

AN ORDINANCE 2014 - 10 - 16 - 0 8 0 1

**AUTHORIZING A PROFESSIONAL SERVICES CONTRACT WITH
TELRESOURCE, INC. TO PROVIDE TELECOMMUNICATIONS
BILLING AUDIT AND CORRECTION SERVICES.**

* * * * *

WHEREAS, on an annual basis, the City of San Antonio (“City”) spends in excess of \$6,000,000.00 on telecommunications services, including landline and wireless voice and data services, Internet access services, and cable/video services; and

WHEREAS, implementing a telecommunications expense management program to verify the accuracy of monthly invoices, maintain an accurate inventory of services, and track changes in services may result in substantial savings from the recovery of over-charges due to billing errors and other oversights, and the avoidance of unnecessary services; and

WHEREAS, the City’s current professional services contract for telecommunications billing audit and correction services has expired and over its four year term resulted in refunds and achieved savings in excess of \$1.4 million; and

WHEREAS, on March 5, 2014, the City released a Request for Proposal (“RFP”) for Telecommunications Billing Audit and Correction Services in response to which six proposals were received on April 7, 2014; and

WHEREAS, following an evaluation based on experience, qualifications, proposed billing audit plan, SBEDA plan, Local Preference Program, Veteran Owned Small Business Program, and compensation methodology of all responsive proposals, TelResource, Inc. was selected as the successful respondent and is recommended by staff for the award of a professional consulting services contract; and

WHEREAS, under the proposed contract, TelResource, Inc. will: (1) perform a physical inventory of (i) landline telecommunications services and circuits, (ii) wireless voice and data plans and devices, (iii) Internet access services, and (iv) cable/video services and equipment; (2) maintain an accurate inventory as services are modified from time-to-time; (3) identify and recover billing over-charges; (4) identify unnecessary services; and (5) recommend network efficiencies; and

WHEREAS, TelResource, Inc., a local company that is minority and veteran owned, will retain as compensation forty percent of recoveries and achieved savings for an initial term of two years which may be extended for two additional two-year terms; **NOW THEREFORE:**

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

SECTION 1. The “Professional Consulting Services Agreement with TelResource, Inc. for Telecommunications Billing Audit and Correction Services,” which is set out in **Exhibit A**, is hereby approved and incorporated into this Ordinance for all purposes.

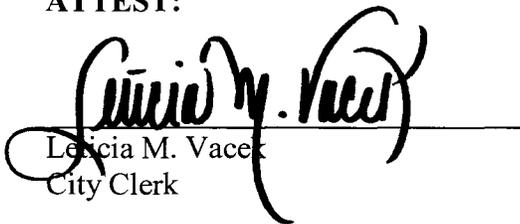
SECTION 2. The City Manager, or her designee, is authorized to execute the Agreement as well as any other documents necessary to carry out the intent of this Ordinance.

SECTION 3. This Ordinance shall take effect immediately upon passage by eight (8) affirmative votes; otherwise it shall take effect on the tenth (10th) day after passage.

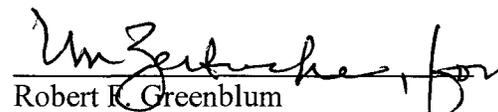
PASSED AND APPROVED this 16th day of October, 2014.


M A Y O R
for Ivy R. Taylor

ATTEST:


Leticia M. Vacek
City Clerk

APPROVED AS TO FORM:


Robert K. Greenblum
City Attorney

Agenda Item:	20 (in consent vote: 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22)
Date:	10/16/2014
Time:	11:31:52 AM
Vote Type:	Motion to Approve
Description:	An Ordinance authorizing a two year professional service contract with TelResource, Inc. to provide telecommunications billing audit and correction services to the City for an annual estimated cost of \$87,000.00 with an option for two additional two-year terms. [Ben Gorzell, Chief Financial Officer; Hugh Miller, Director, Information Technology Services]
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					
Cris Medina	District 7		x				
Ron Nirenberg	District 8		x				x
Joe Krier	District 9		x				
Michael Gallagher	District 10		x			x	

Exhibit A

Internet Service Provider (ISP) data and service connections; and all cable/video service connections and equipment.

