

## Appendix A

### Statement of Project Costs

The **Statement of Project Costs** and any schedules, and attachments to it provides a summary of the software licensing costs (including annual maintenance & support fees) and professional consulting services to be provided by Diamond Municipal Solutions to the Client. The costs identified herein reflect the final costs & deliverables, agreed to by Diamond and the Client.

Diamond and the Client acknowledge that further validation & refinement of the professional services deliverables may occur during the initial project planning discussions, scheduled to occur immediately upon contract execution. During project planning, Diamond's Project Manager will precisely define project goals and deliverables in collaboration with the Client. This will include a further review of high level project objectives (timelines, go-live dates, project priorities). Diamond will prepare a final Project Plan and Timeline based on collaboration with the Town and provide these documents for final approval. The project plan will outline the detailed project implementation services to be performed and the implementation timelines that will be achieved. It will serve as a final blue print for execution of project deliverables.

#### PROJECT SCOPE:

The goal of this project, and all proposed deliverables, is to implement a Microsoft based financial management system that will replace designated components of the current financial management systems that have been outlined for replacement by the Client. The completion date for the project will be determined during subsequent project planning sessions between the assigned Diamond Project Manager & the Client. Project deliverables will include the following components:

<b>Bundled Software &amp; Professional Services</b>	<b>Total</b>
Bundled and a la carte Software	\$50,667
Bundled Services	\$31,500
A la Carte Services	\$19,950
Fort Frances Power Corporation Additional Services	\$13,650
<b>SOFTWARE &amp; SERVICES SUBTOTAL:</b>	<b>\$115,767</b>

<b>Annual Maintenance &amp; Support Fees</b>	
Annual Maintenance	\$12,875
Project Support	\$5,567
<b>FIRST YEAR MAINTENANCE &amp; SUPPORT SUBTOTAL:</b>	<b>\$18,442</b>

<b>Estimated Travel &amp; Associated Expenses</b>	
Travel Estimate	\$2,400
<b>FIRST YEAR TRAVEL SUBTOTAL:</b>	<b>\$2,400</b>
<b>ESTIMATED PROJECT TOTALS</b>	<b>\$136,609</b>

## PROJECT PAYMENT:

Payment terms are as follows:

**Initial payment due upon contract signing is 100% payment of all software license fees including first year annual software maintenance and project support.**

100% of total software licensing, annual maintenance & bundled services **\$69,109.00 Plus HST**

**Second payment due 60 days from date of contract is 50% of bundled and a la carte consulting services.**

50% of bundled and additional consulting services **\$32,550.00 Plus HST**

**Third payment due 120 days from date of contract is 50% of bundled and a la carte consulting services.**

50% of bundled and additional consulting services **\$32,550.00 Plus HST**

## BUNDLED and A LA CARTE SOFTWARE LICENSING FEES

Software	Software List Price	Annual Enhancement
<b>BUNDLED SOFTWARE</b>		
<b>Dynamics GP / Diamond Foundation Layer</b> 15 Concurrent Users (8 Full Users, 7 Limited users)	<b>\$48,667.00</b>	<b>\$8,760.00</b>
<b><i>Dynamics GP SMART Modules</i></b>		
System Manager & Report Writer	bundled	included
Customization Site License	bundled	included
General Ledger	bundled	included
Bank Reconciliation	bundled	included
Excel Based Budgeting	bundled	included
Management Reporter	bundled	included
Payroll	Bundled	Included
Receivables Management	bundled	included
Payables Management with EFT	bundled	included
<b><i>Diamond SMART Modules</i></b>		
Diamond Property Tax	bundled	included
Diamond Utility Billing	bundled	included
Diamond Cash Receipts with Import	bundled	included
Add Project Support		<b>\$4,867.00</b>
<b>A LA CARTE SOFTWARE</b>		
SmartList Builder	\$2,000.00	\$360.00
Inventory Management	Included	Included
Fixed Assets	Included	Included
Employee Self Service & Time Entry (200 emp)	Annual Fee Only	\$2,855.00
Asset/Equipment costing and entry	Free	\$900.00
Add A la Carte Project Support		<b>\$700.00</b>
<b>Sub-Total A La Carte Software Licenses</b>		<b>\$6,815.00</b>
<b>GRAND TOTAL ALL SOFTWARE LICENSES</b>		<b>\$69,109.00</b>

