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PURCHASING ITEM FOR COUNCIL AGENDA

1. Agenda Item Number: 17

2. Council Meeting Date: May 23, 2013

TO: MAYOR & COUNCIL

THROUGH: CITY MANAGER

3. Date Prepared: May 2, 2013

4. Requesting Department: Management Services

5. SUBJECT: Award Agreement #MS3-920-3131 with Invoice Cloud, Inc. (Vendor) and System Innovators (Proposer) for implementation and ongoing support and maintenance of a Citywide electronic payment web portal for a one-time fee of $80,000.00 and agreed upon ongoing transaction fees.

6. RECOMMENDATION: Recommend awarding Agreement #MS3-920-3131 with Invoice Cloud, Inc. (Vendor) and System Innovators (Proposer) for implementation and ongoing support and maintenance of a Citywide electronic payment web portal for a one-time fee of $80,000.00 and agreed upon ongoing transaction fees.

7. HISTORICAL BACKGROUND/DISCUSSION: The desire to accept credit cards Citywide by expanding electronic payment options has been discussed for quite some time. A Citywide Electronic Payment Processing Assessment was conducted in Fiscal Year 2011-12 that reviewed every Department's collection and payment types, as well as a recommended Citywide solution. The results of the assessment and project were presented to the Information Technology Oversight Committee (ITOC) in April 2012 and it became their #1 priority. The project plan for an Electronic Payment Processing Portal (EPPP) was then presented to the CAPA, IT and Management Services Subcommittee in June 2012. The project scope is to develop an on-line payment portal to centralize collection of payments across City departments, eliminate multiple existing payment processing systems, and expand electronic payment options for citizens across all services. This solution will be user friendly, look and feel like the City of Chandler, drive efficiencies in payment collection, processing and reconciliation efforts, adhere to Payment Card Industry (PCI) and Data Security Standards (DSS) Compliance, simplify refund and dispute resolution, and integrate the EPPP to all current systems, allowing future integration of COC enterprise technology systems. Council subcommittee was again updated on the project and agreement highlights May 8, 2013.

The vendor recommended by the evaluation committee provides a hosted cloud solution, is the leading national provider with over 235 clients in 31 states (Chandler will be their first municipality in Arizona), and municipalities and utilities make up 95% of their clients. This is the City's first hosted cloud solution. As a hosted solution, the City will not own the software. Invoice Cloud, Inc. will develop and implement the web portal, and provide ongoing security and maintenance and take on all PCI compliance and risk. The implementation will roll forward using a phased approach and users will be trained at every phase.

8. EVALUATION PROCESS: On September 11, 2012 the City issued an RFP to vendors experienced in providing electronic payment portals and payment processing solutions. Nine (9) vendors responded. The evaluation process was conducted by a committee consisting of members from Management Services and Information Technology, in accordance with established City policies and procedures. The highest scoring proposal from System Innovators, offered a complete cashiering system along with an electronic payment web portal solution. Since the scope of the RFP did not include a cashiering system, the evaluation committee recommends award of a contract to their partner, Invoice Cloud, Inc., who can provide the electronic payment web portal that meets all of the requirements of the RFP and will fulfill the City's needs to be able to accept credit card and electronic direct debit payments Citywide, while adhering to the best PCI and DSS compliance practices. This agreement has a seven (7) year term and transaction fees are fixed for the 1st three (3) years, then the vendor may increase no more than 3% annually upon City approval.

9. FINANCIAL IMPLICATIONS: There is a one-time fee of $80,000, to be paid from the ITOC EPPP Project 401.1285.5219.6IC071budget for the implementation of the payment portal solution. There is no annual support fee associated with the portal; however the on-going operation and maintenance of the portal will be funded by a portion of the transaction fees. The City has the flexibility to charge transaction fees under two models; The City absorbs the fees model and a convenience fee (customer pays fee) model. The convenience fee model will charge 2.95% of the transaction total, $1.00 minimum for credit card transactions where the City decides to give customers the choice to use a credit card for certain transaction types. Most services will be under the City absorbs the fee model. Based on current transaction counts, under the Invoice Cloud, Inc. transaction fee agreement, it would cost approximately $129,600 more per year. In return Chandler receives a state of the art, PCI compliant cloud solution which allows citizens to pay all City Services on line, 24 hours per day, through one central web portal.

10. PROPOSED MOTION: Move to award Agreement #MS3-920-3131 with Invoice Cloud, Inc. (Vendor) and System Innovators (Proposer) for implementation and ongoing support and maintenance of a Citywide electronic payment web portal for a one-time fee of $80,000.00 and agreed upon ongoing transaction fees.

APPROVALS

11. Requesting Department Dawn Lang Dawn Lang, Management Services Director	**12. Department Head** Dawn Lang Dawn Lang, Management Services Director
13. Procurement Officer Carolee Stees, CPPB	**14. City Manager** Rich Dlugas Rich Dlugas

AGREEMENT FOR SOFTWARE AS A SERVICE

City of Chandler
Agreement

Project No. MS3-920-3131

Project Name: Electronic Payment Portal/
Third Party Payment Processing

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CITY OF CHANDLER
AGREEMENT FOR ELECTRONIC PAYMENT PORTAL/
THIRD PARTY PAYMENT PROCESSING
(MS3-920-3131)

INTRODUCTION

This Agreement is made and entered into by and among the City of Chandler ("City"), Invoice Cloud, Inc. (hereinafter "Vendor"), and System Innovators, a division of N. Harris Computer Corporation, an Ontario corporation (hereinafter "Proposer")

Article 1 Recitals

Section 1.1 Whereas, the City requested proposals (hereinafter the "RFP") for an Electronic Payment Portal/3rd Party Payment Processing Services (hereinafter "EPPP") (City Project Number MS3-920-3131) in September 2012; and

Section 1.2 Whereas, Vendor provides, in accordance with the specifications of the RFP, its EPP as a fully hosted system where Invoice Cloud Suite is provided in a service architecture (SaaS) which eliminates the problem of sensitive information storage and Payment Card Industry ("PCI") compliance for the City because all payment data is double encrypted and stored offsite of the City on the Vendor servers; and

Section 1.3 Whereas, Proposer submitted a proposal detailing the City's use of electronic payment processing services (Invoice Cloud Suite) directly provided by Vendor as well as proposing its direct provision of additional services (INOVAH) and hardware; and

Section 1.4 Whereas, the City determined that its needs as set forth in the RFP would be met by subscribing to the electronic payment processing services provided by Vendor; and

Section 1.5 Whereas, the City is not ready to expand its needs to use the additional technology and hardware directly provided by the Proposer;

NOW, THEREFORE, in consideration of the terms and conditions contained herein, the City and Vendor mutually agree as follows:

Article 2 Terms And Conditions

Section 2.1 Term of Agreement. The Term of this Agreement shall commence on the Effective Date and expire at 11:59 p.m. seven (7) years thereafter unless terminated earlier as set forth herein.

Section 2.2 Definitions. As used in this Agreement and in any duly approved Biller Order Form or amendment now or hereafter:

2.2.1 "Audit Trails" means control information on all batches of e-bills, payments, logins, user activity, and email notifications logged by Vendor. Transitions, inquiries and selections in the Vendor services are date and time-stamped to provide complete control and accountability. Vendor will provide , upon request of City, data changes by customer service representatives or administrative activity on no more than monthly basis or the Vendor will provide, within 150 days of execution of contract, the capability for City to generate reports for such in lieu of administrative activities.

2.2.2 "**Agreement**" means the body of this Agreement including any exhibit attached. Any exhibit attached hereto shall be deemed to have been incorporated herein by this reference with the same force and effect as if fully set forth in the body of the Agreement.

2.2.3 "**Agreement Year**" means 365 days (or 366 days when a Leap Year occurs) that runs from the Effective Date at 12:00 a.m. (or the anniversary of the Effective Date at 12:00 a.m.) to 11:59 p.m. of the day preceding the next anniversary of the Effective Date in the Term of this Agreement.

2.2.4 "**Chargeback**" is a reversal of a Transaction initiated by a credit card company, processor, bank or other financial institution that City previously presented to Vendor under this Agreement.

2.2.5 "**City Data**" means invoices and bills of the City.

2.2.6 "**Content**" means the information and documents contained or made available to City by Vendor in the course of using the Services.

2.2.7 "**Customer**" shall include customers, taxpayers and users of services of City.

2.2.8 "**Customer Data**" means any data, information or material provided by Customers to the Services in the course of using the Services.

2.2.9 "**Documentation**" means as set forth in Subsection 3.8.5.

2.2.10 "**Effective Date**" means the date on which the last representative for the Parties signs this Agreement.

2.2.11 "**Phased Implementation Period**" means the time period that commences on the Effective Date and expires at 11:59 p.m. three (3) Agreement Years thereafter unless the Agreement is terminated earlier as set forth herein. During the Phased Implementation Period, the City may request additional connection to the Services at the same rates set forth in Exhibit B.

2.2.12 "**Intellectual Property Rights**" means unpatented inventions, patent applications, patents, design rights, copyrights, trademarks, service marks, trade names, domain name rights, mask work rights, know-how and other trade secret rights, and all other intellectual property rights, derivatives, integration components and application programming interfaces thereof, and forms of protection of a similar nature anywhere in the world.

2.2.13 "**Invoice Cloud Technology**" or "**Technology**" means all of Vendor's proprietary technology (including software, hardware, products, processes, algorithms, user interfaces, web interfaces, know-how, techniques, designs and other tangible or intangible technical material or information) made available to City or otherwise developed by Vendor in providing the Services, are the following of which are the different offerings in the Invoice Cloud suite of Technology.

2.2.13.1 **IC Cloud Pay** means an online payment capability that is integrated into authorized third party software products. IC Cloud Pay allows the City to accept payments for various City programs or services that its Customers select from third party software products.

2.2.13.2 **IC Cloud Store** means an online payment capability that allows the City to accept Customers' payments for non-invoiced services.

2.2.13.3 **IC Card Pay** means an online payment capability that allows the City accept credit cards for bill payments made by Customers in person.

2.2.13.4 **IC Online Bank Direct.** means an online payment capability that allows the City to register through the Vendor with online banking networks to electronically deposit Customer payments. The IC Bank Direct electronic payments (like lock box files) are matched (where possible) to a Customer's account, processed and uploaded into the City's accounting software system(s).

2.2.13.5 **IC Check 21 Pay"** means a tool allowing the City to convert paper checks into a digital version that is then deposited without the need for further handling of the physical check. IC Check 21 is tightly integrated with the City accounting software systems, providing the same real-time data and reporting as online payments.

2.2.13.6 **"Electronic Bill Presentment and Payment"** or **"EBPP"** means an electronic invoice presentment and payment service that notifies Customers when an invoice is due and allows the ability to view and pay an exact replica of the paper invoice online.

2.2.14 "**Party**" or "**Parties**" means either the Vendor or the City individually when the singular form "Party" is used; or collectively when the plural form "Parties" is used. Unless specifically stated herein, the use of either Party or Parties does not include the Proposer.

2.2.14.1 "**City**" means the City of Chandler, a duly formed municipal corporation of the State of Arizona. When this Agreement refers to the type of license or use granted to the City by this Agreement, the word "City" also means its employees, agents, or any other persons performing the role of the City for providing Electronic Payment Portal services as described herein.

2.2.14.2 "**Invoice Cloud**" or "**Vendor**" means Invoice Cloud, Inc., a Delaware

corporation and duly authorized to do business in the State of Arizona.

2.2.15 "**Payment Instrument Transaction**" is transaction conducted between City and its Customers with respect to an account, or evidence of an account, authorized and established between a Customer and a credit card association or issuer, or representatives or members thereof that City accepts from Customers as payment for the Services. Payment Instrument Transactions include, but are not limited to, transactions processed by credit and debit cards, ACH, EFT and Check 21 transactions, stored value cards, loyalty cards, electronic gift cards, authorized account or access numbers, paper certificates and credit accounts.

2.2.16 "**Period Fees**" mean those fees that are fixed in nature and shown on Exhibit B as those not based on transactions.

2.2.17 "**Proposer**" means Systems Innovators, Inc. For avoidance of doubt, Proposer is not responsible for the Vendor's performance under this Agreement.

2.2.18 "**Biller Order Form**" means the form (an example of which is included in Exhibit H) evidencing the initial subscription for the Services and any subsequent Biller Order Form, specifying, among other things, the services for which are being contracted, each such Biller Order Form to be incorporated into and to become a part of this Agreement (in the event of any conflict between the terms of this Agreement and the terms of any such Biller Order Form, the terms of this Agreement shall prevail).

2.2.19 "**Reserve Account**" means a City account that is maintained in order to protect Vendor or payment processor against the risk of, among other things, existing, potential, or anticipated Chargebacks and to satisfy the other obligations under the Agreement.

2.2.20 "**Scope of Work**" means the tasks and timelines for implementation of the Services into the City's payment processes including the aggregation of the Phase Scopes of Work and Implementation Schedules as set forth in Exhibit A.

2.2.21 Except in Section 6.22, **"Service(s)"** means Vendor's billing and payment service(s), the Content, the Technology and other corporate services identified in Exhibit G and otherwise herein as developed, operated, and/or maintained by Vendor, accessible via Vendor's website, or another designated web site or IP address, or ancillary online or offline products and services provided to City by Vendor, to which City is being granted access under this Agreement.

2.2.22 "**Services Data**" means as defined in Exhibit D.

2.2.23 "**Transaction**" is a transaction conducted between a Customer and Vendor (on behalf of City) utilizing either a Payment Instrument or a bill presentment in which consideration is, or to be, exchanged or tax is, or to be, due between the Customer and City

2.2.24 "**Phase**" or "**City Function(s)**" means the module of City function(s) outlined in the first table on page 1 of Exhibit A.

2.2.25 "**Phase Scope of Work**" means that which is described in Exhibit A and is a result of the Parties' discovery activities during each Phase of implementation.

2.2.26 "**Phase Implementation Schedule**" means that which is described in Exhibit A and is a result of the parties' discovery activities during each Phase of implementation.

2.2.27 "**Submitter Agreements**" mean those contracts between the City and various credit card providers which allow the Customers to use the Services to authorize one of the City's accepted credit cards to pay City fees.

2.2.28 "**Supported Test Environment**" means the test environment used by the City for testing of administration function changes for impacts, patches, fixes, upgrades, integration and support. This environment will enable the City to test and mimic results that would be found in the production environment. The test environment is maintained and supported by the Vendor. Refresh of data in concordance with agreed upon schedule or as requested by the City by submitting a helpdesk ticket.

2.2.29 "**Transaction Data**" means is the written or electronic record of a Transaction, including but not limited to an authorization code or settlement record and City Data.

2.2.30 "**Term**" means that which is defined in Section 2.1.

2.2.31 "**Verifications Documentation**" is as defined in Subsection 3.9.4

Article 3 Ongoing Services

Section 3.1 City Responsibilities.

3.1.1 City will acquire the software and hardware outlined in Exhibit C in order to complete the Phased Implementation of the Services and to access the Services.

3.1.2 City is responsible for all activity occurring under City's accounts and shall abide by all applicable laws, and regulations in connection with City's and/or Customers' use of the Services, including those related to City Data privacy, communications, export or import of City Data and the transmission of technical, personal or other data. City shall:

3.1.2.1 notify Vendor immediately of any unauthorized use of any password or account or any other known or suspected breach of security;

3.1.2.2 report to Vendor and immediately stop any copying or distribution of Content that is known or suspected to be unauthorized by City or City's Users; and

3.1.2.3 not impersonate another Vendor user or provide false identity information to gain access to or use the Services.

3.1.3 City may not:

3.1.3.1 send or store material containing software viruses, worms, Trojan horses or other harmful computer code, files, scripts, agents or programs;

3.1.3.2 interfere with or disrupt the integrity or performance of the Services or the data contained therein; or

3.1.3.3 attempt to gain unauthorized access to the Services or its related systems or networks.

3.1.4 City is responsible for any City postings in error due to delayed notification from credit card processor, ACH bank and other related circumstances.

3.1.5 City agrees to provide Vendor with complete and accurate billing and contact information. This information includes City's legal company name, street address, e-mail address, and name and telephone number of an authorized billing contact, namely the City Management Services Director, and License Administrator, namely the City Application Support Manager. The initial disclosure of this information is set forth in Exhibit A. City agrees to update this information within 30 days of any change to it.

3.1.6 City will maintain a fair policy with regard to the refund, return or cancellation of services and adjustment of Transactions. In accordance with the Implementation Scope of Work in Exhibit A, the City will create return/cancellation policies as part of the Implementation of each Phase. Return/cancellation policies creation will be submitted to Vendor in writing prior to final City approval.

3.1.7 Any change in a return/ cancellation policy must be submitted to Vendor, in writing, not less than 21 days prior to the effective date of such change.

3.1.8 If City allows or is required to provide a price adjustment, or cancellation of services in connection with a Transaction previously processed, City will prepare and deliver to Vendor, Transaction Data reflecting such refund/adjustment within 2 days of resolution of the request resulting in such refund/adjustment. The amount of the refund/adjustment with respect to Transactions under the Services cannot exceed the amount shown as the total on the original Transaction Data. City may not accept cash or any other payment or consideration from a Customer in return for preparing a refund to be deposited to the Customer's account; nor, with respect to credit card transactions, may City give cash/check refunds to a Customer in connection with a Transaction previously processed, unless required by applicable law.

3.1.9 Vendor will not ask Customers whether they wish to receive marketing and other non-critical Services-related communications from Vendor. Vendor will notify the City's License Administrator when it occasionally needs to notify all users of the Services of important announcements regarding the operation of the Services.

Section 3.2 Submitter Agreements and AMEX. This Section 3.2 is applicable as to any Submitter Agreements, and to AMEX credit card charges:

3.2.1 City's Representations & Warranties. As to all Transactions City submits to

Vendor for processing, City represents and warrants that:

3.2.1.1 The Transaction Data represents payment or refund of payment, for a bona fide transaction.

3.2.1.2 The Transaction Data represents an obligation of the Customer for the Transaction and the accuracy of all Transaction Data.

3.2.1.3 The Transaction Data does not involve any element of credit for payment of a previously dishonored payment or for any other purpose than payment for a current transaction and future payments as agreed upon by the customer.

3.2.1.4 The Transaction Data is free from any material alteration not authorized by the Customer.

3.2.1.5 Neither City nor its employees have advanced any cash to the Customer in connection with the Transaction, nor have you accepted payment for effecting credits to a Customer.

3.2.1.6 City has not made any representations or agreements for the issuance of refunds except as stated in City's return/cancellation policy that is relevant to that City function.

3.2.1.7 Any transaction submitted to Vendor to credit a Customer's account represents a refund or adjustment to a Transaction previously submitted to Vendor.