- 2.2.2** Perform an inventory of all telecommunications, data, broadband, Internet, and cable services; and verify delivery of contracted services.
- 2.2.3** Perform an inventory of all wireless devices associated with carrier service plans, and all wireless service plans; and verify delivery of contracted services.
- 2.2.4** Maintain an accurate and current inventory of all landline circuits, trunks, connections, equipment, and services; all wireless devices and service plans; and all cable/video connections and equipment throughout the term of the Agreement.
- 2.2.5** Conduct a review of all landline and wireless telecommunications service agreements and verify proper billing of contracted services.
- 2.2.6** Conduct a review of all landline and wireless Internet access service agreements and verify proper billing of contracted services.
- 2.2.7** Conduct a review of all cable/video service agreements and verify proper billing of contracted services.
- 2.2.8** Verify that service providers are making available cable/video service to the CITY in compliance with Utilities Code section 66.006(d) and any other applicable state and federal laws.
- 2.2.9** Analyze historical and current billing records as appropriate for all landline and wireless telecommunications, data, broadband, Internet, and cable/video services in order to identify over-charges, incorrect pricing, service coding errors, inapplicable regulatory fees, imposition of taxes, and other billing discrepancies.
- 2.2.10** Conduct review of all applicable company tariffs, online service guidebooks, industry billing coding manuals, state and federal regulations, and other relevant documents to verify proper billing is conducted of all monthly invoices for landline and wireless telecommunications, Internet access, and cable/video services.
- 2.2.11** Acting as CITY's agent, seek recovery from landline, wireless, and cable/video service providers of any overpayments made by CITY resulting from billing errors and other billing discrepancies and monitor service accounts to verify that proper billing adjustments are made and refunded amounts are received.

2.2.12 Make recommendations to reconfigure existing services, components, and/or system design in order to create efficiencies in the delivery of services and achieve cost savings to CITY, which recommendations may or may not be accepted by CITY.

2.2.13 Provide monthly reconciliation reports to CITY of all landline and wireless voice and data telecommunications services, Internet access services, and cable/video services.

2.3 Consulting Team: For the purpose of providing services under this Agreement, CONSULTANT shall use the consulting team identified in Exhibit A, which may be augmented throughout the term of the Agreement. CONSULTANT will provide notice to CITY of any changes in the composition of the key members of the consulting team.

2.4 Baseline Billing Inventory: The CONSULTANT will use its proprietary database to develop a baseline billing inventory for every CITY service account. This billing inventory will be used to determine the date on which the CONSULTANT is entitled to begin to receive compensation for services rendered under the Agreement. The CITY and CONSULTANT will coordinate any modifications, additions and/or cancellations of services and devices in order for CONSULTANT to maintain an accurate billing inventory of CITY services.

2.5 Tracking of Billing Adjustments: Upon identifying a potential refund or recovery on behalf of the CITY resulting from a billing overpayment or billing error, CONSULTANT will gather documents to support its claim and initiate a billing dispute with the relevant provider. For every billing dispute, CONSULTANT will open an internal company ticket that will be used to track progress on the potential billing adjustment. The CONSULTANT will provide updates on open tickets via its Helpdesk service and will otherwise keep the CITY informed of progress toward potential recovery of billing overpayments.

2.6 Project Management: The CONSULTANT will be diligent in completing the various tasks under this Agreement consistent with the project timeline attached as Exhibit B. The CONSULTANT shall complete the inventory of landline, wireless, and cable/video services and equipment no later than six (6) months after the effective date of this Agreement.

