS for INVOICES – latest service pack/hotfix	ReadSoft
	North American Capture Package	ReadSoft

5 SAP Checklist

Item	Description	Owner
User Access	Create RFC User for INVOICES Transfer. Best practice is to make a distinct user account for this requirement.	Customer
	ReadSoft user accounts for Developer, SAP Consultant, Project Manager, and Trainer in the DEV and QA systems. The following roles/transactions are required: - Developer's role (access to SE80, SE11, SE16, SM30, SE37, SE38, SM50, SU53, SE61, SE91, debug access with authorization for changes) - AP Clerk and AP Team leader role (Posting transactions, PO transactions) - PROCESS DIRECTOR role (/COCKPIT/*) - Archiving (OAC0, OAC2, OAC3, OAC5, OAAD)	Customer
Installation	Create COCKPIT and EBY namespaces	Customer
	ReadSoft transports including North American SAP Package installed in proper sequence	Customer
	ReadSoft BPS Configuration transports applied	Customer
	ReadSoft Check Request transport applied (if purchased)	Customer
Configuration	ArchiveLink certified repository installed, configured, and functioning normally	Customer
	SAP Connect (email) is configured and operational	Customer
	Update content repository id in OAC3 transaction	Customer
	For support of .DOCX and .XLSX attachments please ensure that the entries for the mimetypes documented in MIMEtypes_for_2007.zip attached to OSS note 1237688 exist in the table TOADD.	Customer

6 Web Server Checklist

Item	Description	Owner
User Access	Create RFC User for WORK CYCLE Web application. Best practice is to make a distinct user account for this requirement.	Customer
	Domain account(s) with local administrator rights to be used for installing/configuring server software	Customer
Server	Web Server – Windows 2003/2008/2012 with latest service pack/patch	Customer
	Latest Java runtime installed	Customer
	Latest Apache Tomcat installed and functioning normally	Customer
	The SAP JCo 2.1.x component is installed and functioning normally.	Customer
	Web application deployed	Customer
	For SSO via Active Directory, IIS must be installed with latest service pack/patch.	Customer

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement is by and between

ReadSoft Inc. with registered office at 3838 N.Causeway Blvd., Suite 2400, Metairie, LA 70002, ("ReadSoft") and The City of San Antonio, a Texas Home-Rule Municipality ("Client").

A. The Client is granted a license to certain ReadSoft software application(s) under a separate license agreement.

B. The Client and ReadSoft have agreed that ReadSoft shall perform certain professional services with respect to configuration, modification and possible development of custom code in conjunction with implementation of the licensed ReadSoft software application(s).

C. The performance and delivery of such professional services is subject to the terms and conditions of this Agreement.

1 DEFINITIONS

1.1 Defined terms used in this Agreement are set out in Schedule 1.

2 SERVICES

2.1 ReadSoft shall perform and deliver the Services in accordance with the Documentation. ReadSoft reserves the right to determine which personnel shall be assigned to perform the Services.

2.2 ReadSoft shall have the right, exercised from time to time, in its own discretion and upon prior notice to the Client, to subcontract or delegate its obligations and responsibilities hereunder to any third party or entity affiliated to ReadSoft. Nothing herein contained shall relieve ReadSoft of its obligations hereunder and ReadSoft remains responsible for the performance of this Agreement by such other professionals in respect of the agreed terms and conditions of this Agreement.

2.3 ReadSoft shall make sure that its consultants attending the Client's premises comply with reasonable regulations and lawful directions given by authorized personnel of the Client applying to conduct at the Premises and use reasonable endeavours not to interfere with the carrying out by the Client of its duties. Unless otherwise agreed, ReadSoft shall be responsible for property which it brings onto the Client's premises and shall remove it from the premises on request.

2.4 The Client shall efficiently and actively cooperate with ReadSoft under this Agreement in:

2.4.1 providing ReadSoft timely access to relevant premises, Client's data, key personnel, documentation and information necessary for the performance of the Services;

2.4.2 promptly rendering all decisions and approvals so as not to delay or impede the performance of ReadSoft of its undertakings and obligations and;

2.4.3 coordinating the work of any other participant which is not contractually under ReadSoft's responsibility and insuring ReadSoft that the necessary decisions against those third parties will be taken for the success of this Agreement.

2.5 If the Services include the development and delivery of Custom Code, the Custom Code will be an integral operational part of the Programs. Custom Code is the property of ReadSoft. The

EXHIBIT D

license the Client is granted under the separate license agreement for the license of the Programs includes any and all Custom Code.