- Prices shown in the table do not include Tax amounts

## PROJECT SUPPORT PAYMENT:

In addition to the services outlined herein, Diamond Municipal Solutions will provide an allotment of project support hours during the implementation to ensure that the Client is comfortable using the solution and self-sufficient. Project support services will be delivered on an “as needed” basis and will draw down from the Project Support amount outlined below. Any hours above the support budget will be billed on a time and material basis. Once the Client is comfortable and fully up to speed, the Client’s support needs will be transferred to the Diamond Knowledge Services team. Upon transition to the Knowledge Services team, **if the client is still within their first year**, the client will be billed a prorated annual support fee and will first receive a credit for any unused project support which will be applied against that fee.

**TOTAL Diamond Project Support services**

**\$5,567.00**

## ANNUAL SOFTWARE ENHANCEMENT PROGRAM:

The Diamond Annual Software Enhancement Program fee is 18% of the software list price in year one and 16% of the software list price for each subsequent year that the client is enrolled in the program. The annual enhancement program provides the client with access to all Microsoft / Diamond product upgrades, releases and service packs for the duration of their enrollment and can be renewed on an annual basis. The enhancement program fee will be committed to for a full 12 month period. The 12 month period of enrollment has been provided in the software licensing fees outlined herein. The annual maintenance fee will commence on the date of order with Microsoft, for all Microsoft & Diamond products purchased. This date will coincide with the installation of software & registration keys at the Client site.

**TOTAL Annual Software Enhancement Program:**

**\$12,875.00**

*\*Calculated at 18% of software list price for all modules for year 1*

## BUNDLED IMPLEMENTATION SERVICES

As a result of our municipal-specific focus, our resources are well positioned to assist you in the various stages of the implementation. Diamond has developed a Standard Implementation Methodology based on a pre-configured system template that provides the Client with the expected quality while keeping overhead and project management costs to a minimum. The Templates which include G/L Chart of Accounts (as provided to the Client), Customer facing reports (per samples provided to the Client), Financial Statements, and payroll and other system configuration settings will be used as “as-is” and the Client acknowledges and accepts this. Any requested changes to the default configurations, reporting or templates will be considered an extra to the project. Diamond will provide the following business consulting, implementation and training services during the course of the project:

- ✓ Project Management
  - ✓ Installation of proposed software
  - ✓ Data Conversion (See Details below for your conversion specifics)
  - ✓ User Training
  - ✓ Go-live Support
- A formal Work Order authorization process will be utilized for any services that may be required or requested beyond the services outlined within the project contract. In circumstances where the Client authorizes additional project days or hours, the fee structures for the project will apply (daily rate, minimum daily amount, and proposed subsistence and travel allowance costs). Work Orders, as mutually agreed through change orders, may be used to expedite project delivery,

prior to completion of a formal contract. When this occurs, the fee structures for the project will apply (daily rate, minimum daily amount, and proposed subsistence and travel allowance costs detailed below in Travel Allowance section).

- A concise project timeline results in a higher probability of success and reduces the risks associated with training lags and project rework. This project is designed to be completed within a 3 month timeline, with a maximum 4 week buffer allotted for unanticipated delays.

## **IMPLEMENTATION SCOPE:**

This section itemizes the deliverables and responsibilities of both Diamond and the Client as broken down into the major implementation steps and categories.

### **Project Scope**

- The entire project scope is defined as those items specifically included in Appendix A.

#### ***IMPORTANT NOTES:***

- *Any software item or consulting services not specifically included within this Appendix are deemed to be an extra to the project and a change order itemizing the fees to add the item will be provided by Diamond to the Client for approval. These additional items will be included in either the main phase of the project or a second phase 2 portion of the project after the primary project in-scope items noted in this Appendix have been completed solely at the discretion of Diamond.*

### **Project Management**

Diamond will provide the following project management services for the duration of the project.