2.7 Billing Data Analysis: In addition to the monthly reconciliation reports of landline, wireless, and cable/video services, CONSULTANT will provide CITY at its request analytical reports by querying its database to produce service usage profiles for individual users, municipal department usage, or City wide usage within the limits and accuracy of data provided to CONSULTANT by CITY; statistical diagrams by type of account, service, billing code, surcharge, municipal department, device, type of circuit, and other components; sensitivity reports to test financial impact of proposed

recommendations to modify services or other system components; and other logical reports available to CONSULTANT.

2.8 Coordination with City Staff: Concerning the creation and maintenance of the physical inventory of landline services, circuits, and equipment, as well as the inventory of wireless devices and service plans, the CONSULTANT shall coordinate its activities and communications with ITSD staff. Activities and communications related to the creation and maintenance of the inventory of cable/video services shall be coordinated with the Finance Department, Office of Public Utilities. All efforts to seek refunds on behalf of the CITY and recommendations for future saving shall be coordinated with ITSD.

2.9 Letter of Agency: Upon commencement of this Agreement, CITY will execute a letter of agency authorizing service providers to give CONSULTANT access to CITY'S telecommunications, Internet, and cable television billing information, and authorizing the CONSULTANT to represent the interests of the CITY in billing disputes with service providers.

III. BILLING, INVOICING AND COMPENSATION

3.1 Total compensation to CONSULTANT for services rendered under this Agreement shall be in two forms:

3.1.1 Recovery of Overpayments: CONSULTANT shall be entitled to receive compensation in the amount of forty percent (40%) of each and every credit or refund from time to time granted by service providers to or for the benefit of the CITY, procured in whole or in part as a result of the services rendered by CONSULTANT during the term of this Agreement, including any renewal terms. Such compensation shall be due with respect to each such credit or refund within ten (10) business days following (i) a monthly invoice from a service provider showing the application of a credit or other adjustment, or (ii) the remittance of refund by a service provider.

3.1.2 Future Savings: CONSULTANT shall also be entitled to receive compensation in the amount of forty percent (40%) of all realized net cost savings, other than credits and refunds compensable as set forth in section 3.1.1, resulting from the implementation in whole or in part of CONSULTANT'S written recommendations made during the term of this Agreement, including any renewal terms with respect to changes in CITY'S telecommunications usage, system configuration, or components, to the extent that such savings are attributable to CITY'S usage during the period of the next twelve (12) months following such implementation. CITY agrees to notify CONSULTANT in writing of the date of

implementation of each such recommendation. Future savings shall be determined as follows:

3.1.2.1 For recommendations leading to the disconnection of unused or unnecessary services or features, future savings will be calculated upon receipt of an invoice from a service provider showing the elimination of such services or features, and compensation hereunder shall be due and payable to CONSULTANT within sixty (60) days thereafter.

3.1.2.2 For recommendations leading to network reconfigurations, future savings will be calculated when the project is implemented and net savings are realized, and compensation hereunder shall be due and payable to CONSULTANT within sixty (60) days thereafter.

3.3 Three (3) months prior to the end of the term this Agreement, and any renewal terms, CONSULTANT shall begin the transition process of closing out any pending requests for billing adjustments with service providers. CONSULTANT shall only be entitled to compensation from billing adjustments received by CITY prior to expiration of the Agreement. Upon the expiration of this Agreement, CITY shall pay any pending compensation owed to CONSULTANT.

3.4 No additional fees or expenses of CONSULTANT shall be charged by CONSULTANT nor be payable by CITY.

IV. OWNERSHIP OF DOCUMENTS

4.1 Any and all recordings, writings, documents, information, billing records, or compilation of billing information in whatsoever format, medium, and character obtained, produced or created by CONSULTANT pursuant to the provisions of this Agreement is the exclusive property of CITY; and no such recording, writing, document, information, billing record, or compilation of billing information shall be the subject of any copyright or proprietary claim by CONSULTANT.

4.2 CONSULTANT understands and acknowledges that as the exclusive owner of any and all such recordings, writings, documents, information, billing records, or compilation of billing information, CITY has the right to use all such recordings, writings, documents, information, billing records, or compilation of billing information as CITY desires, without restriction.