3.2.1.8 City has no knowledge or notice of information that would lead it to believe that the enforceability or collectability of the subject Transaction Data is in any manner impaired. The Transaction Data is in compliance with all applicable laws, ordinances, and regulations. The Transaction Data is originated in compliance with this Agreement and any applicable agreements.

3.2.1.9 For a Transaction where the Customer pays in installments or on a deferred payment plan, a Transaction Data record has been prepared separately for each installment transaction or deferred payment on the date(s) the Customer agreed to be charged. All installments and deferred payments, whether or not they have been submitted to Vendor for processing, shall be deemed to be a part of the original Transaction.

3.2.1.10 City has not submitted any Transaction that it knows or should have known to be fraudulent, illegal, or otherwise in violation of any provision of this Agreement or other applicable agreements.

3.2.1.11 All Transaction Data is complete and accurate (including with respect to total due fields) and Vendor is not liable or responsible for any incomplete or inaccurate Transaction Data.

Section 3.3 Chargebacks

3.3.1 If City is subject of excessive Chargebacks, in addition to our other remedies under this Agreement, Vendor (or the payment processor) may take the following actions:

3.3.1.1 request that City in every case commence issuing refund and related payments directly to Customer;

3.3.1.2 notify City of a new rate that will be charged to process Chargebacks;

3.3.1.3 collect from City an amount reasonably determined by Vendor (or the payment processor) to be sufficient to cover anticipated Chargebacks and all related fees, penalties, expenses, and fines or request a Reserve Amount (where a Reserve Account is noted under the Biller Order Form or as otherwise required under the terms of this Agreement or other agreement with Vendor or any payment processor); or

3.3.1.4 terminate the Agreement. City also agrees to pay any and all penalties, fees, fines and costs assessed against Vendor (or the payment processor) relating to its violation of this Agreement, or other agreement related thereto.

3.3.2 City agrees that it is fully liable if any Transaction, for which Vendor has provided City credit or paid City, is the subject of a Chargeback or ACH rejects or reversals or other refunds or credits. To the extent Vendor has paid or may be called upon to pay a Chargeback, refund or adjustment for or on the account of a Customer and City does not reimburse /Vendor as provided for in this Agreement, or has insufficient funds to draw from in

the City's Debit Account (to the extent applicable as provided in Section 3.4 below) then for the purpose of Vendor obtaining reimbursement of such sums paid or anticipated to be paid, City shall indemnify, defend and hold Vendor harmless therefrom. The City's Debit Account will contain sufficient funds to cover any estimated exposure based on reasonable criteria for Chargebacks, ACH rejects or reversals, credits, returns, and all additional liabilities anticipated under this Agreement. Vendor may (but is not required to) apply funds in the City's Debit Account (to the extent applicable as provided in Section 3.4 below) toward, and set off any funds that would otherwise be payable to City against, the satisfaction of any amounts which are or may become due from City pursuant to this Agreement. Vendor may, at its sole discretion, collect fees related to Chargebacks and ACH rejects and reversals, or other refunds or credits from Customers.

Section 3.4 City Deposit Account Automatic Debit

3.4.1 No later than 30 days before the City's use of the first Implementation Phase, it will provide the following information to Vendor:

3.4.1.1 Name of Checking Account as it appears on City's checks.

3.4.1.2 Name of Bank.

3.4.1.3 Address of Bank., Bank contact telephone number

3.4.1.4 Depository Account number and, its Routing number.

3.4.1.5 Fees Account number, its Routing number

3.4.2 If the City authorizes Vendor's receipt of all fees and periodic fees referenced in the Biller Order Form from payments made by Customers, or from credit card processers, bank card issuers, payment associations, ACH and check processers, as applicable, City shall establish a Deposit Account(s) whereby Vendor will automatically withdraw from the City's account(s) used for this purpose ("City's Debit Account(s)") the relevant fees and periodic fees referenced in Exhibit B and any Chargebacks, ACH rejects or reversals, refunds and other fees due hereunder resulting therefrom. City shall be responsible for and pay all fees or charges relating to City's Debit Account and the automatic debit facility, in accordance with the terms thereof. In addition, with respect to any invoices and/or payments that is processed through the Services, the City's agreements with all such credit card processers, bankcard issuers, ACH and check processers shall require remittance and payment to Vendor, of all fees and to no other account.

3.4.3 City shall maintain sufficient funds in the City's Debit Account to pay all periodic fees, Chargebacks, ACH rejects, reversals refunds and other fees due hereunder resulting therefrom.

Section 3.5 Reconnection Fee. Where circumstances for a reconnection fee require such to be assessed, Vendor reserves the right to impose a reconnection fee in the event City is suspended and thereafter requests access to the Services.

Section 3.6 City Data. City will provide to Vendor all City Data generated for Customers. Unless otherwise expressly agreed to in writing by Vendor to the contrary. City can use the credit card processing, ACH or check processing of any bank, payment processor, entity, or person, other than Vendor via electronic data transmission or the authorization or processing of City's Customers' Payment Instrument Transactions for each electronic payment type selected in the Biller Order Form throughout the Term of this Agreement; provided however the City cannot provide for credit card payments for the City Functions listed in Exhibit A, from the implementation of the applicable City Function by Invoice Cloud, until the end of the Term, other than through the Services provided in this Agreement.

Section 3.7 Prohibitions. City shall not:

3.7.1 license, sublicense, sell, resell, transfer, assign, distribute or otherwise commercially exploit or make available to any third party, the Services in any way;

3.7.2 modify or make derivative works based upon the Services;

3.7.3 Recreate, "frame" or "mirror" any portion of the Services on any other server or wireless or Internet-based device;

3.7.4 reverse engineer or access the Services; or

3.7.5 copy any features, functions or graphics of the Services.

Section 3.8 Vendor's Responsibilities.

3.8.1 Scope of Services. Vendor shall provide the products, services, and perform the tasks as described in the Exhibit G. The Scope of Services may also be termed "Services" herein.

3.8.2 License Grant & Restrictions. Subject to the terms and conditions of this Agreement, Vendor hereby grants City a non-exclusive, non-transferable, worldwide right to use, solely for the following purposes, and specifically to bill and receive payment from Customers, the Services described herein until termination as provided herein. All rights not expressly granted to City are reserved by Vendor and its licensors.

3.8.3 Performance Standard. All duties by Vendor or designees shall be performed in a manner consistent with accepted practices for other similar Work as defined in Documentation.

3.8.4 Licenses and Similar Authorizations: Vendor, at no expense to the City, shall secure and maintain in full force and effect during the Term of this Agreement all required licenses, permits, and similar legal authorizations, and comply with all requirements thereof.

3.8.5 Documentation. Vendor shall provide one set of Documentation for use in electronic format compatible with Microsoft Corporation's then generally available Office products and printed format in accordance with the terms of this Agreement. Upgrades and revisions to this Documentation shall be provided while Vendor is providing Services therefore. There shall be no additional charge for the Documentation or updates thereto, in whatever form provided. If Vendor maintains its technical, maintenance and installation documentation on a web site, Vendor may fulfill the obligations set forth in this section by providing the City access to its web-based Documentation information. The City may treat non-receipt of the required Documentation as a material breach of this Agreement.

3.8.6 Vendor will process all of Customers' Payment Instrument Transactions requirements related to the City Data and will do so via electronic data transmission according to our formats and procedures for each electronic payment type selected in the Biller Order Form.

Section 3.9 Security.

3.9.1 Vendor shall perform the Services in conformity with the level of compliance with the PCI DSS requirements set forth herein and on Exhibit F ("PCI DSS Requirements") and acknowledges its sole responsibility for the security of the Customer's cardholder data in the process in which Vendor stores, transmits or processes, provided that City and its Customers comply with its requirements.

3.9.2 Vendor shall perform all tasks, assessments, reviews, penetration tests, scans and other activities required under the PCI DSS Requirements (including any compliance guidance issued by the PCI Data Security Council or its subordinate bodies within the scope of the PCI DSS Requirements) to validate its compliance during the Term with the PCI DSS Requirements as it relates to the system elements and portions of cardholder data environment (each as defined by the PCI DSS) for which Vendor is responsible as set forth in Exhibit F (the "PCI Environment").

3.9.3 Compliance with PCI DSS Changes. Vendor shall conform the Services in a timely manner to comply with any change in the applicable PCI DSS (including any binding compliance guidance issued by the PCI Data Security Council or its subordinate bodies), provided that Vendor shall provide City with at least ninety (90) days advance written notice of any such changes, or, if ninety (90) days notice is not possible, then as promptly as practicable

following any such change. Such conformance of the Services shall be at Vendor's expense with respect to changes that are applicable generally to Vendor's other Customers for Services which are the same as or similar to the Services or relevant components of the Services.

3.9.4 Vendor shall provide to the City an attestation by an objective third party, stating that the application has been tested for common security vulnerabilities as articulated by the "OWASP Top-10" See www.owasp.org for details. These include (but are not limited to) sql injection, cross-site scripting, cross-site request forgery, and others. This testing must be performed at the expense of the Vendor and by an objective third party. Vendor shall deliver to City copies of verification conclusions (''Verification Documentation'').

3.9.5 In the event City reasonably determines that additional Verification Documentation is required under the PCI DSS Requirements or likely to be so required to verify such compliance, including a ''Report on Compliance,'' and an associated unqualified ''Attestation of Compliance,'' then, upon City's request and at no additional charge to City, Vendor shall provide such additional Verification Documentation to City within six (6) months from City's request, or the timeframe required for City to remain compliant, whichever is less.

3.9.6 The attestation may be simply an executive summary of the technical report, stating that the application has been tested against the aforementioned standard, and found to be free of security defect.

3.9.7 The City may require the Vendor re-test the Hosted System if there are significant changes such as addition of functionality, structural or architecture changes, or the addition of infrastructure components.

3.9.8 At least annually thereafter, Vendor shall deliver to City a copy of the Verification Documentation, applicable to the PCI Environment at no additional charge to City.

3.9.9 Within thirty (30) days of passing any vulnerability scan applicable to the PCI Environment, Vendor shall deliver to City at no additional charge evidence of such.

3.9.10 Vendor will immediately notify City of the following:

3.9.10.1 Any exception in a Report on Compliance, Attestation of Compliance or quarterly vulnerability scan; or

3.9.10.2 If Vendor learns that it is no longer PCI DSS Requirements compliant, or reasonably anticipates that it is or will be noncompliant, and

3.9.10.3 Vendor will promptly notify City of the steps it is taking to remediate such exception or non-compliance.

3.9.11 The Vendor shall provide the City with a copy of Vendor's Information Security Policy (or WISP) on request.

Section 3.10 Privacy. Vendor's privacy policy is attached hereto as Exhibits D. Vendor reserves the right to modify its privacy policy in its reasonable discretion from time to time after discussion and notice to the City of not less than thirty (30) days.

3.10.1 Account Information and Data. Vendor does not, and will not, own any Customer Data, in the course of providing the Services. City, not Vendor, shall have sole responsibility for the accuracy, quality, integrity, legality, and reliability of, and obtaining the intellectual property rights to use and process all Customer Data. In the event this Agreement is terminated, Vendor will make available to City a file of the Customer Data within 30 days of termination of this Agreement, if City so requests at the time of termination.

3.10.2 Vendor's Covenants for Confidentiality. The Vendor agrees to the following.
3.10.2.1 City Confidential Information. Vendor agrees that it may be furnished with or otherwise have access to information that City considers to be confidential including but not limited to the City Data, Transaction Data, or Customer Data which are

hereby deemed to be City's Confidential Information, or any other information by its very nature constitutes information of a type that any reasonable business person would conclude was developed by the City and intended by City to be treated as proprietary, confidential, or private (the "City Confidential Information"). City agrees to secure and protect the City Confidential Information in a manner consistent with the maintenance of City's rights therein, using at least as great a degree of care as it uses to maintain the confidentiality of its own confidential information, but in no event use less than reasonable efforts. Vendor will not sell, transfer, publish, disclose, or otherwise make available any portion of the City Confidential Information to third parties (and will ensure that its employee and agents abide by the requirements hereof), except as expressly authorized in this Agreement or otherwise required by applicable law.

3.10.2.2 Customer Confidential Information. Vendor agrees that it may be furnished with or otherwise have access to Customer Data that the Customers considers to be confidential including to not limited to the Customer Data that is hereby deemed to be Customer Confidential Information or any other information by its very nature constitutes information of a type that any reasonable business person would conclude was intended by Customer to be treated as proprietary, confidential, or private (the "Customer Confidential Information"). Vendor agrees to secure and protect the Customer Confidential Information in a manner consistent with the maintenance of Customer's rights therein, using at least as great a degree of care as it uses to maintain the confidentiality of Vendor Confidential Information, but in no event use less than reasonable efforts. Vendor will not sell, transfer, publish, disclose, or otherwise make available any portion of the Customer Confidential Information to third parties, except as required to perform the Services under this Agreement or otherwise required by applicable law.

3.10.3 City Covenants for Confidentiality/Intellectual Property Ownership.

3.10.3.1 Intellectual Property Rights. It is agreed that Vendor (and its licensors, where applicable) owns all right, title and interest, including all related Intellectual Property Rights, in and to the Technology, the Content, and the Services and any enhancement requests, feedback, integration components, suggestions, ideas, and application programming interfaces, recommendations or other information provided by City or any other party relating to the Services. In the event any such intellectual property rights in the Technology, the Content, or the Services do not fall within the specifically enumerated works that constitute works made for hire under applicable copyright laws or are deemed to be owned by Vendor, City hereby irrevocably, expressly and automatically assigns all right, title and interest worldwide in and to the Technology, the Content, or the Services to Vendor. The Vendor name, the Vendor logo, and the product names associated with the Services are trademarks of Vendor or third parties, and no right or license to use them is granted to the City by this Agreement.

3.10.3.2 Vendor Confidential Information. City agrees that during the course of using or gaining access to the Services (or components thereof) it may be furnished with or otherwise have access to information that Vendor considers to be confidential including but not limited to the Technology, pricing and financial information of the Parties which are hereby deemed to be Vendor Confidential Information, or any other information by its very nature constitutes information of a type that any reasonable business person would conclude was intended by Vendor to be treated as proprietary, confidential, or private (the "Vendor Confidential Information"). City agrees to secure and protect Vendor Confidential Information in a manner consistent with the maintenance of Vendor's rights therein, using at least as great a degree of care as it uses to maintain the confidentiality of its own confidential information, but in no event use less than reasonable efforts. City will not sell, transfer, publish, disclose, or otherwise make available any portion of the Vendor Confidential Information of the other party to third parties (and will ensure that its employee and agents abide by the requirements

hereof), except as expressly authorized in this Agreement or otherwise required by applicable law.

3.10.4 Ownership of Deliverables. All City Confidential Information and Customer Confidential Information (defined in Subsection 3.10.2.2~~3.10.2.2~~) produced under this Agreement shall be considered work made for hire under the U.S. Copyright Act, 17 U.S.C. 101 et seq, and shall be owned by the City. The City shall own all right, title and interest in and to the City's Confidential Information (defined in Subsection 3.10.2.1), the City's intellectual property, and the City's Property. To the extent, Vendor produces any City Confidential Information and Customer Confidential Information, Vendor shall take all actions necessary and shall transfer ownership of the Data to the City following its development. The City Confidential Information and Customer Confidential Information shall be deemed City of Chandler work made for hire for all purposes of copyright law, and copyright shall belong solely to the City. In the event that any such work is adjudged to be not a work made for hire, Vendor agrees to assign and hereby assigns all copyright in such work to the City. Vendor shall, assist the City or its nominees to obtain copyrights, trademarks, or patents for all such works. The Vendor agrees to execute all papers and to give all facts known to it necessary to secure United States copyrights and to transfer or cause to transfer to the City right, title and interest in and to such works.

Section 3.11 Fees for Services.. All Vendor's expenses for provision of the Services are included in the fees set forth in Exhibit B. The Fees for Services shall be fixed at those set forth in Exhibit B for the first three (3) years of the Term. Vendor may annually increase, by a percentage no greater than three percent (3%), the rates for the remaining years of the Term if it notifies the City at least 90 days prior to the third or next anniversary of the Effective Date.

3.11.1 Billing Process. City receives a monthly statement summarizing the fees, which are deducted from the operating account each month, for invoice presentment (for customers who have gone paperless) and access. If City chooses the Utility Rate Fee Schedule, then City will have merchant accounts (credit card and ACH), where transaction fees for ACH and Credit Card will be deducted monthly (typically from the operating account that is receiving credit card and ACH deposits), at the end of each month. If City selects the Submitter Program, then Vendor will hold the merchant account, convenience fees will be paid to Vendor by the customers and Vendor will pay for the costs associated with the ACH and Credit Card transaction fees. Costs for equipment, if any, will be billed the first month after the City's acceptance of the completion of each Implementation Phase and the Services are available to Customers.

3.11.2 Billing and Renewal. Vendor charges for the Services is provided in Exhibit B. Vendor's fees are exclusive of all taxes, levies, or duties imposed by taxing authorities, Vendor may assess and/or collect such taxes, levies, or duties against City and City shall be responsible for payment of all such taxes, levies, or duties, excluding only United States (federal or state) taxes based solely on Vendor's income. All payment obligations are non-cancellable and all amounts or fees paid are non-refundable. All fees will be billed in U.S. dollars. If City believes City's bill or payment is incorrect, City must provide written notice to Vendor within 60 days of the earlier of the invoice date, or the date of payment, with respect to the amount in question to be eligible to receive an adjustment or credit; otherwise such bill or payment is deemed correct. In addition to any other rights granted to Vendor herein, Vendor reserves the right to suspend or terminate this Agreement upon written notice to City and ten (10) days opportunity to cure, and City's access to the Services if City's account becomes in any way delinquent or if there are excessive Chargebacks. Delinquent invoices are subject to interest of 1.5% per month on any outstanding balance, or the maximum permitted by law, whichever is less, plus all expenses and costs of collection. City will continue to be charged for period fees during any period of suspension.

3.11.3 Payment. Payment does not constitute whole or partial acceptance; City acceptance of the Implementation of the Services shall only occur by the City's issuance of formal written notice to that effect.

3.11.4 Overpayments to Vendor. The City may credit erroneous payments or overpayments against amounts invoiced by Vendor. If the City does not take such credits, Vendor shall promptly, but in all cases within 30 days, refund to the City the full amount of any erroneous payment or overpayment upon Notice of an erroneous payment or overpayment to which Vendor is not entitled.

3.11.5 Credits. Any credits due the City under this Agreement may be applied against Vendor's invoices with appropriate information attached, upon giving of Notice required herein, if any, by the City to Vendor.

Section 3.12 Vendor's Representations & Warranties:

3.12.1 Current PCI DSS Level. Vendor represents that has achieved the Payment Card Industry Data Security Standard ("PCI DSS") level as shown on the copy of the Certificate at page 1 of Exhibit F.