2.6 Any request of the Client for the change of the scope and content of the Services shall be subject to the Change Control Process.

3 ACCEPTANCE

3.1 Unless otherwise follows of the Documentation, the Client shall during ten Business Days, after the Actual Supply Date, test whether the Programs are Ready for Use. The acceptance test shall be conducted in accordance with the Documentation or as otherwise agreed. If agreed, ReadSoft and the Client shall in co-operation carry out the test procedure. The Client shall accept the Programs when the Programs are Ready for Use.

3.2 If the Client is of the opinion that the Programs are not Ready for Use, the Client shall no later than five Business Days after the end of the test period referred to in Section 3.1 unless otherwise follows of the Project Definition, in writing notify ReadSoft and in detail specify the inadequacies or other causes upon which the alleged delay is based.

3.3 If the Acceptance Date has not occurred within twenty Business days from the Agreed Supply Date, and such delay is not due to the Client, the Client is entitled, as its sole remedy, to terminate this Agreement with immediate effect without ReadSoft incurring any liability .

4 WARRANTIES

4.1 ReadSoft warrants and represents to the Client that:

4.1.1 ReadSoft has full right, power and authority to enter into this Agreement;

4.1.2 the Services will not infringe on any patent, trademark, copyright or other intellectual property right owned by a third party and

4.1.3 ReadSoft will perform its obligations under this Agreement with reasonable skill, care and diligence to be expected of a well reputable supplier of software and information technology services.

4.2 The Client releases ReadSoft from all other warranties, both express and implied, with respect to the performance and delivery of the Services.

5 PAYMENT TERMS

5.1 In addition to the payment terms set forth in Schedule 2, the following terms apply;

5.1.1 Invoices shall be paid 30 days net of receipt of invoice. In the event of delay in payment, ReadSoft is entitled to charge interest for delay on the outstanding amount at a monthly rate of one % until full payment has been made;

5.1.2 Invoices with respect to fixed price agreements will describe completed milestone(s)/performed services without time reporting and engaged consultants;

5.1.3 Invoices with respect to time and material agreements will describe performed services, engaged consultants and dates for delivery of services;

5.1.4 All fees, including fixed prices, exclude value added tax, travel costs, travel time, per diem allowances, accommodation and similar costs, delivery costs, customs and other public duties which are or may become payable as a consequence of this Agreement for which the Client is liable;

5.1.5 If at any time any monies payable by the Client to ReadSoft are overdue for payment, ReadSoft shall have the right at its sole discretion to suspend performance of the Services until all such monies have been received by ReadSoft;

5.1.6 Agreed overtime work performed week days after 5 p.m. and before 10 p.m. is charged with hourly fees multiplied with the factor 1.5. Agreed overtime work performed week days after 10 p.m. and before 8 a.m. and overtime work performed on weekends and on public holidays are charged with hourly fees multiplied with the factor 2; and

5.1.7 If the parties have agreed on a fixed price for the Services, or part thereof, such fixed price is based on the assumption that all information provided by the Client is complete and true. Should the information be incomplete, untrue or misleading and result in additional work of ReadSoft, then ReadSoft is entitled to charge such work separately applying ReadSoft's standard hourly rates. ReadSoft shall promptly advise to which extent the time plan, if any, is affected and the parties shall change the Agreed Supply Date and other possible milestones.

5.2 For the avoidance of doubt, the Client acknowledges that hourly/day rates are valid only for the Services and the term of this Agreement. Subsequent services are delivered on terms and rates separately agreed upon.

6 CONFIDENTIAL INFORMATION

6.1 Each party agrees to hold in confidence all Confidential Information, to the extent allowed by law under the Texas Public Information Act. The party, to whom Confidential Information is disclosed ("the Receiving Party"), will use such Confidential Information only for the purpose of fulfilling its obligations and exercising its rights under this Agreement and will not reveal and/or disclose it, without the prior written consent of the party disclosing the Confidential Information ("the Disclosing Party"), to any third party except for the Receiving Party's agents and employees who have a need to know such information, and others who must be involved in the project and are bound by obligations of confidentiality with respect to such Confidential Information at least as stringent as those provided herein.

6.2 The Receiving Party's obligations of confidentiality hereunder shall not apply to information that the Receiving Party can establish:

6.2.1 at the time of disclosure or development is in the public domain;

6.2.2 that after disclosure or development is published or otherwise becomes part of the public domain through no fault of the Receiving Party;

6.2.3 that was in the possession of the Receiving Party at the time of disclosure or development, as established by contemporaneous written records, and was not acquired directly or indirectly from the Disclosing Party under an obligation of confidence; or

6.2.4 is required to be disclosed by law or in connection with any dispute resolution procedure, involving ReadSoft and the Client.