V. RECORDS RETENTION

5.1 CONSULTANT and its subcontractors, if any, shall properly, accurately and completely maintain all documents, recordings, papers, records billing records,

compilation of billing information, and other evidence pertaining to the services rendered hereunder (hereafter referred to as “documents”), and shall make such materials available to the CITY in electronic format, or at its office, at all reasonable times and as often as CITY may deem necessary during the term of the Agreement, and any subsequent renewal terms, and the record retention period established herein, for purposes of audit, inspection, examination, and making excerpts or copies of same by CITY and any of its authorized representatives.

5.2 CONSULTANT shall retain any and all documents and copies of documents produced as a result of services provided hereunder for a period of five (5) years (hereafter referred to as “retention period”) from the date of termination of the Agreement. If, at the end of the retention period, there is litigation or other questions arising from, involving or concerning this documentation or the services provided hereunder, CONSULTANT shall retain the records until the resolution of such litigation or other such questions. In the case of litigation, CONSULTANT shall maintain all such documentation for three (3) years following the end of litigation. CONSULTANT acknowledges and agrees that CITY shall have access to any and all such documents and copies of documents at any and all times, as deemed necessary by CITY, during said retention period. CITY may, at its election, require CONSULTANT to return said documents to CITY prior to or at the conclusion of said retention.

5.3 CONSULTANT shall notify CITY, immediately, in the event CONSULTANT receives any requests for information from a third party, which pertain to the documentation and records referenced herein. CONSULTANT understands and agrees that CITY will process and handle all such requests.

VI. INSURANCE

6.1 Prior to the commencement of any work under this Agreement, CONSULTANT shall furnish copies of all required endorsements and an original completed Certificate(s) of Insurance to the CITY’S Information Technology Services Department, and which shall be clearly labeled “Telecommunications Consultant” in the Description of Operations block of the Certificate. The original Certificate(s) shall be completed by an agent and signed by an agent 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 original 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 Agreement until such certificate and endorsements have been received and approved by the CITY’S Information Technology Services Department. No officer or employee, other than the CITY’S Risk Manager, shall have authority to waive this requirement.

6.2. 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 whereupon CITY may incur increased risk.

6.3. 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, by companies authorized and admitted to do business in the State of Texas and with an AM 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 of Coverage	Amounts
1. Professional Liability (Claims Made Form)	\$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. Workers' Compensation	Statutory
3. Employers' Liability	\$1,000,000/\$1,000,000/\$1,000,000
4. Commercial General (public) Liability Insurance to include coverage for the following: a. Premises/Operations b. Independent Contractors c. Products/complete operations d. Personal Injury e. Contractual liability f. Property damage, to include Fire Legal Liability	Combined Single Limit for Bodily Injury and Property Damage of \$1,000,000 per occurrence; General Aggregate limit of \$2,000,000 per occurrence or its equivalent in umbrella or excess liability coverage (f) Property damage, minimum of \$50,000
5. 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

6.4. The 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). 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
Communications Office/Dept. of External Relations
P.O. Box 839966
San Antonio, Texas 78283-3966

6.5 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 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 where the CITY is an additional insured shown on the policy;
- Workers' compensation and employers' liability policies will provide a waiver of subrogation in favor of the CITY.
- Provide thirty (30) calendar days 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.

6.6 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 Agreement. Failure to provide and to maintain the required insurance shall constitute a material breach of this Agreement.

6.7 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.

6.8 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.

6.9 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 for liability arising out of operations under this Agreement.

6.10 It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this Agreement.

6.11 CONSULTANT and any Subcontractors are responsible for all damage to their own equipment and/or property.

VII. TERMINATION

7.1 It is understood that the CITY may terminate this Agreement without cause at any time, or for any reason, upon ten (10) day's prior written notice. Upon receipt of a Notice of Termination, the CONSULTANT shall immediately discontinue work under this Agreement and thereafter only those services necessary to effectuate termination of representation or transfer to another CONSULTANT may be performed, with all such services to be expressly authorized, in writing, by the Director.