3.12.2 Licenses and Similar Authorizations. As required in Subsection 3.8.4, Vendor represents and warrants that it will, at no additional expense to the City, secure and maintain in full force and effect during the Term of this Agreement all required licenses, permits, and similar legal authorizations, in order to provide the Services, and comply with all requirements thereof

3.12.3 that it has the full right, authority and power to enter into this Agreement and to grant to the City the Licenses and rights conveyed by this Agreement;

3.12.4 that the Technology, and the City and its Customers' use thereof as authorized and specified in this Agreement, does not infringe the intellectual property rights of others.

3.12.5 In the event there is a third party claim alleging that City's use of the Services in accordance with this Agreement constitutes an infringement of a United States patent, copyright, or trade secret, Vendor shall, at its expense, defend City and pay any final judgment (including, but not limited to, attorney fees, costs and interest) against City or settlement agreed to by Vendor on City's behalf; provided that City promptly notifies Vendor of any such claim or proceeding and shall give Vendor full and complete authority, information, and assistance to defend such claim or proceeding. Vendor shall have sole control of the defense of any claim or proceeding and all negotiations for its compromise or settlement. Vendor will, notwithstanding the preceding sentence, inform the City's Project Manager on a routine periodic basis in not less than monthly updates on status, relevant issues, and settlement discussions regarding such litigation or threats of such litigation. In the event that the City's use of the Services is finally held to be infringing or Vendor deems that it may be held to be infringing as the City's sole and exclusive remedy, in addition to providing defending the City and paying any final judgment or settlement as provided herein with respect to the Vendor's breach of this essential warranty, Vendor shall, at Vendor's election and sole cost,: (1) procure for the City the right to continued use of the Services; or (2) modify or replace the Services so that it becomes non-infringing. In the event that neither (1) or (2) above is available after Vendor's use of commercially reasonable efforts, and the infringement claim is for patent infringement, Vendor may terminate the Agreement and refund to City all implementation fees and any pre-paid fees hereunder. Vendor shall have no liability hereunder if the City has, after completion of installation of any Phase, modified the Services or used the Services in an unauthorized or unspecified manner.

3.12.6 Vendor warrants that the Services will perform substantially as provided herein and Exhibit G, under normal use and circumstances and that Vendor shall use commercially reasonable measures with respect to Customer Data to the extent that it retains such, in the

operation of the Service; provided that the City shall maintain immediately accessible backups of the Customer Data (other than Customers' credit card information). Vendor reserves the right to establish or modify its general practices and limits relating to storage of Customer Data. In addition, Vendor will, at its sole expense, as the sole and exclusive remedy with respect to performance of the Services, perform the Ongoing Maintenance and Support Services outlined in Annual Support and Maintenance For City and Support Issue Priorities and Timelines" tables in Exhibit G, and correct any Transaction Data to the extent that such errors have been caused by Vendor or by malfunctions of Vendor's processing systems. **EXCEPT AS PROVIDED IN THIS AGREEMENT AND IN EXHIBIT G, THE SERVICES AND ALL CONTENT AND TRANSACTION DATA IS PROVIDED WITHOUT ANY EXPRESS, OR IMPLIED WARRANTY, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND ALL OTHER WARRANTIES ARE HEREBY DISCLAIMED TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW. EXCEPT AS PROVIDED IN THIS AGREEMENT AND IN EXHIBIT G, VENDOR DOES NOT REPRESENT OR WARRANT THAT THE USE OF THE SERVICE WILL BE UNINTERRUPTED OR ERROR-FREE OR THE SERVICE WILL MEET REQUIREMENTS WITH RESPECT TO SIZE OR VOLUME.** Vendor's Services may be subject to limitations, delays, and other problems inherent in the use of the internet and electronic communications.

Section 3.13 Indemnification. To the fullest extent permitted by law, Vendor, its successors, assigns and guarantors, must defend, indemnify and hold harmless City and any of its elected or appointed officials, officers, directors, commissioners, board members, agents or employees from and against any and all allegations, demands, claims, proceedings, suits, actions, damages, resulting in property damage, environmental damages, personal injury and wrongful death claims, and related losses, expenses (including claim adjusting and handling expenses), penalties and fines (including, but not limited to, attorney fees, court costs, and the cost of appellate proceedings), judgments or obligations, which may be imposed upon or incurred by or asserted against the City by reason of this Agreement or the Services performed or permissions granted under it, or related to, arising from or out of, or resulting from any negligent or intentional actions, acts, errors, mistakes or omissions, including without limitation those set forth below in this caused in whole or part by Vendor relating to the discharge of any duties or the exercise of any rights or privileges arising from or incidental to this Agreement, including but not limited to, any subcontractor or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Vendor's and its subcontractor's employees. This indemnity shall apply to all such costs except for the amount of any penalty, fine, or damage award as determined by a court of competent jurisdiction or other applicable decision making body or settlement (where City agrees to such settlement) for which the City will be liable to the extent that the blame was apportioned to the City by the court or other applicable decision making body. Furthermore, both parties agree that a court of competent jurisdiction or applicable decision making body may, at Vendor's request, make a finding to apportion Vendor's legal costs (including all fees, disbursements and costs associated with expert witnesses) to the extent that the court or decision making body determines that the City was at fault for the injury or damages and that it would be just, under the circumstances, to reimburse Vendor. Nothing in this Agreement will prohibit City from making its own submissions regarding the apportionment of legal costs.

Section 3.14 Customer Data. Vendor shall indemnify and hold City, employees, attorneys, and agents, harmless from any losses, liabilities, and damages (including, without limitation, City's costs, and reasonable attorneys' fees) arising out failure by Vendor to implement commercially reasonable measures against the theft of the Customer Data; (ii) its total failure to deliver funds processed by Vendor as required hereunder (which relates to payments due from Vendor for Transaction Data); or (iii) Vendor's failure to achieve the applicable PCI DSS level required by its number of transactions. This indemnification does not apply to any claim or

complaint relating to City's failure to resolve a payment dispute concerning debts owed to City or City's negligence or willful misconduct or violation of any applicable agreement or law.

Section 3.15 City Indemnification. City shall indemnify and hold Vendor, its licensors and Vendor's subsidiaries, affiliates, officers, directors, employees, attorneys, agents, and payment processors harmless from and against any and all claims, costs, damages, losses, liabilities and expenses (including attorneys' fees and costs) arising out of or in connection with any claim, cause of action, lawsuit, administrative or criminal investigation, charge, action or claim alleging that use of the Customer Data, in a way that is unauthorized by this Agreement, infringes the rights of a third party.

Section 3.16 Limitation of Liability. OTHER THAN FOR INDEMNIFICATION OBLIGATIONS PROVIDED IN THIS AGREEMENT, VENDOR'S AGGREGATE LIABILITY (EXCLUSIVE OF ATTORNEY FEES, LITIGATION COSTS, COURT FEES, AND COSTS OF REMEDYING AN INFRINGEMENT IN ACCORDANCE WITH SUBSECTION 3.12.5) SHALL BE UP TO THE GREATER OF $250,000 OR THE AMOUNTS ACTUALLY PAID BY AND/OR DUE FROM CITY IN THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO SUCH CLAIM. IN NO EVENT SHALL THE PARTIES BE LIABLE TO EACH OTHER OR ANYONE FOR ANY INDIRECT, PUNITIVE, SPECIAL, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL (INCLUDING LOSS OF DATA, REVENUE, PROFITS, USE OR OTHER ECONOMIC ADVANTAGE) ARISING OUT OF, OR IN ANY WAY CONNECTED WITH THESE SERVICES, EVEN IF THE PARTY FROM WHICH DAMAGES ARE BEING SOUGHT OR SUCH PARTY'S LICENSORS HAVE BEEN PREVIOUSLY ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. Certain states and/or jurisdictions do not allow the exclusion of implied warranties or limitation of liability for incidental, consequential or certain other types of damages, so the exclusions set forth above may not apply to City.

Section 3.17 Insurance Requirements.

3.17.1 Vendor's Requirements. Vendor shall procure, at its sole expense, the insurance described in Exhibit I attached to this Agreement.

3.17.2 No Limitation of Liability. The limits of liability specified in Exhibit I are minimum limits of liability only and shall not be deemed to limit the liability of Vendor or any Vendor insurer except as respects the stated limit of liability of each policy. Where required to be an additional insured, the City of Chandler shall be so for the full limits of liability maintained by Vendor, whether such limits are primary, excess, contingent or otherwise.

Article 4 Change Orders & Biller Order Forms.

Section 4.1 Change Orders Generally.

4.1.1 Each Change Order shall be subject to all of the terms and conditions of this Agreement, and incorporated into this Agreement by this reference. Change Orders shall be processed in accordance with Exhibit H. The Vendor shall furnish all deliverables specified in the Change Orders in the order issued by the City and in accordance with the relevant Phase Schedule contained in Exhibit A (as may be modified after discovery in accordance with each Phase. For each Change Order duly issued, Vendor shall commence work within the requisite amount of time specified therein.

4.1.2 The City will issue Biller Order Forms in the format set forth in Exhibit G to start the implementation of the each Phase. Vendor's fee structure shall remain the same for implementation of each Phase within the Phased Implementation Period as defined in Subsection 2.2.11. Thereafter and within the Term, the fee structure for the newly implemented Phase shall be the same as that which the Vendor is applying to all previously completed Phases for which the City is using the Services

Section 4.2 Implementation Scopes of Work & Phase Installation Schedules. This project includes both an implementation phase for each module of the City functions outlined in Exhibit

A (see, Phase Modules on page 1) as well as ongoing Services, This Agreement between the Parties provides for a Phased Implementation Period for the first three (3) Agreement Years. Each Phase will have a particularized Phase Scope of Work and Phase Implementation Schedule that is broadly outlined in Exhibit A but which will be further defined and finalized during discovery at the beginning of each Phase.

Section 4.3 AUS & Vendor Interface. In addition to the Implementation Scopes of Work outlined in Exhibit A, Vendor will cooperate with City's existing vendor for utility billing software, Advanced Utility Systems, to complete, on or before July 31, 2013, a payment processing interface as outlined in Exhibit E to enable City to commence integration testing in early August 2013. The City will notify the Vendor if schedule for integration testing is delayed.

4.3.1 Commencement of Phases. The City will notice its readiness to start each Phase by sending the Vendor a Biller Order Form for that particular Phase. Within thirty (30) days of the date on which the City sends the Biller Order Form, the Vendor and City shall begin the process broadly outlined for that particular Phase as set forth in Exhibit A. Biller Order Forms must be signed and dated by each Parties' Project Manager to be effective and shall be treated as a Change order in accordance with Section 4.1. The Biller Order Forms will become Change Orders in accordance with this Article 4 and are incorporated into this Agreement when duly processed. Vendor shall commence Implementation Scope of Work for each Phase after the City's deliver to it of the relevant Biller Order Form.

4.3.2 The Vendor shall not proceed unless authorized by a mutually agreed upon and properly approved amendment.

4.3.3 Vendor's Expenses. All Vendor's expenses for provision of the Implementation Scopes of Work are included in the fees set forth in Exhibit B.

Article 5 Termination

Section 5.1 Termination without Cause. This Agreement may be terminated by either party effective at the end of the seventh year- or any subsequent Agreement Year by such party's written notice to the other party of its intent not to renew no less than thirty (30) days prior to the expiration of the then-current Agreement Year.

Section 5.2 Termination with Cause. Additionally, this Agreement may be terminated by either party with cause in the event of a material breach of the terms of this Agreement by the other party and the breach becomes a Default in accordance with Section 6.18 and remains uncured as set forth in Section 6.19. Without limiting the preceding portion of this Section 5.2, any breach of City's payment or other obligations under this Agreement or unauthorized use of the Vendor Technology or Services by City, or its authorized users will be deemed a material breach of this Agreement.

Section 5.3 Early Termination. The City shall remain liable for all fees and charges incurred, and all periodic fees owed through the end of the calendar month following the effective date of termination if the City breaches any of the terms of this Agreement during the Term or any Renewal Term and the Vendor terminates this Agreement for such breach.

Section 5.4 Upon any termination or expiration of this Agreement, City's password and access will be disabled.

Section 5.5 Upon any termination or expiration of this Agreement, the Parties are obligated to pay any balances due to the other Party's account computed in accordance with the fees set forth in Exhibit B or otherwise in this Agreement.

Article 6 General Provisions

Section 6.1 Parties' Joint Representation and Warranty. Each party represents and warrants that it has the legal power and authority to enter into this Agreement.

Section 6.2 Local Laws and Export Control. The City agrees to comply with United States export controls administered by the U.S. Department of Commerce, the United States Department of Treasury Office of Foreign Assets Control, and other U.S. agencies.

Section 6.3 Notice. Any notice required or permitted to be given to either Party or the

Proposer to this Agreement shall be given in writing and shall be delivered personally electronic mail to the other Party's email address, or first class mail or pre-paid post to the other Party's address set forth in this Section 6.3. Such notice shall be deemed conclusively to have been given upon the expiration of 48 hours after mailing or posting (if sent by first class mail or pre-paid post) or 12 hours after sending (if sent by email). Each party may change its particulars respecting notice, by issuing notice to the other party in the manner described in this Section 6.3.

For Vendor:	Invoice Cloud, Inc. Attn: Client Services 35 Braintree Hill Office Park, Suite 100 Braintree, MA 02184 Email: contracts@invoicecloud.com
For City:	City of Chandler Attn: IT Application Manager/License Administrator 275 E. Buffalo St., mailstop 301 Chandler, Arizona 85225 Email: Rachelle.Faherty@chandleraz.gov With a copy to: Chandler City Attorney Office Attn: Kay Bigelow Post Office Box 4008, Mailstop 602 Chandler, Arizona 85244-4008 Email: kay.bigelow@chandleraz.gov
For Proposer:	Systems Innovators, Inc. Anthony Rapaglia, Director of Sales for Western US and Canada 10550 Deerwood Park Blvd., Suite 700 Jacksonville, FL 32256 trapaglia@systeminnovators.com

Section 6.4 Assignment and Subcontracting. This contract may not be assigned, except upon the written consent of City, which may withheld in its sole discretion, but may be assigned to (i) a parent or subsidiary, (ii) an acquirer of assets of the Vendor, or (iii) a successor by merger or stock purchase. City's consent to any assignment or subcontract shall not release the Vendor from liability under this Agreement, or from any obligation to be performed under this Agreement, whether occurring before or after such consent, assignment, or subcontract. This Agreement may not be assigned by City without the prior written approval of Vendor but may be assigned without City's consent by Vendor to (i) a parent or subsidiary, (ii) an acquirer of assets, or (iii) a successor by merger. Any purported assignment in violation of this Section 6.4 shall be void.

Section 6.5 Choice of Law & Venue. This Agreement shall be governed by the law of the state wherein the City is established, without regard to the choice or conflicts of law provisions of any jurisdiction. The parties agree that this Agreement is made in and shall be performed in Maricopa County. Any lawsuits between the Parties arising out of this Agreement shall be brought and concluded in the courts of Maricopa County in the State of Arizona, which shall have exclusive jurisdiction over such lawsuits.

Section 6.6 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then such provision(s) shall be construed, as nearly as possible, to reflect the intentions of the invalid or unenforceable provision(s), with all other

provisions remaining in full force and effect.

Section 6.7 Independent Contractor. No joint venture, partnership, employment, or agency relationship exists between City and Vendor because of this Agreement or use of the Services. The City engages Vendor under this Agreement solely as an independent contractor to perform Vendor's duties that are described in this Agreement. Neither Party is not granted any express or implied right or authority to assume or create any obligation or responsibility on behalf of or in the name of the other Party or to bind the each other in any manner or thing whatsoever.

Section 6.8 Waiver. A term or condition of this Agreement may be waived or modified only by written consent of both parties. Forbearance or indulgence by either party in any regard shall not constitute a waiver of the term or condition to be performed, and either party may evoke any remedy available under the Agreement or by law despite such previous forbearance or notice.

Section 6.9 Indemnifications, Warranties, and Representations Survive. All representations and warranties contained in this Agreement (and in any instrument delivered by or on behalf of any Party pursuant hereto or in connection with the transactions contemplated hereby) are true on and as of the date so made, will be true in all material respects during the Term of this Agreement. In the event that any representation or warranty by a party is untrue, the other Party shall have all rights and remedies available at law, in equity, or as provided in this Agreement. The provisions of this Agreement wherein a Party has explicitly indemnified, made warranty or representations to the other Party shall survive the expiration or earlier termination of this Agreement.

Section 6.10 Interpretation of Agreement.

6.10.1 Entire Agreement. This Agreement, all exhibits attached and any applicable Biller Order Form(s), comprises the entire agreement between City and Vendor and supersedes all prior or contemporaneous negotiations, discussions or agreements, whether written or oral between the parties regarding the subject matter contained herein. In the event of a conflict between the text of this Agreement and the attached or incorporated Exhibits, the text of this Agreement shall control. A conflict among the other attached or incorporated Exhibits shall be resolved by the more specific Exhibit for that particular subject over the more general Exhibit, unless the context explicitly requires otherwise.

6.10.2 Construction. When used herein, the terms "include" or "including" shall mean without limitation because of the enumeration. The word "person" shall include an individual, corporation, partnership, trust, estate, or any other duly formed entity. If this Agreement uses the word "day," it shall mean calendar day unless otherwise specified or modified. If the last day of any time period stated herein should fall on a Saturday, Sunday, or legal holiday as declared by the State of Arizona, then the duration of such time period shall be extended so that it shall end on the next succeeding day which is not a Saturday, Sunday, or legal holiday in the State of Arizona. The use of words in the singular or plural, or referring to a particular gender, shall not limit the scope or exclude the application of any provision of this Agreement to such persons or circumstances as the context otherwise permits. If a cross-reference within any Agreement provision cites a particular article, section or subsection number of this Agreement, it shall be a reference to the specifically referred article, section or subsection and its subparts only.

6.10.3 Headings. The descriptive headings preceding Sections and their subparts are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content of such subparts of the Agreement. The division of this Agreement into subparts shall not affect the interpretation of this Agreement.

Section 6.11 Negotiated Agreement. The Parties acknowledge that this is a negotiated Agreement, that they have had the opportunity to have this Agreement reviewed by their respective legal counsel, and that the terms and conditions of this Agreement are not to be construed against any Party based on such Party's draftsmanship of this Agreement. Each Party further acknowledges that it has read this Agreement, understood it, and shall be bound by it.

Section 6.12 Attorney Fees. In the event it becomes necessary for a Party to this Agreement to employ legal counsel or to bring an action at law or other proceedings to enforce any of the terms, covenants or conditions of this Agreement, the non-prevailing party will pay the other party's reasonable expenses, including, but not limited to, expert witness fees, court costs,

litigation and appeal expenses, and reasonable attorney fees incurred because of the breach.