6.3 Each party agrees to keep secret the Confidential Information until it becomes part of the Public Domain or seven years from their date of disclosure.

7 THIS SECTION INTENTIONALLY LEFT BLANK

8 FORCE MAJEURE

If fulfilment by either party of its undertakings pursuant to this Agreement is prevented by circumstances beyond the control of the parties such as industrial dispute, bolt of lightning, fire, war, mobilisation or general military call-up, uprising and riot, restrictions in the availability of motive power, general scarcity of transport, goods and energy, acts of God, as well as fault

or delay in deliveries from a sub supplier as a result of the above circumstances, this shall constitute grounds for discharge from contractual obligations, carrying entitlement to an extension of time limits and discharge from liability to pay penalties. This shall apply regardless of whether the cause of the delay occurs before or after the agreed date of delivery. If performance of this Agreement is substantially prevented for more than ninety days as a consequence of any of the above circumstances, either party is entitled to give written notice of its discharge from performance of this Agreement without thereby becoming liable to pay compensation.

9 TERM AND TERMINATION

9.1 This Agreement will commence on both parties' signature and will continue until Acceptance Date occurs or until terminated earlier in accordance with its terms.

9.2 If either party fails to make payment or should commit or permit other material breach of any of the obligations herein contained and should fail to remedy such breach within thirty days after receipt of notice from the complaining party, the other party is entitled to terminate this Agreement with immediate effect by giving notice of termination.

10 GENERAL

10.1 This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, heirs, executors, administrators and permitted assigns. This Agreement shall not be assigned in whole or in part, by either party without the prior written consent of the other party, which consent shall not be unreasonably withheld.

10.2 The parties acknowledge and agree that any terms and conditions of any purchase order, sales acknowledgement or other document submitted to the other party by either party which conflict with the terms and conditions of this Agreement shall be of no force or effect, and the terms and conditions hereof control and supersede such conflicting documents and any course of conduct or usage of the trade inconsistent with any of the terms and conditions hereof.

10.3 This Agreement constitutes the entire agreement between the parties hereto and any party who has in the past or who is now representing any of the parties hereto and merges all discussions among them and annuls and replaces any other prior agreement or understanding whether written or oral which may have existed between ReadSoft and the Client with respect to the subject matter hereof.

10.4 Any amendments or supplements to this Agreement, subsequent to its execution, shall be made in writing and, with respect to ReadSoft, shall be signed by the President of ReadSoft to be binding.

10.5 This Agreement shall be governed by the substantive laws of the State of Texas.

PROFESSIONAL SERVICES AGREEMENT

Schedule 1 - Definitions

Acceptance Date	The date when the Client has accepted the Programs, or when the Client has not accepted the Programs but the Programs are Ready for Use or when the period for acceptance test has passed and the Client has not in accordance with Section 3.2 made reasonable objection against the delivery of the Programs, or when the Programs are Ready for Use after correction of remarks made by the Client within the time period mentioned in Section 3.2, or when the Programs are deployed into production environment
Actual Supply Date	The date when the Programs are installed at the Client and ready for acceptance test
Agreed Supply Date	The date specified in the time plan in the Documentation, when the Programs shall be installed and ready for acceptance test
Agreement	This agreement with attached Schedules and all documents referenced to
Business Day	Monday – Friday excluding public holidays
Change Control Process	The process for change of the scope of the Services described in the Documentation
Confidential Information	All non-public information disclosed by one party to the other party that is designated as confidential or that, given the nature of the information or the circumstances surrounding its disclosure, reasonably should be considered as confidential. Confidential Information includes without limitation non-public information relating to the disclosing party's products, product ideas, clients, business plans, promotional and marketing activities, finances and other business issues
Custom Code	Unique programming source code that ReadSoft develops as part of the Services (excluding any existing code since before created whether or not it is part of ReadSoft's standard software)
Documentation	The documents Solution Description and/or Project Definition which specifies the applications and services to be performed and delivered to the Licensee attached to this Agreement as **Schedule 3**
Programs	The software application(s) licensed of the Client including all elements specified in the Documentation including Custom Code, if any
Ready for Use	The Programs contain all substantial functionality specified in the Documentation
Services	All services specified in the Documentation

Schedule 2 – Payment Terms

Estimated days are 62 at $2,000/day

Fixed price

Fees are invoiced based on the Payment Milestone Schedule defined in the SOW.

Rates

All prices are commercial in confidence.