7.2 The CONSULTANT may also terminate its performance under this Agreement to cause, including non-payment of the CONSULTANT'S invoices in a timely manner, at any time provided that CONSULTANT gives the CITY thirty (30) days' written notice.

7.3 It is agreed and understood that all files, reports, including documents, memoranda and correspondence produced under this Agreement are the property of the CITY, and upon termination, shall be forwarded to the CITY, at no expense to the CITY, as directed by the Director. CONSULTANT may retain a copy of the information at CONSULTANT'S own expense.

7.4 Upon termination of this Agreement, CONSULTANT shall cooperate with CITY in the smooth transition of files and documents to CITY staff and if appropriate the engagement of another telecommunications consultant.

VIII. INDEMNIFICATION

8.1 CONSULTANT covenants and agrees to **FULLY INDEMNIFY and HOLD HARMLESS**, the CITY and the elected officials, employees, officers, directors, and representatives of the CITY, individually or 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 CONSULTANT'S activities under this Agreement, and to the extent caused by any acts or omissions of CONSULTANT, any officer, director, representative, employee, consultant or subcontractor of CONSULTANT, and their respective officers, employees, directors and representatives while in the

exercise of performance of the rights and duties under this Agreement, all without however, waiving any governmental immunity available to the CITY under Texas Law and without waiving any defenses of the parties under Texas Law.

8.3 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. CONSULTANT shall advise the CITY in writing within 24 hours of any claim or demand against the CITY or CONSULTANT known to CONSULTANT, related to or arising out of CONSULTANT'S activities under this Agreement and shall see to the investigation and defense of such claim or demand, on behalf of CONSULTANT, at CONSULTANT'S cost. The CITY shall have the right, at its option and at its own expense, to participate in such defense without relieving CONSULTANT of any of its obligations under this paragraph.

IX. ASSIGNMENT

9.1 Except as otherwise stated herein, CONSULTANT shall not sell, assign, pledge, transfer or convey any interest in this Agreement, nor delegate the performance of any duties hereunder, by transfer, by subcontracting or any other means, without the consent of the City Council, as evidenced by passage of an ordinance.

9.2 Any attempt to transfer, pledge or otherwise assign this Agreement without said written approval, shall be void *ab initio* and shall confer no rights upon any third person. Should CONSULTANT assign, transfer, convey, delegate, or otherwise dispose of all or any part of its right or interest in this Agreement, CITY may, at its option, cancel this Agreement and all rights and interest of CONSULTANT shall thereupon cease and terminate, in accordance with Article VII. Termination, notwithstanding any other remedy available to CITY under this Agreement. The violation of this provision by CONSULTANT shall in no event release CONSULTANT from any obligation under the terms of this Agreement, nor shall it relieve or release CONSULTANT from the payment of any damages to CITY, which CITY sustains as a result of such violation.

X. INDEPENDENT CONSULTANT

10.1 CONSULTANT covenants and agrees that it is an independent CONSULTANT and not an officer, agent, servant or employee of CITY; that CONSULTANT shall have exclusive control of and exclusive right to control the details of the services rendered hereunder and all persons performing same, and shall be responsible for the acts and omissions of its officers, agents, employees, CONSULTANTS, subcontractors and consultants; that the doctrine of respondent superior shall not apply as between CITY and CONSULTANT, its officers, agents, employees, CONSULTANTS, subcontractors and consultants, and nothing herein shall be construed as creating the relationship of employer-employee, principal-agent, partners or joint venturers between CITY and CONSULTANT. The parties hereto understand and

agree that the CITY shall not be liable for any claims which may be asserted by any third party occurring in connection with the services rendered by the CONSULTANT under this Agreement and that the CONSULTANT has no authority to bind the CITY.