Section 6.13 Conflict of Interest

6.13.1 No Conflict of Interest is Undisclosed. Vendor warrants, other than has been disclosed in any proposal made by the Vendor, that no person has been employed or retained to solicit or secure the Agreement upon an agreement or understanding for a commission, percentage, brokerage or contingent fee; and that no member of the Chandler City Council or any employee of Chandler has any interest, financially or otherwise, in the firm unless this interest has been declared pursuant to the provisions of A.R.S. Section 38-501.

6.13.2 Cancellation for Conflict of Interest. City may cancel any contract, without penalty or obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of the City is, at any time while the Agreement or any extension of the Agreement is in effect, an employee of any other party to the Agreement in any capacity with respect to the subject matter of the Agreement. The cancellation shall be effective when written notice from City is received by all other parties, unless the notice specifies a later time (A.R.S. Section 38-511).

Section 6.14 Authority. Each Party represents that it has full power and authority to enter into and perform this Agreement, and the person signing this Agreement on behalf of each Party has been properly authorized and empowered to enter into this Agreement. Each Party further acknowledges that it has read this Agreement, understands it, and shall be bound by it.

Section 6.15 Further Assurances. The Parties shall do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated hereby, and each Party shall provide such further documents or instruments required by any other Party as may be reasonably necessary or desirable to affect the purposes of this Agreement and carry out its provisions.

Section 6.16 Time of Essence. Time shall be of the essence in and of this Agreement and every part hereof.

Section 6.17 Force Majeure. Neither Party shall be liable for delay or failure in performance resulting from acts beyond the control of such party including, but not limited to, acts of God, acts of war or of the public enemy, riots, fire, flood, or other natural disaster,. Any Party being affected by an event of force majeure shall send a written notice to the other Party as soon as possible after the commencement of the event of force majeure but in no case more than five (5) calendar days after the end of any event of force majeure. Any applicable delivery schedule shall be extended by a period of time equal to the time lost because of any event of force majeure as long as it is documented as set forth in this Section 6.17 by the Party claiming an event of force majeure.

Section 6.18 Default. Failure or unreasonable delay by either party to perform or otherwise act in accordance with any term or provision of this Agreement for a period of thirty (30) days after receipt of the Notice of Default, as defined in Section 6.19, shall constitute a "Default" under this Agreement,

Section 6.19 Notice of Default and Cure Period. After the occurrence of an event of Default for which the non-defaulting Party wants to avail itself of the remedies in Section 6.20, the non-defaulting Party shall first send a written notice citing the Default and demanding that the Default be cured ("Notice of Default") within thirty (30) days from the receipt of the Notice of Default. The Notice of Default shall specify the nature of the alleged default and the manner in which said default might be satisfactorily cured, if possible. The non-defaulting Party shall not, thereafter, pursue any remedies outlined in Section 6.20 unless and until the Cure Period described in this Section 6.19 has expired and the Default remains uncured at such time.

Section 6.20 Remedies Cumulative. In the event of a Default hereunder and failure by the defaulting Party to timely cure the default as provided in Section 6.19, the non-defaulting Party shall have all remedies available to it at law or in equity. All remedies available to either party for one or more breaches by the other party are and shall be deemed cumulative and may be exercised separately or concurrently without waiver of any other remedies.

Section 6.21 Scrutinized Business Operations.

not have scrutinized business operations in Sudan.

Section 6.22 **Arizona's Requirement for Warranty of Immigration Status.**

6.22.1 Pursuant to the provisions of A.R.S. § 41-4401, Vendor hereby warrants to the City that Vendor and each of its subcontractors ("Subcontractors") will comply with all Federal immigration laws and regulations that relate to the immigration status of their employees, including the Federal Immigration and Nationality Act ("FINA"), and the requirement to use E-Verify set forth in A.R.S. §23-214(A) (hereinafter "Vendor Immigration Warranty").

6.22.2 A breach of the Vendor Immigration Warranty shall constitute a material breach of this Agreement that is subject to penalties up to and including termination of this Agreement.

6.22.3 The City retains the legal right to inspect the papers of any Vendor or Subcontractor employee who works on this Agreement to ensure that Vendor or Subcontractor is complying with the Vendor Immigration Warranty. Vendor agrees to assist the City in the conduct of any such inspections.

6.22.4 The City may, at its sole discretion, conduct random verifications of the employment records of Vendor and any Subcontractors to ensure compliance with Vendor's Immigration Warranty. Vendor agrees to assist the City in performing any such random verification.

6.22.5 The provisions of this Section 6.22 must be included in any contract Vendor enters into with any and all of its Subcontractors who provide services under this Agreement or any subcontract. "Services" are defined, for this Section 6.22 only, as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

IN WITNESS WHEREOF the Parties hereto have duly executed this Agreement on the dates written below their signatures.

CITY

CITY OF CHANDLER, an Arizona municipal corporation

BY: _____
(typed name)
(typed title)

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney (KB)

VENDOR

INVOICE CLOUD, INC., a Delaware corporation

BY: Robert Lapidus
(typed name) Robert Lapidus
(typed title) EVP

PROPOSER
SYSTEMS INNOVATORS, INC., a/an
_____
corporation

BY: _____
(typed name) JEFFREY SUMNER
(typed title) EXECUTIVE VICE PRESIDENT

Exhibit A
Implementation Scope of Work &
Phased Implementation Schedule

Introduction

This Phase of the Electronic Payment Portal project will include the choice and installation of payment options for the City of Chandler (City) and the interaction between existing City systems and Invoice Cloud (Vendor) to provide a method for Customers to pay fees and payments online for services and goods provided. A Customer will typically be a citizen of the City of Chandler, but there are many services provided to and paid for by non-citizens.

This Implementation Scope of Work ("SOW") is Exhibit A of the contract between the City and Vendor. The details, milestones and schedules for the success of the implementation stage of the project are defined herein.

This specific phase includes the following areas {"Phases"}:

	Accela (T&D)		Envision (Library)		Advanced Utility Systems (UTB)
	Airport		Community Services (Activenet)		Police
	City Clerk		Fire		Other Categories

With the requirement of possibly integrating all or some of the following Vendor service offerings outlined in the Agreement Subsection 2.2.12. for several types of City services and recurring fees outlined further in this Exhibit A.

	Cloud Store		Cloud Pay		EBPP

Objectives

The City will offer its Customers the ability to pay a variety of costs due to City through a single payment portal site. This site must be consistent with the City of Chandler web standards. The following are requirements for the portal site:

- Web portal development to allow payment gateway for Customers.
- Reconciliation and reporting capabilities.
- Implementation services.
- On-going provision of Services along with technical support and maintenance of the portal site.
- Least cost routing with detailed reporting for fee statements and most efficient solution for charging fees.
- Flexible solution allowing the City to absorb credit card fees for most transactions and pass along credit card fees for selected transactions.
- Allow the following transaction types: Credit Card, Debit Card and ACH.
- Portal shall provide for payments/funds from different departments to be directly deposited into the proper City account with unique identifiers to ensure that the funds are appropriately credited to the respective accounts.
- Handle dispute resolution/repudiation for non-ACH transactions.
- Be compliant with PCI security standards

- Allow Point-of-Sale (POS) transactions in various locations across multiple departments to include cashier stations, wireless transactions (kiosks) and portable device card transactions for use in the field.
- Provide guidance and standards for necessary equipment for these services.
- Provide continuous availability of web portal with system redundancy and "up-time" guarantees/contingencies.

Project Scope

The scope of this project is to assist in the transformation of the Customer Payment systems to allow usage of Invoice Cloud Suite and on-going services to the Customers. In this regard, Vendor will provide the following services:

- Creation of Portal site
- Hardware recommendations
- Information security (PCI) for Customer information
- Bill / invoice presentment
- Configuration and Conversion from existing to new payment process
- System Interfaces from cloud to appropriate City system
- Training
- Reporting
- Integration Testing
- Transition to Go Live
- Post Go Live Support
- Transition to Ongoing Support

This implementation will be managed in a phased approach (tentative schedule below) to allow implementation time and resources to fully prepare and complete each implementation Phase. It is our intention to work from a master agreement for the times and durations presented in this contract, with details and specific information to be considered and agreed upon in individual Phase Statements of Work as each Phase is implemented.

Phase	Start	End	Payments Taken at	Transaction	Invoice cloud payment type
1	90	150	Airport POS	Permit fees	Cloud Store
1	90	150	Airport POS	Gate Cards	Cloud Store
1	90	150	Airport POS, existing Kiosk	Tie Downs Overnight	Cloud Store
1	90	180	City POS, Accela On Line Application	Building Permits	Cloud Pay
1	90	180	City POS, Accela On Line Application	Plan Review	Cloud Pay
1	90	180	City POS, Accela On Line Application	Impact Fees	Cloud Pay
1	90	180	City POS, Accela On Line Application	Trust Accounts	Cloud Pay

1	90	180	City POS, Accela On Line Application	Records Copies	Cloud Pay
1	90	180	City POS, Accela On Line Application	Developer agreements	Cloud Pay
1	90	180	City POS, Accela On Line Application	Refunds	Cloud Pay
1	90	180	City POS, Accela On Line Application	Bonds	Cloud Pay
1	90	180	City POS, Accela On Line Application	Sign Permits	Cloud Pay
2	180	270	City POS, On Line Application	Registration	Cloud Pay
2	180	270	City POS, On Line Application	Rental	Cloud Pay
2	180	270	City POS, On Line Application	Facility Entrance	Cloud Pay
2	180	270	City POS, On Line Application	Memberships	Cloud Pay
2	180	270	City POS, On Line Application	General POS Sales	Cloud Pay
2	180	270	City POS, On Line Application	Scholarships	Cloud Pay
2	180	270	City POS, On Line Application	Donations	Cloud Pay
3	270	360	City POS, On Line Application	Water Bills	EBPP
4	360	420	Clerk POS	Document copy fees	Cloud Store
4	360	420	Fire stations POS	Permit and Inspection fees	Cloud Store
4	360	420	Fire stations POS	Classes	Cloud Store
4	360	420	Fire stations POS	Fire/EMS reports	Cloud Store
4	360	420	Fire stations POS	False Fire Alarm Fees	Cloud Store
4	360	420	Clerk POS	City portion of Passport fees	Cloud Store
4	360	420	Fire stations POS	HAZMAT fees	Cloud Store
4	360	450	Libraries POS system	Fines/Fees for materials	Cloud Pay
4	360	450	Libraries POS system	Membership fees	Cloud Pay
4	360	450	Libraries POS system	Copies/ General sales	Cloud Pay
5	450	510	Airport POS	Hangars	EBPP
5	450	510	Airport POS	Leases	EBPP
5	450	510	Airport POS	Tie Down Fees Monthly	EBPP
5	450	510	Housing Dept and Other City POS	Low Income Housing rent	Cloud Store
5	450	510	Housing Dept and Other City POS	Maintenance Charges	Cloud Store

6?	540	630	City POS, On Line	Tax Licenses	Cloud Pay
6?	540	630	City POS, On Line	Special Regulatory Licenses	Cloud Pay
6?	540	630	City POS, On Line	Taxes	Cloud Pay
tbd	630	720	PD POS	Police Reports	Cloud Store
tbd	630	690	PD POS	Photos	Cloud Store
tbd	630	690	PD POS	Fingerprints	Cloud Store
tbd	630	690	PD POS	Impound fees	Cloud Store
tbd	630	690	PD POS	Alarm Permits	Cloud Store
tbd	630	690	PD POS	Accident Reports	Cloud Store
tbd	630	690	PD POS	Pawn Tickets	Cloud Store

Project Deliverables
Overview

Vendor shall provide the Invoice Cloud Suite that will allow the City of Chandler (City) to accept online and over the counter payments for invoiced and non-invoiced items. The Services provided will allow the City to offer online payment processing in a securely hosted real time (web services) environment. Customers will be able to locate, view and print invoices and payment records via the internet and pay online using credit cards, debit cards and electronic checks (ACH). The Vendor Cloud Store allows the City to accept payments for non-invoiced services like airport fees, library services, fire, police, building permits and activity programs.

1. Vendor will create a Customer Portal - Web Interface that will allow the following activities:

   A. The Services is an electronic invoice viewing (presentment) and online payment capability where the City's Customer can view an invoice and then proceed to make an on-line payment within the same user interface. Once the Customer has located their bill, they can decide whether to register or make a one-time payment.

   B. If the Customer registers, they will have secure access to track their payment activity with drill downs that display detailed billing and payment information. They can easily view all activity on their account (payments due, made and/or scheduled). They can also update their credit card or bank account information and personal information (if the City allows). Customers will be able to store multiple, masked Customer payment accounts (bank accounts and credit cards), and they will be able to sign up for available Payment Options.

   C. Whether the Customer elects to register or make a one-time payment, they will be prompted through the payment process within the same user interface as described below. The Customer will be sent an email confirmation immediately following their payment whichever method they choose.

   D. Vendor will present bills electronically through a branded (same look and feel as existing Chandler website) City online payment site or via an email notification, if the Customer provides an email address.

E. The electronic invoice presentment will duplicate the paper invoice the City uses and will be available in PDF (printable) or HTML format.

F. The Services will provide the Customer the option of making a payment via credit card (Visa, MasterCard, American Express and Discover) or electronic check (ACH).

G. The Services provides the Customer the capability to access account history.

H. A Customer will have the ability to choose their payment date (also known as scheduled payments).

I. The Services will accept partial, full or overpayments as defined by the City based on transaction type.

J. The Customer will register with the Services using the authentication method designated by the City.

K. The Customer will be able to login to their account(s) after registering with the Services. If the Customer has multiple accounts and uses the same authentication information for all accounts, the Customer will be able to view all accounts on the screen. The Customer will then have the option to choose which account they would like to pay or view in further detail.

L. A Customer registered in Payment Options will receive email notification from Vendor of pending credit card expiration dates approximately 60 days before the card is set to expire.

M. The Customer will receive an email confirmation (if they have provided an email address) from Vendor of payment at the conclusion of any payment made on the Services.

N. The Customer will have the ability to search and access historical bills once they register with the Services. The Services will store 18 months of rolling history from the point of the City's first invoice file upload to the Services.

O. The Customer can select to pay online, at the City's main office, or over the phone and all payments using the Services will be reflected in the Customer portal and City application.

P. Adjustments to a Customer's account will be processed in real time and immediately reflected in the Customer portal and City application. Receipt of the actual adjustment will depend on the Customer's banking institution and the processor.

Q. The Customer will have the ability to view their bills online whether making a payment or not.

R. Vendor will migrate the City's current Surepay Customers to the Vendor System at no additional cost. The City will supply the information needed in a mutually agreed to format required for the migration.

S. Customers who have scheduled a payment or registered for Payment Options will receive email notification of pending payments from the Services.

T. The Services will allow the Customer the option to elect paperless billing.

U. A Customer registered for paperless billing will be automatically placed back on paper billing if their email address is undeliverable; notification of the Customer's undeliverable email address will be sent to the City via email.

V. The Services will comply with Federal E-Signature Act for paperless billing and Payment Options by providing a system in which a Customer must confirm enrollment in paperless billing and/or Payment Options by responding to a separate email sent after the Customer registers for paperless billing and/or Payment Options through the online self-service.

W. The Services will provide an online support system for City staff accessible via the Customer Portal.

2. Invoice Cloud Store service offering within the Invoice Cloud Suite will provide a service which allows the City to accept payments for non-invoiced, non-recurring services like airport fees, library services, fire, police, building permits, or activity programs. The following options, as defined by the City, shall be available:

A. Accept electronic check and or credit/debit cards

B. Customer receives immediate email confirmation of payment

C. Department receives email notification of purchase event for instant fulfillment services

D. Ability to apply convenience fees, if required

E. Reporting by service type

F. Links to The City of Chandler branded payment portal

G. Each service type can have its own online registration form

H. Applications can be integrated through Vendor to accept payments over the counter

3. Vendor shall provide Invoice Cloud Pay service portion of the Invoice Cloud Suite that is able to use encrypted readers for acceptance of payments at checkout for various services that Customers select from off the shelf billing software products. For example: aquatic park fees, court fees and parking ticket software. The Services will provide credit and debit card processing for the City at Point of Sale ("POS"). POS is considered a transaction involving the Customer physically swiping a credit/debit card at a City facility.

4. Vendor shall create a City Portal that will allow the following Administrative Functions:

A. The City will have the ability via the City Portal to view what the Customer views on the Customer Portal.

B. The City can log in for the Customer on either the City or Customer Portal to make a payment on the Customer's behalf.

C. The City will designate the authentication method(s) used for the Customer to locate and/or pay a bill.

D. Consumer cards, but not Commercial Credit Cards, will qualify for the Payment Brand's (Visa, MasterCard and Discover) Utility Program.

E. The Services will allow the City to set a maximum value by invoice type on the payment amount accepted from all credit cards.

F. The City will have the capability of blocking future payments by specific Customer and payment method type.

G. The Services provides hosted interfaces that support the following payment processing functions:

1. authorizations
2. charges
3. settlements and credits
4. refunds and voids
5. scheduled payments
6. Auto-Pay payments
7. chargebacks
8. reject notifications

H. The Services and Customer Information System (CIS) databases will be synchronized each business day. Synchronization processes and methodology of other applications will be agreed upon prior to each implementation phase.

I. Electronic payments will be processed automatically each night through the auto-close process. This process settles all credit card and ACH transactions in batches each night.

5. Vendor shall provide the following Email Notifications:

A. The City will receive a daily emailed report from Vendor for any undeliverable email addresses or emails that go to the Vendor's spam or delete folders.

B. Vendor will provide customizable email notifications containing secure links that are delivered for numerous events surrounding electronic invoice presentment and payment activity. Once a Customer inputs the email address connected to their account, they will begin to receive email notifications as agreed by the City.

C. Email notifications can be sent without any action on the part of the Customer whose email addresses are currently in the City's system.

D. At the discretion of the City, Customer email notifications can be delivered for each of the following events:

1. Bill Available for Payment (three notifications are available, delivery dates determined by the City)
2. Payment Transaction Receipt
3. Declined AutoPay Transaction
4. Late Fee Email Notification
5. Declined Scheduled Payment Notification
6. Registered Customer Welcome Email
7. AutoPay Registration Notification
8. Paperless Registration Notification
9. ACH Reject Notification (includes NSF)
10. Credit Card Expiration Notification
11. Scheduled Payment Confirmation
12. AutoPay Reminder Notification
13. FlexPay Confirmation
14. Scheduled Payment Reminder

15. Paperless Off Confirmation
16. Online Bank Direct Payment Receipt
17. Check 21 Payment Receipt

E. Three (3) invoice notifications can be scheduled based on a date or number of days from due date. Notifications will only be sent to Customers with an outstanding bill balance for the current bill cycle.