Expenses

Expenses and travel time incurred by ReadSoft personnel during the execution of their duties in the fulfillment of the Agreement will be fully reimbursed by the Client. Expenses and travel time will be billed monthly in arrears.

Travel expense reimbursement may include personal vehicle mileage or commercial coach transportation, hotel accommodations, parking and meals; provided, however, the amount of reimbursement by City shall not exceed the amounts authorized by the current GSA Travel Regulations per diem.

Travel time may not be included as part of the amounts payable by Customer for any services rendered under the Contract. Air transportation shall be booked at the lowest available fare available at the time. Anticipated travel expenses must be pre-approved in writing by City.

Change Requests

Change Requests will be charged on a time and material basis, including the time for preparation and execution of quotes.

Schedule 3 – Documentation

PROFESSIONAL SERVICES AGREEMENT

This Agreement has been duly signed by authorised representatives of the parties, each party taking one copy.

CITY OF SAN ANTONIO	READSOFT, INC.
Hugh Miller	Robert L. Fresneda
Chief Technology Officer	President
Date: _____	Date: 8/20/14

LICENSE AGREEMENT

This License Agreement is by and between

ReadSoft North America, with registered offices at 3838 N. Causeway Blvd, Metairie, LA 70002 ("ReadSoft") and The City of San Antonio, a Texas Home-Rule Municipality ("Licensee").

Licensed and Supported Programs

The license under this Agreement is for the following software application(s).

Qty/Volume	Description
200,000	INVOICES with Capture PKG, COLLECTOR, PROCESS DIRECTOR for AP, WORK CYCLE with Check Request

Test license	INVOICES, up to 10,000 document annually

Maintenance and Support

ReadSoft offers two levels of support services. Check one of the boxes below:

x Enterprise Level (8 x 5)

□ Global (24 x 5)

This Agreement includes support of Custom Code (as separately documented). If "Yes" the support services covering Custom Code are specified in Sections 2-5.	x Yes □ No

Fees

The License Fee is:[1] _$212,211

The support and renewal fee for each Period is:[2] $46,442

The first support and renewal fee is invoiced upon the execution date of this agreement. The start date of support and maintenance shall be upon the acceptance date or six (6) months following the Effective Date, whichever comes first.

The license fee for the test license is $0. Unless otherwise agreed in writing in this Agreement, the test license are not covered by the production support and maintenance services following of this Agreement.

[1] The fee is invoiced upon delivery of the standard version of the Licensed Programs.

[2] If the Licensed Programs include Custom Code and support and maintenance services hereunder cover Custom Code and the price of the Custom Code is unknown at execution of this Agreement, the fee shall be increased with 20% of the price of the Custom Code.

Exhibit E

LICENSE AGREEMENT

Terms and Conditions

By signing this Agreement, Licensee agrees to the attached Terms and Conditions as part of this Agreement.

Definitions used in this Agreement are defined in Schedule 1 to the Terms and Conditions.

Payment Terms

Invoices shall be paid 30 days net of receipt of invoice. In the event of delay in payment, ReadSoft is entitled to charge interest for delay on the outstanding amount at a monthly rate of one % until full payment has been made. Fees for Periods are invoiced upon renewal and in advance.

All fees exclude federal, state or other local taxes including withholding taxes, delivery costs, customs and other public duties which are or may become payable as a consequence of this Agreement for which the Licensee is liable.

If at any time any monies payable by the Licensee to ReadSoft are overdue for payment, ReadSoft shall have the right at its sole discretion to suspend performance of the maintenance and support services specified in this Agreement until all such monies have been received by ReadSoft.

Effective Date: 8/20/14

ReadSoft's signature

Robert L. Fresneda, President

Licensee's signature

Hugh Miller, Chief Technology Officer

LICENSE AGREEMENT
TERMS AND CONDITIONS

---

1 TERM AND LICENSE

1.1 This Agreement is valid from the Effective Date and during each thereafter following Period unless terminated by the Licensee giving written notice of termination no later than three months prior to the end of the then current Period..

1.2 The Licensee is granted a non-transferable and non-exclusive license to use the Licensed Programs on maximum, at any given point in time, the number of computers, workstations, terminals or other electronic devices corresponding to the number of concurrent licenses granted.

2 MAINTENANCE

2.1 ReadSoft will provide the Licensee with Service Packs and new Versions when such are released from time to time for general distribution by ReadSoft. ReadSoft may without notice change the Maintenance Release Plan which is available on the ReadSoft Web Support Pages.