XI. PROHIBITED INTEREST IN CONTRACT

11.1 CONSULTANT 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 defined in Section 2-52 of the Ethics Code, from having a financial interest in any contract with the City or any City agency such as city owned utilities. An officer or employee has a “prohibited financial interest” in a contract with the CITY or in the sale to the CITY of land, materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale: (1) a CITY officer or employee; (2) his parent, child or spouse; (3) a business entity in which the officer or employee, or his parent, child or spouse owns (i) 10% or more of the voting stock or shares of the business entity, or (ii) 10% or more of the fair market value of the business entity; or (4) a business entity in which any individual or entity above listed is a (i) subcontractor on a City contract, (ii) a partner, or (iii) a parent or subsidiary business entity.

11.2 Pursuant to the subsection 11.1, CONSULTANT warrants and certifies as follows:

11.2.1 CONSULTANT and its officers, employees and agents are neither officers nor employees of the CITY.

11.2.2 CONSULTANT has tendered to the CITY the Contracts Disclosure Statement in compliance with the City of San Antonio Ethics Code.

11.2.3 CONSULTANT understands and agrees to comply with the *Non-Discrimination Policy* of the City of San Antonio contained in Chapter 2, Article X of the San Antonio City Code and further, shall not discriminate on the basis of race, color, religion, national origin, sex, sexual orientation, gender identity, veteran status, age or disability, unless exempted by state or federal law, or as otherwise established herein.

11.3 CONSULTANT acknowledges that CITY’S reliance on the above warranties and certifications is reasonable.

XII. AMENDMENTS

12.1 Except where the terms of this Agreement expressly provide otherwise, any alterations, additions, or deletions to the terms hereof, shall be effected by amendment, in writing, executed by both CITY and CONSULTANT.

XIII. SEVERABILITY

13.1 If any clause or provision of this Agreement is held invalid, illegal or unenforceable under present or future federal, state or local laws, including but not limited to the City Charter, City Code, or ordinances of the City of San Antonio, Texas, then and in that event it is the intention of the parties hereto that such invalidity, illegality or unenforceability shall not affect any other clause or provision hereof and that the remainder of this Agreement shall be construed as if such invalid, illegal or unenforceable clause or provision was never contained herein; it is also the intention of the parties hereto that in lieu of each clause or provision of this Agreement that is invalid, illegal, or unenforceable, there be added as a part of the Agreement a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable.

XIV. LICENSES/CERTIFICATIONS

14.1 CONSULTANT warrants and certifies that CONSULTANT 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.

XV. COMPLIANCE

15.1 CONSULTANT shall provide and perform all services required under this Agreement in compliance with all applicable federal, state and local laws, rules and regulations.

XVI. NONWAIVER OF PERFORMANCE

16.1 Unless otherwise specifically provided for in this Agreement, a waiver by either party of a breach of any of the terms, conditions, covenants or guarantees of this Agreement shall not be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, condition, covenant or guarantee herein contained. Further, any failure of either party to insist in any one or more cases upon the strict performance of any of the covenants of this Agreement, or to exercise any option herein contained, shall in no event be construed as a waiver or relinquishment for the future of such covenant or option. In fact, no waiver, change, modification or discharge by either party hereto of any provision of this Agreement shall be deemed to have been made or shall be effective unless expressed in writing and signed by the party to be charged. No act or omission by a party shall in any manner impair or prejudice any right, power, privilege, or remedy available to that party hereunder or by law or in equity, such rights, powers, privileges, or remedies to be always specifically preserved hereby.

XVII. APPLICABLE LAW

17.1 THIS AGREEMENT 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.

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

17.3 CITY and CONSULTANT agree that all claims, disputes and controversies arising out of or in relation to the performance, interpretation, application or enforcement of this Agreement, including but not limited to the breach thereof, shall be referred to mediation before, and as a condition precedent to, the initiation of an adjudicative action or proceeding, including arbitration. Mediation will take place in San Antonio, Bexar County, Texas, before a mutually agreed upon Mediator.