F. The City and the Customer will be notified via email of any transactions rejected due to insufficient funds or processing issues. The email notification will include a reason code for the reject.

G. The Services will include eight (8) City notifications:

1. ACH Reject Notifications
2. Batch Close Notifications
3. Daily Management Report
4. File Processing Notifications
5. Month End Billing Invoice
6. Paperless Customer Email Bounce Daily Report
7. System availability, maintenance, change or other system impact Notifications
8. System Stratus Notifications (if applicable)

H. The Services will allow targeted messages with links to inserts, banners or news announcements. These can be added to most of the Vendor email templates.

6. Vendor will provide Online Bank Direct Services which will allow the City to register and electronically receive Customer payments made through a Customer's online banking program channels. Vendor will provide merchant services through a processor and the City will use their bank of choice for deposit accounts.

Implementation

The implementation will be undertaken using a phased approach with each phase representing a specific payment area within the City (Implementation Phase). Each Implementation Phase will be initiated by a Biller Order Form outlining the requirements for implementing that Phase. Vendor will assign a Point of Contact (ICPOC) for the management of each Phase's implementation. The ICPOC will meet with the City's Project Manager to discuss each Implementation the Phase and define the steps to be taken to perform the work. The City Project Manager will approve all deliverables and associated invoices for each implementation phase as well as providing oversight and guidance to ensure that completion of each step meets the City's goals and budget. For each Implementation Phase a plan will be developed detailing steps, tasks, expected deliverables, durations, staffing, and responsibilities structured as below or as subsequently agreed. A marketing plan for all Phases will be agreed upon and managed throughout the implementation and after go live. In accordance with Subsection 3.1.6., the City will also create a policy for each Phase regarding adjustments, refunds, returns, or cancellation of Transactions for that Phase. City will submit to Vendor for review prior to the final City approval of each of these policies for the Phases.

Implementation Phase Plan Structure

Step 1:

The City will:
Gather and report via the Biller Order Form (see example in Exhibit H), the pertinent requirements for each payment area including but not limited to:

- Hardware requirements
- Invoice presentment specifics
- Software/application specifics (For Cloud Pay instances)
- Payment types accepted
- Payment rules and options
- Current Business Processes
- Define and plan any changes in business process
- The Vendor services anticipated for the phase
- Create initial implementation plan to include Work breakdown structure (WBS), staffing, responsibilities, dates, deliverables, issues, transition plan, etc.

Vendor will:

- Review the anticipated services detailed by the City and determine best solution for the City's needs
- Review and update the initial implementation plan
- Coordinate date and time for implementation phase kick off call with the City payment area
- Provide the agreed detailed implementation phase plan
- Review with the City of Chandler, the specifics defined above
- Review methods available

Step 2:

The City will:

- Provide the required data from the application (In case of Cloud pay) or
- Provide information from the hardware device positioned at the POS (Cloud Bill / EBPP)
- Coordinate testing of data transmission processes with Vendor

Vendor will:

- Set up and brand virtual site for the City Customer to make online payments
- Set up the secure login and user management functions for each user (Customer)

Step 3:

The City will:

- Coordinate delivery of data/invoices for testing
- Provide sample invoices to Vendor for review and template design

Vendor will:

- Build invoice template if Vendor's stock PDF is not available to mirror that of the City's printed invoices
- If using PDF format for Invoice display, review with City for transmission processes, timing and layout

- Create invoices for bill presentment for payment areas that are unable to create invoices

Step 4:

The City will:

- Approve of template design and data elements of invoice
- Approve final process for transmission and linking of PDF's to Customer invoices

Vendor will:

- Setup a call with the City to review Marketing Kit, tools and resources
- Provide City with Marketing Kit & recommendations

Step 5:

The City will:

- Determine which options from the Marketing Kit and or new program launch to be utilized

Vendor will:

- Provide marketing recap for City and Vendor teams

Step 6:

The City will:

- Conduct required system testing

Vendor will:

- Schedule Training on City & Customer Portal & provide internet training session to City on the Customer Experience and the City Portal tool/resources and provide recordings of these training sessions
- Provide City with testing parameters, test cards/direct deposit account information, and configuration tasks post training
- Schedule time to review testing results with City, determine what revisions/changes will need to be made to assure functionality meets City's needs. Testing will be repeated as necessary until agreed successful
- Make requested changes and updates per City request and return results to City for final sign off

Step 7:

The City will:

- Review permissions, settings, customization and transmission processes with Vendor for sign off
- Review field requirements, registration processes, default setting, Customer service phone number/emails listed on site and custom text for final approval
- Provide current & historical invoices to Vendor for Customer
- Provide PDF's for current invoices (if using PDF format)
- Sign and return to Vendor Go Live Authorization
- Finalize transition to support check list

Vendor will:

- Schedule go live date with City and notify Vendor/Software Partner and City teams of date
- Purge by invoice type test data and transactions from City & Customer Portal, prior to going live
-
- Review with City total invoices loaded, open balances due, data formats, auto payment schedules, etc. for new invoices loaded

Step 8:

The City will:

-
- Validate live system operation

Vendor will:

- Bring the City & Customer Portals Live in Production Mode
- Transition to on-going support as defined in Exhibit G after Go live support as agreed upon in Phase Discovery

Implementation Phase Completed

Additional requirements:

1. Vendor shall provide the following Implementation activities:

Vendor uses an organized implementation process that begins with a kick off meeting once the contract/SOW has been approved

Implementation Process:

The Vendor service will be fully set up and operational to present invoices, receive payments, provide online accounts to Customers, create reports and integrate with City's Enterprise Service Bus where appropriate or directly to the billing software. Vendor will help the City upload the first bills and test them thoroughly before the service goes live. There are no additional charges for integration with City's billing software, implementation or for branding and customizing features like paperless options, payment functions (partial, Surepay, etc.), search criteria, bill presentment layouts or email notifications.

2. Vendor will work with the City to determine the optimum integration model for each billing software solution or forms-based package such as Accela. Below is the overview of how the service will work for invoice applications such as utility billing:

a. Access real time data via web services or daily balance file update
b. The Invoice file will be loaded to an FTP site once per each bill run.
c. IC will work with billing software systems to populate the balance due for each Customer in order to utilize the 2nd and 3rd email notification capability where applicable.
d. Vendor will pull real time data via web services when a Customer inputs search criteria to locate the current balance for an account.

e. The current balance in the Customer portal will be up to date and in sync with associated City applications.
f. The up-to-date balance information will be reflected if real time update is implemented or updated as of the previous evening if not a real time pull.
g. The City portal will only be updated when the City uploads the payment file after receiving the funds.

3. The City is responsible for the following for invoicing applications:

a. Providing email and phone Customer Support contact information
b. Submitting relevant information such as invoice formats and data files so that Vendor can duplicate the layout electronically, making it easy for Customers to adopt online presentment
c. Reviewing and approving system set-up (bill layout, Customer portal content, etc.)
d. Modifying message content for emails to Customers, if desired. Vendor provides a full set of best practice templates for initial use but many clients use the email reminders to cross market and make announcements
e. Updating City website to link to the new virtual path to pay bills online through Vendor
f. Supplying City staff with computers capable of accessing the Internet and providing compatible card swipe, check readers or any other equipment (if applicable) at each point of sale or over the counter location.
g. Supplying staff with software capable of opening exported reports (Excel, text, etc).

Management

Project Schedule Dependencies

Dependencies for each phase of this project are significant. Other information technology projects, upgrades, system maintenance and outages are just a few items that make scheduling critical and the need for flexibility in Phase prioritization necessary. Each payment area (Phase) will be staged for optimal scheduling and will be followed whenever possible. However, changes to the overall schedule may be necessary based on these dependencies and other unforeseen complications. The City reserves the right to re-prioritize the Phases not currently in implementation and the payment areas within.

Roles and Responsibilities

Vendor will coordinate a joint effort with the City to identify resource needs and how they will be used to accomplish tasks.

Vendor

Role	Responsibilities
Project Sponsor	Senior escalation point for the project Resolve major project issues Participate in meetings to evaluate overall progress and risk plan management.

Point of Contact (ICPOC)	Plan project approach, timetable, priorities, and resources. Coordinate Vendor resources. Lead workshops and interviews through the discovery process. Evaluate best practices and works with Vendor staff to identify operational improvements. Produce project implementation documentation. Act as a liaison between Vendor and City implementation teams. Monitor project status and communicate issues and risks to the project team for resolution. Work with City to identify and work through the change process for process improvements. Coordinate delivery of training Support Client throughout all project
Technical Lead	Oversee the set-up of control files and create processes within Vendor Work with City team to evaluate best practices and identify process improvements with assistance of Project Manager. Identify and communicate business issues to City's implementation team. Assist in system testing and overall quality assurance Advise testers of work required, sign-off procedures and timing Lead training planning for City's core implementation team Document the business process and then interpret this information into the configuration of the product Primary technical contact for all aspects of the system except for data conversion and system modification Assist in ensuring the configuration and operation of the system is consistent with the expectations of City to meet their operating requirements and assist in the testing of the product. During the implementation phases of the project, the tech lead is responsible for managing the test and production environments and the application of new builds. Work with City's interface experts to determine interface requirements, set-up issues and timing. Work with Vendor software developers to develop interface. Set-up interface.: Coordinate testing of completed interfaces. Ensure data sharing is optimized & Reports
Training Specialists	Create training plan and collect necessary approvals. Provide training documentation as needed, customized where possible: Lead training sessions Provide at the elbow assistance in system operation.

City Project Team

Role	Responsibilities
Project Sponsor	Serve as project owner Senior escalation point within the organization Resolve major project issues Participate in quarterly sponsor meetings to evaluate overall progress and risk plan management.
Project Manager	Plan project approach, timetable, priorities, and resources. Coordinate resources and internal activities required to deploy system. Report project status to steering committee; identify changes in project and scheduling. When changes have been identified act as conduit to project sponsor for change submissions. Act as a liaison between implementation team, and Vendor

	Review processes and develop new processes within Vendor Oversee project internal and external communications Sign-off each business test case tested in each testing phase
Application Analyst(s)	Work with Vendor to evaluate processes and make necessary modifications. Identify and document existing processes impacted by Vendor implementation Lead the set-up of Vendor control files Assist project manager in project management in areas such as scheduling Communicate business issues to the Vendor implementation team Work with Vendor specialists to determine interface requirements, work effort, and scheduling of interface development. Develop interface specifications Coordinate all testing of completed interfaces Ensure data sharing is optimized Assist Vendor with system configuration.
Business Analyst(s)	Gather Business Process and Business need requirements Test business test cases Document existing processes and expected results Ensure hardware and software is available, tested, and operational. Perform administrative functions – e.g. preparation of training rooms Troubleshoot network, hardware and other system problems Assist Vendor with system configuration.

Additional Vendor Obligations:

In order to achieve the completion of services, Vendor agrees, subject to the terms and conditions of this Agreement, to perform the following services for the City:

Implement the conversion from the City's existing payment software applications or manual processes to Vendor payment portal and services in accordance with the project plan.

Provide the training in accordance with the project plan.

Additional City Obligations:

Cooperation by the City

The City acknowledges that the success and timeliness of the implementation process shall require the active participation and collaboration of the City and its staff and agrees to act reasonably and co-operate fully with Vendor to achieve the Completion of Services.

Issues Management

Project issues identified by the City will be logged in the Project site and communicated to Vendor.
Vendor project team members will log any issues that they identify and report them back to the City Project manager.
The Project Manager will assign ownership, priority and due date for each issue and monitor the status of each issue through to resolution.
Outstanding issues will be reviewed during the weekly and monthly project review meetings.
The City is responsible for testing of fixes and for confirmation of issue closure.

Risk Management Plan

Vendor will coordinate a joint effort with the City to document how risks are identified, analyzed and mitigated throughout the project. The Risk Management Plan will include descriptions of how the risks will be/were determined, including planning methodology, assumptions and decisions. A risk matrix will be used to identify probability-impact ranking. Each risk will have an appropriate strategy.

The following process will be used to effectively manage project risk:

1) Identify and Log Risk
   All Vendor and the City project team members are responsible for identifying project risks and reporting them to Project Manager. The vehicle for documenting risks is the Risk Log which is maintained by the City Project Manager.

2) Validate, Prioritize and Assign Risk
   The City's Project Manager will review new risks and designate them as *active, deferred* or *closed*. Throughout the risk lifecycle, the risk status will be updated by the Risk Owner. If the risk creates a change in scope, budget, benefits or timeline then the risk is closed with a resolution of "Change Request Needed" and the change control process is executed. The closed risk number is entered on a change control request form.

3) Analyze Resolution Options
   The Project Team and Risk Owner will analyze the risk and work with the impacted groups to further define the risk and identify resolution options. The resolution options also include possible impacts on the project (if known). The Project Team and Risk Owner will work closely to complete the tasks of analyzing the options, resolving the risk and entering the data into the Risk Log.

4) Approve Risk Resolution
   The City's Project Managers will review the risk resolution information on a weekly and monthly basis as part of the scheduled project meetings. When the risk is resolved appropriately, The City's Project Manager will escalate risk items as appropriate.

5) Monitor, Drive and Log Resolution
   Upon approval, The City's Project Manager and Risk Owner communicate the risk resolution to all impacted projects and groups.

Communication Plan

Vendor will coordinate a joint effort with the City to document how the project ensures timely and appropriate generation, collection, dissemination, storage, and disposition of project information. It includes descriptions of how communication requirements will be/were determined and met, including any assumptions. It will also define responsibilities for both internal and external communication.

1) Internal and External Communication Plans:
   A) The Internal Communication Plan will include the communication between the City staff and the project team. This plan will be produced by the City.
   B) The External Communication plan conveys critical Customer information during the course of the implementation. Vendor will support an effort with the City to assist in the

creation of this external communication plan. This effort will commence at the end of the functional discovery and will involve ICPOC and the City's Project Manager.

Vendor will, where possible, source external communication plan information that has been used at other Vendor customer sites as examples. The external communication plan will define critical processes, dates and criteria to define when and how the dissemination of information will occur. This plan is the responsibility of the City and will require assistance from Vendor in order to complete this. The plan must be adopted by the City and will be executed at their discretion.

Change Order Procedures

Vendor will coordinate a joint effort with the City to document a Change Order process as addressed in Exhibit H. The Change Order Plan will identify how changes and their impact on the project will be identified, documented and communicated to the City. Appropriate sign-off channels will be developed for Change Order approval.

Status Reports

Vendor will have weekly conferences, or as needed, with the City team to discuss work in progress, issues, actions, etc. Vendor will provide **Weekly Conference Minutes** of these exchanges. The weekly conferences are not replacements for daily interchange but serve as a weekly summary/recap with the City's team and Vendor's personnel involved in the task order.

Monthly / Quarterly Sponsor Review

Vendor will prepare a Monthly Sponsor Review to be attended by project management and project sponsor staff from both the City and Vendor. These meetings may move to quarterly if all parties agree. The monthly/quarterly sponsor review meeting will review progress to date, future actions, and will validate, on a quarterly basis, that the go-live date is still achievable for both parties.

Section Deliverables

Deliverables	• Vendor and the City Roles and Responsibilities • Risk Management Plan • Communication Plan • Change Order Plan • Training and Learning Verification Plan • Weekly Conference Minutes • Monthly project progress summary with monthly invoice • Participation in Steering Team briefings every other month • Quarterly Sponsor Review

Team Responsibilities
Primary Point of Contact (POC for both Customers & City)

Name: Lou Mills
Title: IT Project Manager

Organization: City of Chandler
Address: 275 E Buffalo St, Chandler, AZ 85225
Phone: (480) 782-2487
Email: Lou.mills@chandleraz.gov

Other Contacts

Name: Kerstin Nold
Title: IT Services Manager
Organization: City of Chandler
Address: 275 E Buffalo St, Chandler, AZ 85225
Phone: (480) 782-2490
Email: Kerstin.Nold@chandleraz.gov

Name: Rachelle Faherty
Title: License Administrator / IT Application Manager
Organization: City of Chandler
Address: 275 E Buffalo St, Chandler, AZ 85225
Phone: (480) 782-2477
Email: Rachelle.Faherty@chandleraz.gov

Name: Carolee Stees
Title: Purchasing
Organization: City of Chandler
Address: 175 North Arizona, AZ 85225
Phone: (480) 782-2405
Email: Carolee.Stees@chandleraz.gov

Name: Dawn Lang
Title: Director of Management Services (Billing Contact per Subsection 3.1.5 of Agreement)
Organization: City of Chandler
Address: 175 S Arizona Ave., Chandler, AZ 85225
Phone: (480) 782-2255
Email: Dawn.Lang@chandleraz.gov

Exhibit B
Schedule of Fees

The following fee schedule is broken down into five parts; processing costs if the City absorbs the processing fee to take advantage of the utility processing rate program, processing costs if the City determines to utilize the submitter program and pass the convenience fee cost onto Customers, costs for Other Services, Implementation Fees, and Additional Services. Fees will not be debited coincident with payments. Fees will be debited from the operating account at the end of the month, with detailed statements provided to the City Billing Contact (see, Subsection 3.1.5).