2.2 The Licensee may either download the Service Packs or new Versions from the ReadSoft Web Support Pages or request delivery of the material on a CD/ROM, at cost for handling, media and freight.

2.3 Should Custom Code be incompatible with new Versions and If this Agreement includes support and maintenance of Custom Code, as indicated on page 1, ReadSoft shall, at the Licensee's request, make Custom Code compatible with new Versions.

2.4 A new Version may not contain all the functionality of the Version used by the Customer. The new Version may not utilize or access all of functionality the same manner as the previous Version.

2.5 ReadSoft will, in connection with making the Service Pack or the new Version available, notify the Licensee of any known potential interference with Licensee's system due to the Licensee's use of third party products. Should a Service Pack or a new Version cause such interference, such third party products may need to be updated reflecting the contents of the Service Pack or new Version supplied. This will be the licensee's responsibility.

3 SUPPORT

3.1 The Licensee has access to an online knowledge database including product documentation maintained and operated by ReadSoft.

3.2 ReadSoft operates an online support center as a gateway to the ReadSoft support organization. As a second-hand alternative, the Licensee may initiate a Support Request by email during normal working hours of ReadSoft.* Due to circumstances outside of the control of ReadSoft, the Licensee may not at all times have access to the registration system. ReadSoft shall in the event of a downtime accept Support Requests by alternate means such as by email or telephone.

3.3 The handling of a Support Request which concerns a disruption to or a reduction of the Licensed Programs' functionality with deviation from the Specifications is divided in the following events:

Response	The acknowledgement from ReadSoft Support that the Support Request has been issued. Incident ID number created. Severity Level assessed and initial problem description documented.
Resolution	The confirmed delivery of necessary instructions that – when applied – will remove or minimize the reported reduction of the Licensed Programs' functionality.

3.4 A Support Request which concerns a disruption to or a reduction of the Licensed Programs' functionality with deviation from the Specifications is categorized in different severity levels.

1-Total Stop	An issue which completely disables the functionality of the Software or prevents the end to end operation of the deployed Software in a production environment.
2 – Severe impact	An issue which seriously affects the functionality or operation of the Software or deployed solution to a point where effective throughput is significantly reduced in a production environment.
3 – Material effect	An issue having a material effect on the functionality of the Licensed Programs.
4 – Marginal effect	An issue having minor affect on the functionality of the Licensed Programs.

3.5 Committed response times for levels Enterprise and Shared Services

Enterprise and Shared Services

Severity	Response	Resolution
1 – Total Stop	2 hours	16 hours *
2 – Severe impact	2 hours	40 hours

Hours mean local business hours Monday – Friday excluding national holidays (Vendor ReadSoft site)

** For the Global Support level, Support Requests will be handled 24x5 Sunday 21:00 – Friday 23:00 GMT/UTC. Support Requests will be handed over at the end of local business hours to another ReadSoft support center operating in another time zone for uninterrupted handling. See further the ReadSoft Support Web Pages.*

3.6 In the event of 1-Total Stop or 2-Severe impact, ReadSoft shall follow an escalation action plan for the handling and resolution of the Support Request. ReadSoft shall share the Licensee with the action plan and update the plan continuously. ReadSoft shall, in agreement with the Licensee, appoint a contact person as part of the action plan and the contact person shall consult with the Licensee on the further handling of the Support Request up to and including Resolution.

3.7 ReadSoft presents on the ReadSoft Support Web Portal actual response times for all Severity Levels.

3.8 ReadSoft provides support in accordance with this Section 3 with respect to the two latest Versions of the Licensed Programs existing at each point in time plus six months. *As an example; a customer uses Version 5-4. It has not passed six months since Version 5-6 was released. ReadSoft will assist the customer with respect to Version 5-4 up till six months after release date of Version 5-6.* ReadSoft provides further information about maintenance and support of older versions on the ReadSoft Web Support Pages. ReadSoft shall keep a register of each Support Request where a need for revision of code is identified. ReadSoft shall, as part of the Resolution, inform the Licensee of the delivery plan of the identified revision. Revision of code pertaining to the standard version of the Licensed Programs is normally part of a Service Pack or new Version (see further the Maintenance Release Plan). Revision of code pertaining to Custom Code, if this Agreement includes support and maintenance services for Custom Code, is provided in conjunction with the Maintenance Release Plan.

3.9 This Section applies only with respect to the Global Support level.

3.10 ReadSoft shall appoint a Support Delivery Manager ("SDM") as primary contact for management of Support Requests issued by the Licensee. The SDM shall, with consideration to available resources, in consultation with the Licensee, make available a qualified team in cases of severe downtime, appoint a contact person for the purpose of providing resolutions in a time-efficient and appropriate way.