XVIII. LEGAL AUTHORITY

18.1 The signer of this Agreement for CONSULTANT represents, warrants, assures and guarantees that he/she has full legal authority to execute this Agreement on behalf of CONSULTANT and to bind CONSULTANT to all of the terms, conditions, provisions and obligations herein contained.

XIX. PARTIES BOUND

19.1 This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, and successors and assigns, except as otherwise expressly provided for herein.

XX. CAPTIONS

20.1 The captions contained in this Agreement are for convenience of reference only, and in no way limit or enlarge the terms and/or conditions of this Agreement.

XXI. INCORPORATION OF EXHIBITS

21.1 The Exhibit listed below is an essential part of the Agreement, which governs the rights and duties of the parties.

XXII. ENTIRE AGREEMENT

22.1 This Agreement and its exhibit constitute the final and entire agreement between the parties hereto and contain all of the terms and conditions agreed upon. No other agreements, oral or otherwise, regarding the subject matter of this Agreement shall

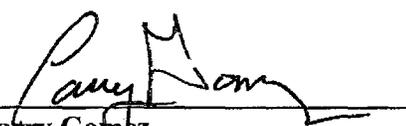
be deemed to exist or to bind the parties hereto, unless same is in writing, dated subsequent to the date hereto and duly executed by the parties, in accordance with Article XII. Amendments.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of this ____ day of _____, 2014 and by their respective signatures agree to fulfill the terms and conditions contained herein.

CITY OF SAN ANTONIO

TELRESOURCE, INC.

BY: _____
Hugh Miller
Chief Technology Officer

BY: 
Larry Gomez
President & CEO

APPROVED AS TO FORM:

CITY ATTORNEY

Exhibit "A"

List of the key members of the consulting team (including subcontractors) and their areas of work with relation to this assignment

Angel Ferrer Collect Billing & Establish Baseline <i>Divide Bills (BAN) into Groups</i> <i>Local Service</i> Set Initial Baseline
Art Flores Physical Audit of Circuits <i>Perform Audit by Location</i>
Ed Valentine Collect Billing & Establish Baseline <i>Divide Bills (BAN) into Groups</i> <i>Cable Provided Video</i> Long Distance Billing Enter Data Collect/Review telecom contracts <i>Compare Contracts to Bills</i> <i>Near End of Term</i> Month to Month Identify Contracts Terms 3-6-9 months to Term Define any Issues Track New Billing Recovery of Over-payment Process <i>ID any Taxes/Fees Not Valid</i> Submit Requests for Credit ID any Rate Increase Track Credit Payments Track Change Processes
Frank McCartney Collect Billing & Establish Baseline <i>Divide Bills (BAN) into Groups</i> <i>Cell/Wireless => Frank</i> Set Initial Baseline Physical Audit of Circuits <i>Perform Audit by Location</i> Analyze Wireless Requirements Track Change Processes

Larry Gomez

Collect Billing & Establish Baseline

Divide Bills (BAN) into Groups

Data/HiCap => Larry

Enter Data

Set Initial Baseline

Collect/Review telecom contracts

Compare Contracts to Bills

Identify Contracts Terms 3-6-9 months to Term

Physical Audit of Circuits

Define Goals

Define Order to Process

Analyze Wireless Requirements

Analyze Telecom Requirements

Recovery of Over-payment Process

Recommend Changes in Services

Track Change Processes

Prepare Paperwork for Progress Payments

Greg Stuber

Collect Billing & Establish Baseline

Divide Bills (BAN) into Groups

Cable Provided Video

Long Distance Billing

Collect/Review telecom contracts

Compare Contracts to Bills

Near End of Term

Month to Month

Define any Issues

Analyze Telecom Requirements

Recovery of Over-payment Process

ID any Taxes/Fees Not Valid

Submit Requests for Credit

Recommend Changes in Services