City Absorbs the Fees	
Account Access for Branded Customer and Biller Portal	Fee
Unlimited Users and Paperless Billing	Monthly Fees as follows: $1,500 for year 1 $2,000 for year 2 $2,500 for year 3 and beyond
Each additional unique biller administrative user name	$0
Monthly Access fee for Customers: The Monthly Account Access Fee is required for all billers utilizing any portion of the Services. In addition to full access by the City, the service provides full access to Customer for online payment, invoice and payment history - free for Customers.	$0
Electronic Invoice Presentment Fees	Fee
Electronic Invoice Fee – (included in the Monthly Account Access Fee)	$0
Electronic Payment Fees	
EFT/ACH – ALL PROGRAMS	$0.34 per transaction
Visa, MC, Discover and AMEX (Taxes and Non-Utilities Government Services)	Interchange at pass through, plus fees, dues and assessments, plus $.45 per transaction
Visa, MC, Discover and AMEX (Utilities)	Interchange at pass through, plus fees, dues and assessments, plus $0.45 per transaction or authorization fee
Customer Service Requests	
Service Request – per request	$0
Other Fees for Merchant Services when the City Absorbs the Cost of Processing.	
ACH Reject Fee	$5.00 per reject
Credit Card Chargeback Fee	$10.00 per chargeback
Monthly Statement Fee	$0 per type - Credit Card, EFT, per month
Monthly Secure Gateway Fee	$0 per month
Annual Fee	$98.50 per account
Annual PCI Compliance Fee	$50.00 per account

Convenience Fee	
Vendor will collect and retain online payment service fees paid by the Customer, as outlined below. Vendor is responsible for the cost of the online payment transactions.	
Account Access for Branded Customer and Biller Portal	Fee
Unlimited Users and Paperless Billing	Included in the City Absorbs Fees Chart above
Each additional unique City administrative user name	$0
Electronic Invoice Presentment Fees.	Fee
Electronic Invoice Fee – (included in the Monthly Account Access Fee outlined in the City Absorbs Fees Chart above)	$0
Electronic Payment Fees	
EFT/ACH	$0.95 per transaction
Visa, MasterCard, AMEX, and Discover – Fee Per Transaction – Taxes and Non-Utilities Government Services	2.95% with $1.00 minimum
Other Services	
IC Online Bank Direct Program	
Monthly Access Fee	$0 per month
Online Bank Transaction Fee	$.115 per transaction
IC CardPay - Point of Sale Processing (POS) Over the Counter	Fee
Visa, MasterCard, AMEX, and Discover – Fee Per Transaction – Taxes and Government Services (not utilities)	Interchange at pass through plus, fees, dues and assessments plus $0.45 per transaction
Equipment - two card swipers included at no cost to the City per Account	$100 per card swipe
PIN based debit transactions - per transaction	$.75
Merchant services set-up fees	$0
Gateway services set-up fees	$0
ACH Reject Fee	$5.00 per reject
Credit Card Chargeback Fee	$10.00 per chargeback
Monthly Statement Fee	$0 per type - Credit Card, EFT
Annual Fee	$98.50 per account
Annual PCI Compliance Fee	$50.00 per account
Monthly Secure Gateway Fee	$0
Implementation Fee	
The City shall pay a one-time implementation fee of $80,000 within thirty (30) days of execution of the Agreement.	
Additional Services	
The fees for Additional Services will be billed out at $150.00 per hour. If desired, on-site training is available for $1,000.00 per day, plus travel expenses. On-going support and (remote) training is available free of charge through the Customer Support Helpdesk.	

Exhibit C
Software Needed As Predicate To Use Services

Required Programs. The City acknowledges that access to and operation of the Services requires that the City obtain and install required software programs, which include: Windows OS, a current web browser and a version of Adobe to open and view PDF documents.

The Services are accessible and operates with any web browser version that has more than 5% United States market share. Vendor also works with many mobile browsers, so it is not necessary for the Customers to purchase and or download a mobile application to make a payment using the Services. These are the specific browser versions that are supported for use with the Customer and City portals as of the date of this agreement:

Windows	iPhone/iPad	Apple/Mac	Ubuntu (Linux)
Safari 4, 5	Mobile Safari 4x	Firefox 3.6, 4.0	Opera 9.6
Chrome 10, 11		Chrome 11	Firefox 3.6
Opera 10, 11		Opera 10.x, 11	
Firefox 3.6, 4		Safari 4, 5	
Internet Explorer 7, 8, 9			

EXHIBIT D
Invoice Cloud Privacy Policy

Invoice Cloud, Inc. (“Vendor”) is a technology leader in information commerce. We help businesses, such as merchants, software companies and partners, safely process customer transactions and understand the information related to those transactions.

Protecting the privacy of users of the Vendor operated websites is important to us. Vendor is committed to the security and privacy of our customers' and their customers' data. This Privacy Policy explains our commitment to safeguarding our billers and their customers' data and describes our data handling practices. This Privacy Policy lists the types of data Vendor collects, explains how we use and protect that data, and discloses our key procedures surrounding privacy.

By accessing any of our services or company operated websites (including those used by and containing the names of our billers (the “Site(s))”, you signify that your use is subject to the terms of this Privacy Policy. We may change this Privacy Policy from time to time by modifying the Privacy Policy and posting a new version here the new version will become effective immediately.

The following sections make up our Privacy Policy.

How Vendor Protects Your Privacy Internally

Vendor will not review, share, distribute, or reference any Services Data (as defined below) except as provided in the City Agreement, this Privacy Policy or as may be required by law.

Vendor wants your Business Information (as defined below) and the Customer Information (as defined below) to remain as secure as reasonably possible. We adhere to industry-standard technical safeguards and strict agreements with our employees who are permitted to access our customers' Business Information or Customer Information to maintain confidentiality of such information. When you conduct a transaction online, Vendor uses SSL encryption to encrypt your information before it is sent to us in order to ensure the integrity and privacy of the information that you provide to us via the Internet. Our services are hosted on servers that are co-located at a third-party facility with whom we have a contract providing for security measures. For example, hosted Services Data (as defined below) is submitted via SSL encryption and stored on a server equipped with industry standard firewalls.

Hosted data may include Services Data (defined below), personally identifiable information, and other information that belongs to our billers, our customers' customers, website visitors, or other users. Business Information and Customer Information collected by Vendor may include your or your customer’s data entered in the course of using our services or performing transactions ("Services Data"). Vendor will not review, share, distribute, or reference any such Services Data except as provided in the City Agreement, or as may be required by law. Individual records of Services Data may be viewed or accessed by authorized Vendor employees, agents or independent contractors only for resolving a problem, support issues, suspected violation of the service or license agreement, or as may be required by law. Vendor policy requires that both employees and consultants execute a confidentiality agreement before working for and with Vendor. Those employees that violate our Privacy Policy are subject to disciplinary action, up to and including termination. In every case, customers are responsible for maintaining the security and confidentiality of their usernames and passwords.

Business Information and Customer Information Collection and Use by Vendor

Vendor collects the Business Information and Customer Information necessary to enable us to respond to your requests for our products and services, for you to use our services, to perform transactions, and to send you information regarding our products and services from time to time. Since many of the users of our products and Sites use the aforementioned capabilities in their capacity as employees of companies, governmental authorities and other organizations (collectively "organizations"), much of the Business Information and Customer Information we collect will be in that capacity (rather than information about you individually, such as your personal tastes, etc.). For these purposes, we have defined "Business Information" as any information that identifies or may identify an organization or an individual contact at an organization or that allows others to contact an organization or an individual contact at an organization. For these purposes, we have defined "Customer Information" as any information that is provided by customers of organizations that use the Vendor products and services such as name, address, balances, payment amounts, account number, e-mail address and other relevant account information. When you use our Site to perform or process transactions, you may be asked to submit Services Data such as:

- **Your name, mailing address, city, state, zip code, email address, phone number,**
- **Your bill payment (including payment amount and designated payee),**
- **Your credit or debit card or bank account numbers, expiration date, cardholder name,**
- **Tax ID, Social Security Number (SSN), and/or employer identification number.**

When you visit the Site, you may also be asked to submit information such as email address, company name, address, and/or phone number. In addition, we collect credit card and related payment information when you or your customers use our products, or services, online in the processing of transactions. Our information collection and use practices are described in more detail below:

Services Registration/Account Set Up: You may be asked, on behalf of your organization, to complete registration/activation form(s) on the Sites or on paper, with contact information for use by Vendor in accordance with this policy. Registration or activation information may include the name of your company, contact information, product information, customer ID, bank account information, federal ID numbers, bank account, credit card, ACH, contact information, and other relevant information in order to set up accounts and process transactions.

Customer Profile: We also collect Business Information and Customer Information when you or your customers create a profile or account on some of the Sites. This information is required in order to access certain areas of the Sites, perform transactions, and request information from us about our products and services. This information includes organization name, contact information and other information, and the products and services you may have licensed. We use this information in accordance with this policy to identify you, process your requests, and administer your Vendor account(s).

Support: We may offer certain limited online support services at the Sites. If you access online support on any of the Sites, you may be asked for information such as customer ID, product name, product version, and other information to help us determine what the technical issues are

and how best to help you resolve them. In addition, certain products and services may allow you to submit support-related questions directly from the product. .

Cookies: We also use Cookies to enhance the user experience, deliver personalized content, and collect information about the use of the Sites. "Cookies" are small computer files that we transfer to your computer's hard drive. Cookies allow us to statistically monitor how many people are using the Sites and for what purposes, how often someone visits the Sites, and the length of their stay. We also use Cookies to prevent you from having to re-enter your identification and password information each time you visit our Sites. Cookies are not designed to retrieve personal or business data from your hard drive or your email. Most browsers are initially set to accept Cookies, but users can change the setting to refuse Cookies or to be alerted when Cookies are being sent. Although refusal of Cookies will not interfere with the ability to interact with most of the Sites, you may need to accept Cookies in order to access information and use certain functions. For example, Cookies are required to be accepted for access to our web-based services or desktop products with online features. The Cookies are renewed each time a user logs on to one of the Sites that uses Cookies.

Information You Give Us: We receive and store any information you enter on our Site or give us in any other way. See this Privacy Policy for examples of what we collect. You can choose not to provide certain information, but then you might not be able to take advantage of many of our features.

Information from Other Sources: We might receive information about you from other sources such as your customer or your biller and add it to our account information.

Disclosure of Your Business Information and Customer Information

From time to time, Vendor may be required to release Business Information and/or Customer Information: 1) to comply with valid legal requirements such as a law, regulation, search warrant, subpoena, or court order; 2) to enforce or apply the terms of any of our billers, service or license agreements; or 3) in special cases, such as protecting the rights, property, or safety of Vendor, our customers, or others. We may also provide Business Information to government agencies and to our third party service providers including payment processors, clearinghouses, payment settlement organizations, credit card processors and banks, and contractors ("Partners") to: enable the services, and the processing of transactions using Business Information, Customer Information and/or Services Data, and/or provide you with a product or service requested by you. Vendor also may use and disclose Customer Information and Business Information in the aggregate that does not allow you to be identified to, or contacted by, third parties ("Aggregate Information"). For example, we might inform third parties regarding the number of users of the Sites and the activities they conduct while on the Sites.

Partner and Government Services: Vendor may engage Partners to perform functions on our behalf, which may include assisting us in processing your Business Information and Customer Information. Certain Partners, organizations and government agencies may collect Business Information, Customer Information and/or Services Data (such as business name, address, email address, credit card information, and customer ID) directly from you and use of that information and other information provided by you. These third parties may not be governed by this policy even though those Partners and government agencies may share such information with Vendor. Any collected Business Information, Customer Information and/or Services Data, provided to Partners are subject to the restrictions referenced below under the section entitled Third Party

Service Providers.

Services and Product Data: Vendor will not access your Services Data except in the following limited circumstances: (1) to provide you with technical support, solely at your request and with your permission; (2) on a limited-access basis to install updates, produce regular backups, or restore data from backups at your request; (3) where the inherent purpose of the product or service requires Vendor to provide the Services Data to a third party on your behalf (for example where Vendor initiates or processes transfers on your behalf) and, (4) to utilize Aggregate Information (defined below) derived from Services Data to help us improve our products and services and in developing additional offerings. Vendor will not provide your Services Data to any third party or permit any third party to access your Services Data, except by your permission or to comply with valid legal requirements such as a law, regulation, search warrant, subpoena, or court order. In addition, if at any time you decide to discontinue your use of the applicable service, your Services Data will be destroyed and removed from all servers according to terms set forth in your City or similar agreement.

This Site is Not Directed at Persons Under the Age of 13

Our Site is not directed at persons under the age of 13, and Vendor does not collect or maintain information at our Site from persons we actually know are under the age of 13.

Invoice Cloud Site May Be Linked to Other Websites

Vendor may create links to third-party websites. Vendor is not responsible for the content or privacy practices employed by websites that are linked to our website. This privacy policy applies only to the information we collect on the Site. This Privacy Policy does not apply to information we collect through other methods or sources, including sites owned or operated by our affiliates, vendors or partners.

Consent to Transfer

Users located outside the United States who submit Business Information or Customer Information to Vendor via the Sites should be aware that the information they submit will be transferred to our servers located in the United States. Your submission of Business

Information or Customer Information to us constitutes your consent to this transfer. Although Vendor will collect and use your Business Information or Customer Information only as stated in this Privacy Policy, laws generally applicable to the protection of personal data in the United States may not be as stringent as those in some users' home jurisdictions.

Does Vendor Share the Information It Receives?

Information about our customers is an important part of our business, and we are not in the business of selling it to others. We share Business Information and Customer Information only as described in biller and related agreements and this Privacy Policy.

Third-Party Service Providers: We engage Partners to perform functions on our behalf. Examples include processing and clearing transactions, sending postal mail and e-mail, analyzing data, processing credit card, ACH and other payments, and providing customer service. They have access to personal information needed to perform their functions, but may not use it for other purposes.

Business Transfers: As we continue to develop our business, we might sell or buy subsidiaries,

or business units. In such transactions, Business and Customer Information generally is one of the transferred business assets but remains subject to the promises made in any pre-existing Privacy Notice). Also, in the unlikely event that Vendor, Inc. or substantially all of its assets are acquired, customer information will of course be one of the transferred assets.

Protection of invoicecloud.com and Others: We release account and other personal information when we believe release is appropriate to comply with the law to enforce or apply any conditions of use, biller agreements and other agreements or to protect the rights, property, or safety of invoicecloud.com, our users, or others. This includes exchanging information with other companies and organizations for fraud protection and credit risk reduction. ***However, this does not include selling, renting, sharing, or otherwise disclosing Services Data (personally identifiable information from customers) for commercial purposes in violation of the commitments set forth in this Privacy Policy.***

With Your Consent: Other than as set out above, you will receive notice when information about you might go to third parties, and you will have an opportunity to choose not to share the information.

We Use Appropriate Security Safeguards

At Vendor, security is a priority. Vendor employs appropriate measures, including advanced technology, to protect personal information collected online against unauthorized access, disclosure, alteration or destruction. These measures may include, among others, encryption, physical access security, and other appropriate technologies. Vendor reviews and enhances its security systems, as necessary.

Changes to this Privacy Policy

Vendor may change this Privacy Policy at any time by posting the current policy to the Sites. Your use of the Sites constitutes acceptance of the provisions of this Privacy Policy and your continued usage after such changes are posted constitutes acceptance of each revised Privacy Policy.

Contacting Us

Questions regarding this Privacy Policy or the information practices of the Company's website should be directed to privacy@invoicecloud.com.

Version 2.2 August 20, 2011

Exhibit E
Advanced Utility Systems and Invoice Cloud Payment Processing
Scope of Work

ADVANCED UTILITY SYSTEMS

Payment processing Plan for IC & TWI
As of April 3, 2013

Type	Process Flow	Description
Payment Flows		
1. Customer makes online payment - Registered Account	Infinity.Link -> IC -> CIS API	Customer chooses "Payment" option in Link, IC web portal opened, customer enters payment data, IC authorizes payment, gets customer email, prompts for paperless billing, IC calls CIS API with authorized payment
1A. Customer makes online payment – Non-Registered QuickPay	Infinity.Link -> IC -> CIS API	Non-registered customer chooses "Quick Payt" option in Link, IC web portal opened, customer enters account/payment data, IC authorizes payment, gets customer email, IC calls CIS API with authorized payment
2. Customer makes IVR payment	TWI -> HPG -> IC -> CIS API	Customer chooses Payment option in IVR, TWI calls HPG, which calls IC API for payment authorization. IC returns auth or decline to TWI through HPG; TWI calls CIS API with authorized payment.
3. CIS – Customer makes credit card payment at cash register (POS)	CIS -> HPG -> IC -> HPG -> CIS	CIS User enters payment into HPG hosted page called from POS. HPG calls IC API for authorization, IC authorizes payments, HPG returns the call flow back to Post Back page which will then insert the payment into CIS Infinity.
4. CIS – Customer speaks to CSR to make payment over the phone	IC -> CIS API	CIS User (CSR) opens IC web portal, enters in payment (and email address of customer – optional), IC authorizes payment, IC calls CIS API with authorized payment.

Non-Payment Flows		
5. Customer registers in Link	Infinity.Link -> IC	Customer registers in Link, registration info sent to IC to retain for future authentication
6. Customer signs into Link	Infinity.Link -> IC -> Link	Customer signs into Link, user is authenticated with IC database via IC API.
7. Customer signs up for recurring payments online and/or paperless billing by selecting "Manage Scheduled and Auto-Payments" or "Manage Paperless Settings"	Infinity.Link -> IC	Customer chooses option in Link, IC web portal opened, customer enters recurring payment data or paperless setting, completes round trip confirmation process by email
8. IC displays CIS customer info (e.g. bill image, balance, customer profile settings)	IC -> CIS API	Customer accesses CIS related info in IC, IC calls CIS API to retrieve/present info

Exhibit F
Security Policy

PCI Compliance by Vendor is consistent with the PCI DSS Certificate of Compliance below

PCI DSS Certificate of Compliance

Certificate Number: 937C-2325-4A4A-CC27

Awarded To:

Invoice Cloud

PCI Level: 2

Classification: Service Provider

Expiration Date: Jun 17, 2013

Trustwave Engagement Information

Self-Assessment Questionnaire: Pass

Date Completed: Aug 9, 2012

Version Completed: SAQ 2.0 D

Client SAQ Attestation: John Morabito

Title: Kelton Averyt

Vulnerability Scan: Pass

Date Completed: Mar 18, 2013

Client Authorization: John Morabito (Print Name) John Morabito (Sign Name)

This signed contract attests Cloud agrees to the accuracy of all information provided within Trustkeeper

Trustwave

Trustwave Trusted Commerce www.trustwave.com

Payment Card Industry (PCI) Compliance Program

Vendor maintains, and will continue to maintain, full compliance with current applicable Payment Card Industry (PCI) standards and National Automated Clearing House Association (NACHA) rules and guidelines. Vendor is certified annually by Trustwave's TrustCommerce Program as a level 2 third party processor. Trustwave, a qualified security assessor (QSA) validates Vendor compliance by performing an annual onsite review and quarterly network security scan with an approved ASV as required by both Visa and MasterCard. Vendor was successfully certified in 2010, 2011 and 2012. The most recent certificate showing compliance is attached in this Exhibit F at page 1.

Data is secure during collection and transmission via SSL with 128 bit encryption or better. All confidential information is treated in accordance with the Payment Card Industry (PCI) standards. Vendor policies limit access to personal user information that is collected by the system. Our employees receive training about the privacy policies and procedures of Vendor as do our affiliates and partners. We acknowledge that protecting consumer privacy is a key part of our trusted relationship with our clients.

To eliminate the impact of PCI requirements on the City, the Services have been designed to mask Customer's confidential data, so that the City does not have access to it. The City does not, therefore, need to store it or engage in cumbersome processes to protect it. Sensitive City payment information is masked, even to Vendor staff.

Compliance with Federal Regulations

Vendor complies, and will continue to comply, with Federal and State banking regulations and policies, including but not limited to Regulations E (the Electronic Fund Transfer Act) and P (the Federal E-Signature Act).