3.10.1 ReadSoft shall, on a yearly basis on-site at the Licensee, make a technical review of the infrastructure (software, networking, hardware and database) that surrounds the Licensed Programs for risk identification. The on-site visit is limited to one visit at one physical installation of the Licensed Programs. The review will be documented in a report addressed to the Licensee with possible proposals for action. Costs for travel and accommodation are not included.

3.10.2 ReadSoft shall, on a yearly basis, review the Licensed Programs installation(s) from a productivity level perspective where solution configuration, definition optimization and eventual obstacles are evaluated. The review will be documented in a report addressed to the Licensee with possible proposals for action. Costs for travel and accommodation are not included.

4 EXCLUSION OF SUPPORT

4.1 The support services hereunder do not cover installation of Service Packs or new Versions.

4.2 This Agreement does not apply to any:

4.2.1 Malfunction resulting from the Licensee's use of the Licensed Programs with other operating systems, equipment, accessories, environment or in any manner not specified in the Specifications;

4.2.2 Malfunction resulting from changes to Custom Code, whether or not covered by this Agreement, by others than authorized personnel of ReadSoft;

4.2.3 Malfunction from incorrect implementation of the Licensee of a Service Pack or new Version;

4.2.4 Malfunction resulting from the Licensee's use of the Licensed Programs in a manner other than described in documentation or negligence on the part of the Licensee, its personnel or a third party or as a result of other circumstances beyond the control of ReadSoft; and

4.2.5 Other malfunctions caused by fault in products not developed by ReadSoft.

5 LICENSEE'S UNDERTAKINGS WITH RESPECT TO SUPPORT

5.1 The Licensee undertakes to:

5.1.1 Only let Named Callers handle and be in charge in all respects of Support;

5.1.2 Establish and maintain the Named Callers' competence in the equipment hosting the Licensed Programs and relevant other third party software;

5.1.3 Follow the recommended network, hardware and software configuration with respect to production volumes and desired performance, at installation and during use;

5.1.4 On the equipment that hosts the Licensed Programs, not install software that might interfere, or that interferes, with the operations and maintenance of the Licensed Programs;

5.1.5 Before installation of a Service Pack or a new Version, consult ReadSoft for appropriate measures, or test the Service Pack or the new Version in a test environment identical to the environment in which the then current installation of the Licensed Programs operate according to mutually agreed procedures;

5.1.6 During the handling of a Service Request and upon request, provide ReadSoft with system messages, copies of error messages and documentation associated with the issue if ReadSoft considers it necessary and as well information and data concerning any actions or changes made by the Licensee to Licensed Programs or to the equipment with which the Licensed Programs interacts; and

5.1.7 Follow backup and maintenance procedures specified in the Licensed Programs documentation and be fully responsible for such copies.

6 WARRANTIES

6.1 ReadSoft warrants, for a period of the first three months of the initial support period, that the Licensed Programs, if operated as directed, will in all substantial parts conform to the Specifications.

6.2 In case of breach of the warranty in Section 6.1, such breach shall be remedied by correction of the Licensed Programs within two months from written notice. Should ReadSoft fail to remedy such breach within the stipulated time, the Licensee may i) terminate this Agreement and be refunded paid license fees; or ii) choose to keep the license for the Licensed Programs subject to a reduction in the license fees to be agreed by the parties in good faith.

The warranty in Section 6.1 is void if (i) the Licensed Programs are modified by the Licensee; or (ii) the media carrying the Licensed Programs is subject to accident, abuse or improper use; or (iii) the Licensee violates the terms of this Agreement; or (iv) the Licensed Programs are used on or in conjunction with hardware or software, including other versions and configurations, not recommended of ReadSoft.

7 INFRINGEMENT INDEMNITY

7.1 ReadSoft shall defend and indemnify Licensee from and against any and all liabilities and costs finally imposed upon Licensee by a competent court of law, arising out of any claim that the use of the Licensed Programs infringes a patent, copyright or other intellectual property right provided that (i) Licensee shall promptly notify ReadSoft thereof and (ii) ReadSoft shall have sole control and authority with respect to the defense, settlement, or compromise thereof and Licensee shall to a reasonable extent co-operate with and provide ReadSoft with necessary information.

7.2 In case of infringement, or risk of infringement determined at ReadSoft's sole discretion, in accordance with Section 7.1, ReadSoft shall either (i) procure for Licensee to continue to license the Licensed Programs or (ii) replace or modify the Licensed Programs so that they become non-infringing. If neither of such alternatives is, in ReadSoft's opinion, commercially reasonable, ReadSoft shall be entitled to terminate the license for the Licensed Programs with immediate effect against a refund of the latest license fee the Licensee has paid to ReadSoft.