Regulation E establishes the basic rights, liabilities, and responsibilities of consumers who use electronic fund transfer services and of financial institutions that offer these services. The primary objective of the act is the protection of individual consumers engaging in electronic fund transfers.

Vendor uses the U.S. Federal Reserve Automated Clearing House (ACH) network for fund transfers. Vendor follows the National Automated Clearing House Association (NACHA) operating rules and guidelines. All files are transmitted in accordance with NACHA guidelines. These rules are heavily governed and enforced by NACHA to all who use the ACH system. Additionally, NACHA updates these regulations yearly to accommodate changes in business, such as globalization

Regulation P governs the treatment of nonpublic personal information about consumers. Vendor complies by implementing industry best practices and providing easily accessible privacy policies that describe the conditions under which Vendor will disclose nonpublic personal information about consumers to nonaffiliated third parties. Vendor does not disclose confidential City or Customer information to nonaffiliated parties except when compelled by law.

Vendor complies with the Federal Electronic Signatures in Global and National Commerce

Act (the E-sign Act) which requires a consumer using an electronic signature to provide active consent after receiving a disclosure statement of their rights and applicable agreement conditions. Customers must also have the ability to withdraw if there is a change in hardware or software requirements needed to access or retain electronic records. Within the Services, Customers must validate their agreement and email address before being enrolled in a paperless or auto-pay program. The service is designed to make it easy for billers to comply with Federal and state regulations.

The IC Services use double encryption that complies with CISP, PCI, and NACHA regulations to safeguard confidential information. Each City has a globally unique identifier used to identify file exchange sources. Each administrator login for City personnel uses a separate user name and password. Each Customer must authenticate first their account with unique id information as provided by the City and then create a unique user name (email address) and password.

Within the City portal each administrative login can be assigned permissions detailing what functions each personnel can access. In no cases, can personnel or Customers see full credit card numbers or bank account numbers. Elaborate encryption schemes with keys and key management overlays the entire service from data capture through transmission and storage. To combat internal and external risks to the security, confidentiality, and/or integrity of any electronic, paper or other records containing personal information,

Vendor adheres to technical and physical safeguards for the protection of personal information. Our procedures for evaluating electronic and physical methods of accessing, collecting, storing, using, transmitting, and protecting personal information comply with standard best practices as well as State and Federal guidelines, regulations and laws. Our policies limit access to confidential data to our employees and agents and the employees and/or agents of our affiliates and business partners who need the information to fulfill their business responsibilities and are under strict confidentiality requirements. As required by law by certain states, we employ a Written Information Security Plan (WISP).

EXHIBIT G
DESCRIPTION OF SERVICES AND ONGOING SUPPORT AND MAINTENANCE

Project Deliverables

Overview

Vendor shall provide the Invoice Cloud Suite that will allow the City of Chandler (City) to accept online and over the counter payments for invoiced and non-invoiced items. The Services will allow the City to offer online payment processing in a securely hosted real time (web services) environment. Customers will be able to locate, view and print invoices and payment records via the internet and pay online using credit cards, debit cards and electronic checks (ACH). The Vendor Cloud Store allows the City to accept payments for non-invoiced services like airport fees, library services, fire, police, building permits and activity programs.

1. Vendor will create, and then maintain a Customer Portal - Web Interface that will allow the following activities:

A. The Services is an electronic invoice viewing (presentment) and online payment capability where the City's Customer can view an invoice and then proceed to make an on-line payment within the same user interface. Once the Customer has located their bill, they can decide whether to register or make a one-time payment.

B. If the Customer registers, they will have secure access to track their payment activity with drill downs that display detailed billing and payment information. They can easily view all activity on their account (payments due, made and/or scheduled). They can also update their credit card or bank account information and personal information (if the City allows). Customers will be able to store multiple, masked Customer payment accounts (bank accounts and credit cards), and they will be able to sign up for available Payment Options.

C. Whether the Customer elects to register or make a one-time payment, they will be prompted through the payment process within the same user interface as described below. The Customer will be sent an email confirmation immediately following their payment whichever method they choose.

D. Vendor will present bills electronically through a branded (same look and feel as existing Chandler website) City online payment site or via an email notification, if the Customer provides an email address.

E. The electronic invoice presentment will duplicate the paper invoice the City uses and will be available in PDF (printable) or HTML format.

F. The Services will provide the Customer the option of making a payment via credit card (Visa, MasterCard, American Express and Discover) or electronic check (ACH).

G. The Services provides the Customer the capability to access account history.

H. A Customer will have the ability to choose their payment date (also known as scheduled payments).

I. The Services will accept partial, full or overpayments as defined by the City based on transaction type.

J. The Customer will register with the Services using the authentication method designated by the City.

K. The Customer will be able to login to their account(s) after registering with the Services. If the Customer has multiple accounts and uses the same authentication information for all accounts, the Customer will be able to view all accounts on the screen. The Customer will then have the option to choose which account they would like to pay or view in further detail.

L. A Customer registered in Payment Options will receive email notification from Vendor of pending credit card expiration dates approximately 60 days before the card is set to expire.

M. The Customer will receive an email confirmation (if they have provided an email address) from Vendor of payment at the conclusion of any payment made on the Services.

N. The Customer will have the ability to search and access historical bills once they register with the Services. The Services will store 18 months of rolling history from the point of the City's first invoice file upload to the Services.

O. The Customer can select to pay online, at the City's main office, or over the phone and all payments using the Services will be reflected in the Customer portal and City application.

P. Adjustments to a Customer's account will be processed in real time and immediately reflected in the Customer portal and City application. Receipt of the actual adjustment will depend on the Customer's banking institution and the processor.

Q. The Customer will have the ability to view their bills online whether making a payment or not.

R. Vendor will migrate the City's current Surepay Customers to the Vendor System at no additional cost. The City will supply the information needed in a mutually agreed to format required for the migration.

S. Customers who have scheduled a payment or registered for Payment Options will receive email notification of pending payments from the Services.

T. The Services will allow the Customer the option to elect paperless billing.

U. A Customer registered for paperless billing will be automatically placed back on paper billing if their email address is undeliverable; notification of the Customer's undeliverable email address will be sent to the City via email.

V. The Services will comply with Federal E-Signature Act for paperless billing and Payment Options by providing a system in which a Customer must confirm enrollment in paperless billing and/or Payment Options by responding to a separate email sent after the Customer registers for paperless billing and/or Payment Options through the online self-service.

W. The Services will provide an online support system for City staff accessible via the Customer Portal.

2. Invoice Cloud Store service offering within the Invoice Cloud Suite will provide a service which allows the City to accept payments for non-invoiced, non-recurring services like airport fees, library services, fire, police, building permits, or activity programs. The following options, as defined by the City, shall be available:

A. Accept electronic check and or credit/debit cards

B. Customer receives immediate email confirmation of payment

C. Department receives email notification of purchase event for instant fulfillment services

D. Ability to apply convenience fees, if required

E. Reporting by service type

F. Links to The City of Chandler branded payment portal

G. Each service type can have its own online registration form

H. Applications can be integrated through Vendor to accept payments over the counter

3. Vendor shall provide Invoice Cloud Pay service portion of the Invoice Cloud Suite that is able to use encrypted readers for acceptance of payments at checkout for various services that Customers select from off the shelf billing software products. For example: aquatic park fees, court fees and parking ticket software. The Services will provide credit and debit card processing for the City at Point of Sale ("POS"). POS is considered a transaction involving the physical swipe of a credit/debit card.

4. Vendor shall create, and then maintain a City Portal that will allow the following Administrative Functions:

A. The City will have the ability via the City Portal to view what the Customer views on the Customer Portal.

B. The City can log in for the Customer on either the City or Customer Portal to make a payment on the Customer's behalf.

C. The City will designate the authentication method(s) used for the Customer to locate and/or pay a bill.

D. Consumer cards, but not Commercial Credit Cards, will qualify for the Payment Brand's (Visa, MasterCard and Discover) Utility Program.

E. The Services will allow the City to set a maximum value by invoice type on the payment amount accepted from all credit cards.

F. The City will have the capability of blocking future payments by specific Customer and payment method type.

G. The Services provides hosted interfaces that support the following payment processing functions:

1. authorizations
2. charges
3. settlements and credits
4. refunds and voids
5. scheduled payments
6. Auto-Pay payments
7. chargebacks
8. reject notifications

H. The Services and Customer Information System (CIS) databases will be synchronized each business day. Synchronization processes and methodology of other applications will be agreed upon prior to each implementation phase.

I. Electronic payments will be processed automatically each night through the auto-close process. This process settles all credit card and ACH transactions in batches each night.

5. Vendor shall provide the following Email Notifications:

A. The City will receive a daily emailed report from Vendor for any undeliverable email addresses or emails that go to the Vendor's spam or delete folders.

B. Vendor will provide customizable email notifications containing secure links that are delivered for numerous events surrounding electronic invoice presentment and payment activity. Once a Customer inputs the email address connected to their account, they will begin to receive email notifications as agreed by the City.

C. Email notifications can be sent without any action on the part of the Customer whose email addresses are currently in the City's system.

D. At the discretion of the City, Customer email notifications can be delivered for each of the following events:

1. Bill Available for Payment (three notifications are available, delivery dates determined by the City)
2. Payment Transaction Receipt
3. Declined AutoPay Transaction
4. Late Fee Email Notification
5. Declined Scheduled Payment Notification
6. Registered Customer Welcome Email
7. AutoPay Registration Notification
8. Paperless Registration Notification
9. ACH Reject Notification (includes NSF)
10. Credit Card Expiration Notification
11. Scheduled Payment Confirmation
12. AutoPay Reminder Notification
13. FlexPay Confirmation
14. Scheduled Payment Reminder
15. Paperless Off Confirmation
16. Online Bank Direct Payment Receipt
17. Check 21 Payment Receipt

E. Three (3) invoice notifications can be scheduled based on a date or number of days from due date. Notifications will only be sent to Customers with an outstanding bill balance for the current bill cycle.

F. The City and the Customer will be notified via email of any transactions rejected due to insufficient funds or processing issues. The email notification will include a reason code for the reject.

G. The Services will include eight (8) City notifications:

1. ACH Reject Notifications
2. Batch Close Notifications
3. Daily Management Report
4. File Processing Notifications
5. Month End Billing Invoice
6. Paperless Customer Email Bounce Daily Report
7. System availability. maintenance, change or other system impact Notifications
8. System Stratus Notifications (if applicable)

H. The Services will allow targeted messages with links to inserts, banners or news announcements. These can be added to most of the Vendor email templates.

6. Vendor will provide Online Bank Direct Services which will allow the City to register and electronically receive Customer payments made through a Customer's online banking program channels. Vendor will provide merchant services through a processor and the City will use their

bank of choice for deposit accounts.

7. Vendor will provide Customer/City Support which will allow the following functions:

The City Portal accommodates multiple administrative levels assigned to staff based on position (role-based) functionality requirements.

PERMISSION	CATEGORY
Management Reporting	Data Management
Search Customers	Data Management
Edit Customer Profile	Data Management
View Customer Invoices	Data Management
Access Customer Portal	Data Management
Search Invoices	Data Management
Apply Payments and Adjustments	Data Management
Download PDF Invoice	Data Management
Resend Email Notifications	Data Management
Search Payments	Data Management
Process Credit Cards	Virtual Terminal
Process EFT/ACH	Virtual Terminal
Process Check21	Virtual Terminal
PERMISSION	**CATEGORY**
View Open Batch	Virtual Terminal
Settle Open Batch	Virtual Terminal
View Settled Batch History	Virtual Terminal
Configure Check 21	Virtual Terminal
Process Non-Invoice Transactions	Virtual Terminal
Manage Images	Portal Customization
Manage Email Templates	Portal Customization
Manage Features and Options	Portal Customization

Upload Invoices	Upload/Download
Download Return Data	Upload/Download
Search/View Requests	Request System
Configure	Request System
User Management	Utilities

A. The Services will provide audit trails, as defined in Subsection 2.2.1, to track Customer, City and administrative activities .

B. The City will be able to send test bills in a Supported Testing Environment and validate changes prior to going live with new email templates, paper bills or payments.

Customer Support – Customer Support is two tiered with City staff as the first line of support for Customers regarding account, registration and billing questions. Vendor provides second tier support for Customers in the event that the City is unable to resolve the Customer inquiry. Vendor additionally handles inquiries from Customers related to Convenience/Service fees when applicable. Issues with the Vendor service operation or incorrect credit card charges are routed to Vendor Client Support via telephone or a City helpdesk ticket.

C. ***Business Hours*** – The business hours for Vendor will be Monday through Friday from 8 a.m. to 6 p.m. EST/EDT. The Client Support is monitored after hours on Monday – Friday until 10 p.m. EST/EDT and Critical support issues are acknowledged within 1 hour. Client Support personnel monitor the helpdesk queue and check the queue over the weekend. Priority 1 tickets electronically notify Operations management and if the City does receive an acknowledgement of the helpdesk ticket, City may call 1-877-256-8330.

D. ***City Support (Client Support)*** - If the City encounters an inquiry which they cannot resolve the City will create a helpdesk support ticket. Vendor Client Support will resolve the issue and if applicable provide training and provide root cause analysis to the City on how to resolve that type of issue in the future. Vendor will make reasonable efforts to resolve tickets in a timely matter; tickets will be resolved per Support Issue Priorities and Timelines table defined below. City technical support staff will be available during City business hours. Vendor will provide City access to Vendor's Helpdesk Support System for City tickets.

E. ***Routine Technical Support*** - Technical Support from Vendor is available during business hours. City may call Customer support directly; however the use of the helpdesk ticketing system is encouraged as the preferred method of contact. Vendor

staff views all tickets as they are submitted and routes them to the appropriate person for resolution.

F. ***Upgrades and Enhancements*** - All updates, upgrades and enhancements for the Services are performed by Vendor, in the "cloud" rather than at the City location. There is no additional cost for updates or upgrades. Since Vendor is a SaaS application, no additional processing software or equipment is required except for the Stratus File Management System, which is provided at no additional cost. If updates to the Vendor Services require a software or hardware change, Vendor will provide such hardware or software and support and documentation to facilitate the changes at no additional cost to City.

G. ***Enhancement to Services*** - Most enhancements do not require action on the part of the City. When an enhancement is pending, an update of the Services will be delivered to both the License Administrator and Billing Contact via email outlining the enhancement and how it will affect the City and/or Customer. Upgrades are done at the Vendor level, so there are no mandatory actions for the City to take. Support levels will not be affected by upgrades.

H. ***Client Support-*** The Vendor will provide a conduit for Client Support for the City and its Customers within the City Portal to use the Vendor's Client Support features. This tool allows the City to track and retain resolutions for use as a knowledge base.

8. Vendor will provide training which will include the following:

A. The City's staff will be trained to use the Vendor software through web training, documentation, remote live sessions, and access to client support.

B. The City will have the ability to set up and access demo "test" accounts prior to going live. Test accounts can no longer be used for practice once the Services is live. If the City staff needs additional practice once the Services is live, an ongoing practice account in demo only mode may be set up.

C. All standard training will be done remotely. A Customer and City Portal training session, each typically running for 60 to 90 minutes, will be provided for administrators and users.

D. Additional training will be conducted for the City's technical staff regarding the uploading of bill files at no additional cost to the City.

E. Customer Services will provide ongoing phone and web-based training for thirty days after each implementation phase type goes live at no additional cost to the City.

F. Vendor will provide recorded training sessions for future training of City staff.

G. Vendor will assign an implementation manager, and information technology coordinator and a marketing resource throughout the implementation process.

H. Vendor will provide guidance, training and documentation to help the City market electronic invoice presentment and payment to its Customers.

9. Vendor will provide Reporting which will include the following:

A. The City will be able to authenticate into a secure City Portal to create reports and export to excel spreadsheets showing daily, monthly or date range activity for payments, scheduled payments, upcoming scheduled payments (such as AutoPay), registrations, paperless registrations and ACH/EFT rejects.

B. The City will have available for use a selection of pre-configured reports in the City Portal to access trend data and resolve inquiries.

C. The City will be able to request reports for:

1. Daily, monthly, or date range activity for payments
2. Scheduled payments
3. Registrations
4. Paperless and ACH/EFT rejects
5. Scheduled future payments
6. Daily and monthly reports indicating the number of dishonored transactions, including credit card and debit/check card chargebacks
7. Daily and monthly Summary and Detail Analysis Reporting of Customer payments activity
8. Reconciliation reporting
9. Search Customers
10. Search Invoices
11. Data Synchronization
12. History
13. AutoPay Reports
14. Paperless Bounce Report
15. View Scheduled Payments
16. Invoice File History
17. Payment File History
18. Adjustment File History
19. Import Errors
20. Daily Payments Received
21. Total Outstanding Invoices
22. Email Notification Summary
23. Email Statistics
24. Email Tracking
25. Expiring Cards Report
26. Email Change Report

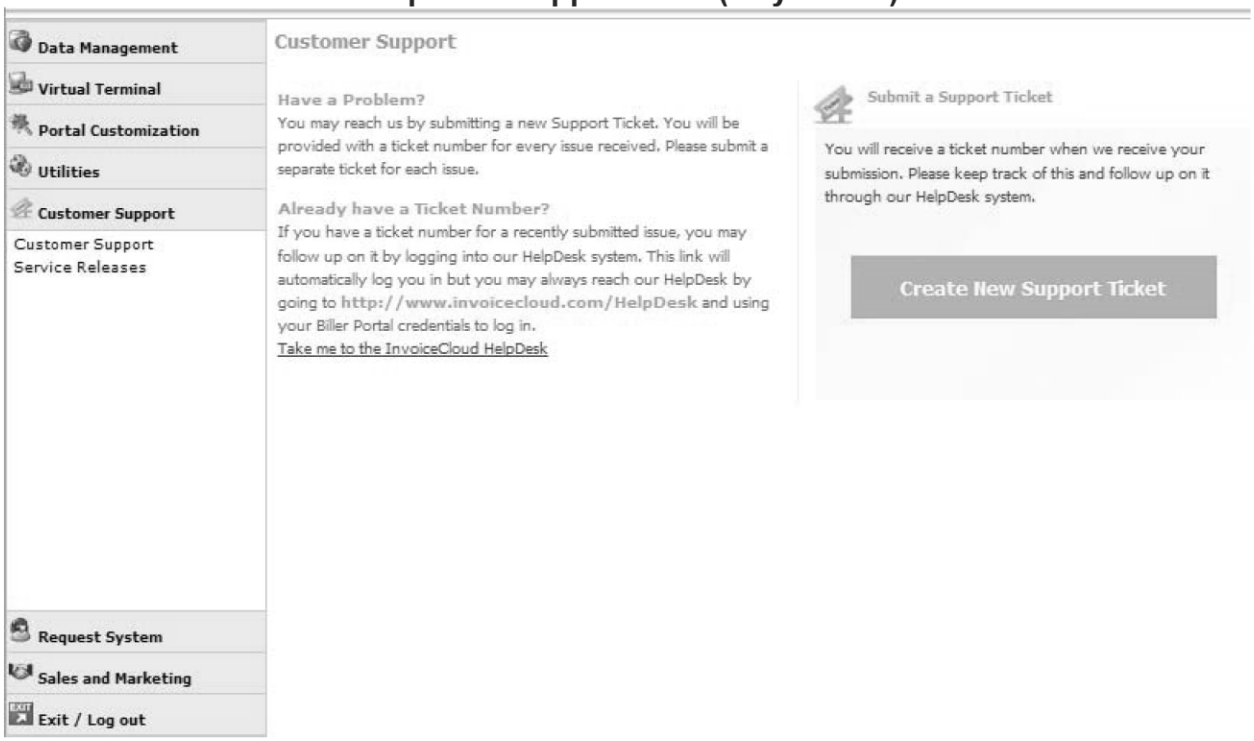
D. The Services will provide a web-based reporting tool allowing real-time querying and verification of all payments (i.e. prior day, same day, processed or pending).