7.3 ReadSoft will have no liability for any claim of infringement arising as a result of (i) Licensee's use of the Licensed Programs in combination with any items not supplied or recommended in writing by ReadSoft where such combination is the basis of the infringement claim; (ii) any modification of the Licensed Programs by Licensee or third parties; iii) use of other than the latest version of the Licensed Programs if use of the latest version would avoid the infringement; or (iv) use of the Licensed Programs outside the scope of the granted license.

8 LIMITED LIABILITY

8.1 Except for the indemnity under Section 7, the total aggregate liability of ReadSoft arising out of, or in connection with this Agreement, whether for negligence or breach of contract or any other legal theory, shall in no event exceed one million dollars ($1,000,000).

8.2 To the maximum extent permitted by applicable law, ReadSoft shall not be liable for any indirect, incidental or consequential damages, (including, without limitation, damage or loss of business profit, lost savings, business interruption, third party claims, loss of business information or data, or any other pecuniary loss) arising out of the installation or use of or inability to use the Licensed Programs or the maintenance and support services.

9 COPYRIGHT AND RESTRICTIONS

9.1 The Licensed Programs are owned by ReadSoft and its suppliers and is protected by copyright laws, international treaty provisions and other applicable national laws. Licensee agrees to treat the Licensed Programs as copyrighted material. Licensee may not copy the Licensed Programs, except for installing the agreed number of copies (licenses) to use and for backup purposes.

9.2 Licensee shall not remove or alter ReadSoft's or ReadSoft's suppliers' copyright notices or other copyright notices, trademarks or logos in the Licensed Programs and Specifications.

9.3 Licensee may not (i) reverse engineer, decompile or disassemble the Licensed Programs otherwise than as permitted by statute; (ii) patch, modify or change the Licensed Programs other than in accordance with the Specifications; (iii) sublicense, distribute, loan, hire out or lease the Licensed Programs to a third party.

9.4 Licensee may, subject to prior written notice, transfer this Agreement and the license for the Licensed Programs (one or more complete installations) to an Affiliate. Subsequent to such transfer the receiving Affiliate is defined as Licensee under this Agreement.

9.5 The use of the Licensed Programs may be controlled by hardware dongles. If ReadSoft and Licensee have agreed thereto, ReadSoft shall replace such hardware dongles with License Files. The License Files constitute part of the Licensed Programs. Licensee may only install the License Files on the number of computers and workstations that corresponds to the number of licenses acquired. The permitted use of the Licensed Programs is unchanged. If Licensee has licensed the (i) "Invoices by ReadSoft" software (as defined as Licensed Programs) the use of the Licensed Programs is limited during each Period to process the number of invoices the parties have agreed on and which the Licensed Programs are configured and designed for; or (ii) "Forms by ReadSoft" software (as defined as Licensed Programs) the use of the Licensed Programs is limited to process the number of documents/pages the parties have agreed on and which the Licensed Programs are configured and designed for. The Licensee may not under not any circumstances exceed agreed volume without acquiring additional licenses.

9.6 The Licensee may only use the Licensed Programs for its own and for each of its Affiliates' account. Licensee may not use the Licensed Programs as a service bureau or in any similar activity, direct or indirect, for the benefit of any third party or to assign a third party to use the Licensed Programs for the account of Licensee.

9.7 If the Licensee has purchased a Test License, Licensee may use the Test License only for testing in connection with upgrading of the Licensed Programs and allowed adjustment/configuration of the Licensed Programs. The Test License may under no circumstances be used for commercial production.

10 TERMINATION

10.1 If either party fails to make payment or should commit or permit other material breach of any of the obligations herein contained and should fail to remedy such breach within thirty days after receipt of notice from the complaining party, the other party is entitled to terminate this Agreement with immediate effect by giving notice of termination.

10.2 Upon termination or expiration of this Agreement, irrespective of reason, the Licensee shall erase all copies of the Licensed Programs and destroy the Specifications and return all hardware locks (dongles) and/or License Files to ReadSoft and in connection thereto give a written warranty to ReadSoft that the Licensee does not have any copies thereof left.

11 GENERAL

11.1 The installation of Licensed Programs may increase the number of users or potential users of other software licensed to Licensee by other licensors. Therefore, Licensee may be obliged to acquire additional licenses for such other software. ReadSoft disclaims all liability in connection thereto and the Licensee is alone responsible for fulfillment of such possible requirements.