Ongoing Services and Support

Vendor and its team of IT and Support Professionals provide Customer service for both the City

and their Customers.

Helpdesk Support Tool (City Portal)



Access to additional support tools

Within the City portal, Vendor provides links to additional "self help" support tools. These include links to training documentation, training videos, service updates and the Online Billing and Marketing Kit.

Escalation Procedure:

When Vendor cannot address issues requiring escalation in accordance with this Exhibit G, the relevant Vendor staffer will involve the Customer Support management team. City may escalate unresolved client issues to include the VP Operations, CTO, or CEO, if the situation dictates in accordance with this Exhibit G. Priority 1 tickets electronically notify Operations management and if the City does receive an acknowledgement of the helpdesk ticket, City may call 1-877-256-8330

ANNUAL SUPPORT AND MAINTENANCE FOR CITY

The following supplies and services are included in Support and Maintenance:

- Guaranteed uptime of 99.0% annually based on Agreement Year Uptime is defined as Customers being able to access the Services to view or pay bills . The calculation of Uptime does not include scheduled down time which is not to exceed 3 hours per quarter.

- Installation of new software releases

- 30 day notification of software releases with software release notes detailing the impacts to the City and / or the Customer
- At all times, Vendor will support the current and past two (2) versions of software, (Windows, browser and Adobe).
- Vendor will provide the City with at least thirty (30) days notice if they plan to discontinue support for any of the browser version listed above. Vendor will provide support for future browser version within thirty (30) days of their reaching 5% US market share.
- A test platform to test changes in a City environment

- Written Approval from License Administrator and City POC to install release into production environment at an agreed upon date and time.

- Monitoring of connectivity and critical functionality at all times (24 hours x 365 days/year) by highly skilled personnel using an extensive series of automated probes from multiple locations

- Scheduled maintenance to increase performance, fix defects or update applications, with 30 day notifications to notify the City of scheduled maintenance times and potential impacts to Services

Perform urgent maintenance (done to correct network, hardware or software issues that are likely to cause significant service disruption and that require immediate action), that may temporarily degrade service or cause outages. The Vendor may undertake urgent maintenance at any time deemed necessary and shall provide status updates to the City at time outage is deemed necessary

- Supported Test Environment

SUPPORT ISSUE PRIORITIES AND TIMELINES

SUPPORT TICKET RESOLUTION TARGETS

- New support incidents are assigned one of the following levels, each with its respective standard Support Ticket targets:

Call Priority Level	Description	Standard Target for Resolution	Acknowledgement Time (Business Hours)
Critical	Fatal issues that result in the Customers' inability to fulfill critical business functions (i.e. those pertaining to core functionality such as processing registrations, memberships, rentals) and that have no reasonable work-around	1 business day	1 hour
High	Serious issues significantly impacting use of the system but do not prevent core functions from being fulfilled	2 business days	8 hours
Normal	All other issues, except those classified as Low; i.e. how-to questions, reporting/reconciliation issues	5 business days	12 hours
Low	Issues that are not time-sensitive or may be undertaken as Customer Support initiatives outside the scope of this Agreement	None	40 hours

Data and System Safeguards

Redundancy

The Vendor delivers its service with warm redundancy at its data center which is hosted and managed by Rackspace US, Inc. Rackspace provides full redundancy to protect data and eliminate loss of service or downtime. Rackspace is SAS 70 Type II certified and PCI certified as a level one service provider, which reinforces Rackspace's ability to provide secure services to its customers, particularly in thee-commerce sector, where the need to protect cardholder

information is critical. The scope of Rackspace's PCI service provider accreditation covers physical security for US and UK data centers and offices, as well as employee access to network devices. Redundancy is carefully planned for all Rackspace equipment using virtualization and snapshot/backup technology.

Vendor has full and immediate control over its website domains. This allows Vendor to design and implement advanced routing and disaster recovery solutions where traffic can quickly be pointed to another server in the event of a major failure.

Data Backup

Vendor performs daily backups of all systems with monthly rotations- at any given time; we have 30 backups dating back 30 days. Additionally, we rotate off-site backups, keeping them in secure data storage facilities. We take proactive measures to ensure data integrity.

Fault Tolerance

The Vendor service runs on a fault-tolerant system, hosted and managed by Rackspace US, Inc., with full redundancy to protect data and eliminate loss of service or downtime. In the event of a failure of one or more components in the system, the Vendor service will continue to operate properly.

During a failure, faults are isolated and contained to prevent further propagation.

Any decrease in operational quality would be proportional to the severity of the failure. Safe modes are accomplished through reversion.

The service will also continue to operate during the repair process.

There is the potential for downtime in the case of hardware failure. We have a 1 hour replacement guarantee in the event of a hardware failure.

The service uses the following technology to maintain a high fault-tolerance:

- Transmission Control Protocol (TCP)
- HTML
- Failure detection mechanisms
- Roll-forward and roll-back recovery
- Off-site data and system redundancy

Vendor actively supports a data integrity platform that complies with the Payment Card Industry Data Standards to:

- Build and Maintain a Secure Network
- Protect Cardholder Data
- Maintain a Vulnerability Management Program
- Implement Strong Access Control Measures
- Regularly Monitor, and Test Networks
- Maintain an Information Security Policy

PCI standards were developed to ensure that cardholder data is protected throughout the transaction process. Vendor facilities are secure both physically and electronically

Exhibit H

CHANGE ORDER PROCEDURE

Change Order Procedures

Vendor will coordinate a joint effort with the City to document a Change Order process as addressed in Article 4 and this Exhibit H. The Change Order Plan will identify how changes and their impact on the project will be identified, documented and communicated to the City. Appropriate sign-off channels will be developed for Change Order approval.

Change Control Process

The change control procedure will be utilized to manage all material changes to the project and must be approved by both the City and Vendor. The procedure is designed to capture all requests for change including, but not limited to, Specificity Schedules, which are updated monthly on a running two (2) month time period after the Discovery Process, while at the same time ensuring that the decisions are traceable and made at the correct level. Either the Organization or the Consultant can raise a change request to the Agreement. The Change Request/Order (CR) will identify the business reasons for the change and define the impacts whether the change is made or not.

Change Control ensures that:

- Project baselines are established for approved changes
- Each CR is identified and managed efficiently
- The Parties' Project Managers are able to accurately communicate the status of each CR to their respective constituents.
- Parties' Project Managers can monitor, approve, defer or withdraw changes proposed to the Agreement, expenditures, and Scope of Work.
- The Parties' Project Managers make decisions which are fully informed as to impact as well as close to the time when the conditions that lead to the proposed change are recent and ascertainable.

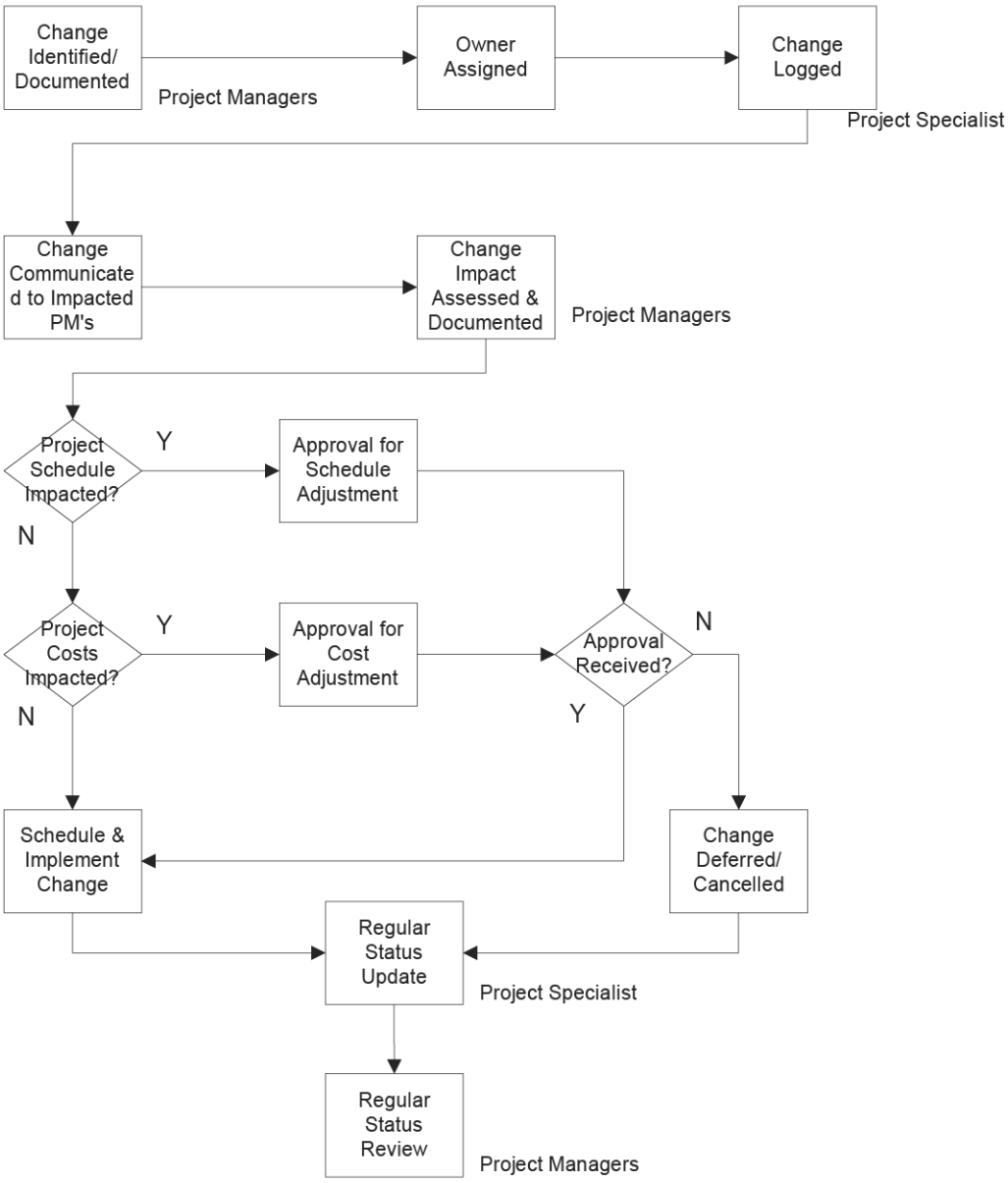
Change Control is specifically designed to eliminate 'scope creep' within the project. As changes are identified and implemented the effects on the business community and other people associated with the new system will need to be assessed and the impact evaluated. This impact will need to be managed though the Change Management procedures and mitigated via relevant communications to, and training of, the affected users and personnel.

Change Control Process

The following change control procedure shall be adopted for all changes to the project. The Project Management Team, consisting of the City and the Vendor project managers will have accountability for the Change Control Procedure and the delegated authority for approving changes.

Change Order Process

The following diagram depicts how changes will be managed within this project.


Change Identified/ Documented
Project Managers
Owner Assigned
Change Logged
Project Specialist
Change Communicated to Impacted PM's
Change Impact Assessed & Documented
Project Managers
Project Schedule Impacted?
Y
N
Approval for Schedule Adjustment
Project Costs Impacted?
Y
N
Approval for Cost Adjustment
Approval Received?
N
Y
Schedule & Implement Change
Change Deferred/ Cancelled
Regular Status Update
Project Specialist
Regular Status Review
Project Managers

Change Identified and Documented: A Change is usually initiated via the Change Order. When a request is deemed to be a change, the Project Manager enters this change process.

Change Owner Assigned: Through project meeting discussions, a single Change Owner is identified (normally a Project Manager). This person speaks to the change, ensures it is analyzed by the appropriate team members and works through any approval processes to determine final disposition.

Change Logged: An Access database will be established to control/log changes. The Project Manager logs a new change into the database where the change is given a control number. Included in this document is a copy of the Change form showing the information collected.

Change Communicated to Impacted Team Members: The Project Manager will ensure that each new Change is communicated (electronically where possible) to all impacted team members. The Change Owner will determine who these people are.

Change Impact Assessed and Documented: Each Project Manager is responsible for analysis of any change that may impact their project deliverables. Impact is documented in the Change database.

Project Schedule Impacted: If the change impacts the Project Schedule, the Change must receive City approval.

Project Costs Impacted: If the Change impacts project costs, the change must receive City approval.

No Cost/Schedule Impact: If the change does not result in any revisions to either costs or schedules, the change must receive City approval.

Schedule and Implement Change: If all necessary approvals are received (or none were required), the change is scheduled and implemented. If the project schedule is impacted, a new revised project schedule is created.

Change Deferred/Cancelled: If the change is not approved, the reasons are to be documented and it will be cancelled or deferred until after the project is completed.

Regular Status Update: Project Managers must be provided with any new information related to Change Status so that the database is kept current and the Change Summary form reflects current information. Project Managers will create a Change Summary report on request only.

Regular Status Review: Review of the ongoing status of changes is a mandatory item on each project management meeting agenda.

Neither Party will charge the other for the consideration of CRs. The completed response will be returned to the Project Management Team. Appropriate approval shall be sought for the change and if necessary the CR may be recommended to the Project Steering Committee for final acceptance.

Change request will be either:

- Approved for inclusion in the project, where the impact on the current phase is outlined and approved as part of the CR
- Approved for inclusion in a future phase, where the impact on the future phase is outlined and approved as part of the CR
- Rejected and Closed

Both Parties shall work in good faith to review and approve or reject any such CRs within a reasonable period of time, typically no more than five (5) Working Days, or as mutually agreed by the parties, from the return of the 'investigated' CR. If accepted, the CR shall be henceforth termed a "Change Order" and the change in work-scope, Statement of Work, fees and payment schedule shall become immediately effective.

Sample Change Request (for non-Phase Implementation notifications)

CR Number		**CR Name**	
Project Name		**Date Submitted**	
Project Manager / Owner		**Resolution Needed By Date**	
Client Name		**Requested By**	
Change Request Type	[ ] New Requirement [ ] Requirement Change [ ] Scope / Resource Change [ ] SOW Clarification	**Priority**	[ ] High [ ] Medium [ ] Low
Business Description	**Business Drivers / Change Description:** (Information that needs to be detailed on additional pages should be attached and labeled with CR Number.)		

Change Benefits and Justification	
Effort Impact	[ ] Yes [ ] No (Provide explanation)
Schedule Impact	[ ] Yes [ ] No (Provide explanation)
Cost Impact	[ ] Yes [ ] No (Provide explanation)
Resource Impact	[ ] Yes [ ] No (Provide explanation)
Impact if NOT Approved (Schedule, Cost, Quality)	(Provide explanation)
Final Disposition	
	[ ] Approved [ ] Rejected [ ] Future Enhancement

Initial Disposition		
Reason if not approved	**Signature**	**Date**

Analysis Information
Approach:

Change Control Status			
Change Control Reason, if not approved			
Approvals			
Title	**Name**	**Signature**	**Date**
the Organization Project Manager			
the Consultant Project Manager			
the Consultant Vice President			

000		$0.00
Chargeable Hours	**Rate**	**Amount**
000	000	
Non-Chargeable Hours	**Total Hours**	

Biller Order Form

Sales Information	Services		Products		
Software Partner: INovah	Invoice Presentment	☒	IVR ☐	Check21 ☐	Cloud Pay ☒
Invoice Cloud Sales Partner: INovah	ACH (EFT)	☒	Online Bank Direct ☐	Cloud Store ☒	
Invoice Cloud Sales Contact: Connie Hobbs	Credit Card Processing	☒	Credit Card Payment Methods: Visa ☒	MC ☒	Discover ☒ Amex ☒

GENERAL INFORMATION

Ownership Type: Government

Legal Name: City of Chandler

Note: This name will have to match on ALL documents

Address 1: 175 South Arizona Avenue

Address 2: PO Box 4008

City: Chandler

State: AZ

Zip: 85244-4008

Phone: (480) 782-2000

Fax: (480) 782-2410

Fed Tax ID: 86-6000238

Organization Start Date: 1912

CUSTOMER SERVICE / TRAINING CONTACT	TECHNICAL SUPPORT	MARKETING CONTACT
Contact:	Contact:	Contact:
Phone:	Phone:	Phone:
Email:	Email:	Email:

Notes: *add any custom or contact notes here*

Web Site URL: https://www. chandleraz.gov

Virtual Path: https://www.invoicecloud.com/chandleraz.gov

INVOICE PRESENTMENT BILLER SETUP

Ticketing System ☐	Biller initiated updates ☐ Address ☐ Phone	Allow Customer to pay over the balance due ☐
Display Conveyance ☐	Customer initiated updates ☐ Address ☐ Phone	Pay Total Balance from all outstanding Invoices ☐

Exhibit I

INSURANCE REQUIREMENTS

Professional Liability Errors and Omissions, with coverage of not less than $1 million per occurrence/$2 million general aggregate.

MINIMUM SECURITY REQUIREMENT. All insurers must be rated A- VII or higher in the current A.M. Best's Key Rating Guide and licensed to do business in the State of Arizona unless coverage is issued as surplus lines by an Arizona Surplus lines broker.

SELF-INSURANCE. Any self-insured retention not fronted by an insurer must be disclosed. Any defense costs or claim payments falling within a self-insured retention shall be the responsibility of Vendor.

EVIDENCE OF COVERAGE. Prior to performance of any scope of work under this Agreement, Vendor shall provide certification of insurance acceptable to the City evidencing the minimum coverages and limits of liability and other requirements specified herein. Such certification must include a copy of the policy provision documenting that the City of Chandler is an additional insured for commercial general liability insurance on a primary and non-contributory basis. Certification should be issued to the City's Project Manager at the same address shown in Section 6.3 for the License Administrator.