11.2 The Licensee agrees to maintain full, clear and accurate records as to all use of the Licensed Programs. ReadSoft shall have the right, no more than once during any calendar year, to have an independent certified public accountant or other disinterested third party to inspect the relevant records of Licensee and the physical installation(s) of the Licensed Programs and Test License on two business days notice and during regular business hours to verify the agreed extent of use and payments required to be made hereunder.

11.3 This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, heirs, executors, administrators and permitted assigns. Except as set forth in Section 9.4 above, this Agreement shall not be assigned in whole or in part, by the Licensee without the prior written consent of ReadSoft, which consent shall not be unreasonably withheld. ReadSoft may transfer and assign this Agreement to third parties.

11.4 The parties acknowledge and agree that any terms and conditions of any purchase order, sales acknowledgement or other document submitted to the other party by either party which conflict with the terms and conditions of this Agreement shall be of no force or effect, and the terms and conditions hereof control and supersede such conflicting documents and any course of conduct or usage of the trade inconsistent with any of the terms and conditions hereof.

11.5 The Licensee shall comply with all relevant export laws and regulations of the United States and other applicable export and import laws to assure that Licensed Programs are not exported, directly or indirectly, in violation of applicable laws.

11.6 Any amendments or supplements to this Agreement, subsequent to its execution, shall be made in writing and, with respect to ReadSoft, shall be signed by the President of ReadSoft to be binding.

11.7 Each party shall be entitled, after consultation with the other party, to make announcements and give press releases in connection with signature and performance of this Agreement including information on the value, the parties involved and any other relevant information. Nothing herein shall prevent either party from making any announcement of filing required by law, regulations or by the rules and regulations of any stock exchange on which it is listed. ReadSoft may use Licensee's name and logo in connection with marketing activities, such as customer lists on the web, marketing material and conferences and expositions. Licensee shall, to a reasonable extent, participate in ReadSoft produced marketing videos for display on the web and elsewhere. Further, subject to reasonable notice and consultation, ReadSoft may make reference visits at Licensee together with potential customers. ReadSoft shall compensate Licensee for reasonable costs Licensee may incur in connection with now mentioned activities.

11.8 This Agreement shall be governed by the substantive laws of the state of Texas.

LICENSE AGREEMENT
TERMS AND CONDITIONS

SCHEDULE 1 – DEFINITIONS

Acceptance Date	The date defined as Acceptance Date in the Professional Services Agreement if such agreement is entered into between the parties. If no Professional Agreement is executed, then Acceptance Date in this Agreement means when the Programs are deployed into production environment
Affiliates	Each company controlled by the Licensee or a company controlling the Licensee and each company controlled by such controlling company where control shall mean ownership of more than fifty % in respect of capital as well as voting rights
Agreement	This agreement with attached schedules and all documents referenced to
Custom Code	Unique programming source code that ReadSoft develops for the Licensee's account (excluding any existing code since before created whether or not it is part of ReadSoft's standard software)
Effective Date	The date of the execution of this Agreement specified on page 2
License Files	Soft license files that replace hardware dongles for access to and operation of the Licensed Programs
Licensed Programs	The programs specified one page 1, including Custom Code, if any
Maintenance Release Plan	The timetable for release of Service Packs and new Versions as determined of ReadSoft from time to time and available on the ReadSoft Web Support Pages
Named Callers	Appointed individuals of the Licensee for handling of Support Requests
Period	Each subsequent 12 month period following Acceptance Date or the date specified on page 1 under Fees, whichever date comes first
Points of Contact	The various ReadSoft support centers around the world
ReadSoft Web Support Pages	The web pages operated of ReadSoft containing among other things instructions and details with respect to handling of support and provision of maintenance
Service Pack	An update of existing functionality of the Licensed Programs generally provided to all customers in accordance with the Maintenance Release Plan
Specifications	The manuals and documentation accompanying the Licensed Programs including the Help System in the Licensed Programs
Support Request	A request for assistance with respect to; (i) a report of disruption to or a reduction of the Licensed Programs' functionality with deviation from the Specifications; or (ii) a report of unexpected behavior of the Licensed Programs with deviation from the Specifications; or (iii) questions with respect to the functionality of the Licensed Programs not adequately specified in the Specifications
Test License	The test programs, if any, specified one page 1 or 2
Version	An upgrade of the Licensed Programs containing new functionality and a general update. A Version is identified by a subhead-number. E.g. 5-4 is one Version and 5-5 is another Version, unless specifically stated otherwise in a release