- At the start of the engagement, Diamond and the Client will discuss the project schedule and document key milestones.
- Diamond will provide a project plan, key milestones and specific training/meeting dates.
- Diamond will provide the Client general project information and schedules via a web-based project plan and monthly follow up telephone conversation if requested by Client.
- Ad-hoc telephone or email dialog as initiated solely by Diamond

#### ***IMPORTANT NOTES:***

- *Only the project services noted above are included in the project scope. Any Ad-hoc telephone or email dialog as initiated by the Client will be billed against the project support allocation and, if deemed solely by Diamond to be excessive, may be subject to review and change order to accommodate.*
- *It is the responsibility of the Client to notify Diamond about any cancellations of scheduled project training/meetings, **at least one week in advance of a scheduled date**. Failure to comply with this notice period will result in that session being charged as an extra to the original contract price as per our rate sheets outlined at the end of this Appendix.*

### **System Setup and Configuration**

Diamond will provide the following system setup and configuration services:

- Installation and/or configuration of MS-SQL database and SQL Reporting services on computer server and hardware as directed by the Client
- Installation of Diamond/Dynamics GP on up to five (5) workstations. Configuration of remote workstations not directly connected to the main server via high speed network is not included.
- Installation of Management Reporter and client software on two (2) workstations.
- Installation of pre-configured system template including the following;
  - Provincial specific Chart of Accounts and Select system settings

- All necessary system parameters **will automatically be defined and configured by Diamond** for the Client based on typical best practices for municipal units of similar size and geography for most module areas.
- Setup of five (5) system users with “Power User” (full system) security access.

#### **IMPORTANT NOTES:**

- *The Client must have purchased, installed or have ready computer server hardware and workstations suitable for the operation of the Diamond and Dynamics GP financial solution and have this ready PRIOR to the installation of the Microsoft SQL database and Diamond/Dynamics GP installation.*
- *The Client must obtain applicable Microsoft SQL Server licensing and provide product registration keys to Diamond PRIOR to installation of the Microsoft SQL database.*
- *Diamond has developed and will install a pre-configured system template that provides the Client with the expected quality while keeping overhead and project costs to a minimum. The Client acknowledges that ANY changes to the system template will be considered an extra to the project and related effort will be charged and that Diamond will configure such changes either during the project or as a Phase 2 item solely at Diamond’s discretion.*
- *Diamond will configure the base system security based on established best practices. During the course of the project, Diamond will provide basic training on the security tool. Any changes to the template security model will be the responsibility of the Client and are outside of the scope of this original contract.*

#### **System Training**

Diamond will provide one (1) session of agenda based and hands-on training for each module/functional area noted on page 2 of this document. Key elements of the training provided by Diamond include:

- A standardized training checklist will be provided for each session by Diamond outlining specific areas to be covered for the training segment and the learning objectives.
- Guidance on where the Client can access the Microsoft Dynamics GP and Diamond printable manuals and online help that will support the learning objectives for each module.
- In an effort to keep additional support costs to a minimum, once training has been provided it is expected that training documentation and recorded training sessions will be the first point of reference for clients prior to initiating contact with a billable Diamond resource. Diamond requires the Client to utilize online training courses found online at the Microsoft Customer Source website prior to training with the consultant. Before commencing with the training for a module Diamond will review understanding of each section and answer any questions that the participants may have prior to the Diamond training. Failure by the municipality to complete the Customer Source training will result in additional scope to the Diamond training and is considered outside of this project thus resulting in additional charges to the client.
- Training will occur on the Client entered test data. The Client is responsible for entering the data and having it ready for training per an agreed to training schedule.
- If the Client’s test data is not ready and the client wishes to complete training regardless, Diamond Municipal Solutions may be able to provide a test environment suitable for a single user hands-on experience. The Client acknowledges that this may not provide an optimal training environment.

#### **IMPORTANT NOTES:**

- *All training will occur remotely unless otherwise requested by the Client in which case travel will be billed on a time and materials basis per our standard travel rates as included in the contract appendices.*
- *It is the responsibility of the Client to notify Diamond about any cancellations of scheduled project training/meetings, **at least one week in advance of a scheduled date**. Failure to*

*comply with this notice period will result in that session being charged above the original contract price as per our rate sheets outlined at the end of this Appendix. Cancellations and schedule changes can negatively affect project timelines as Diamond resources may not be readily available for reschedule which can result in clients incurring the 10% project surcharge for exceeding the four month project timeframe.*

## **Data Conversion and Legacy Data Entry**

Subject to any additional data conversion services listed below in the section entitled “A La Carte Implementation”, the Client will manually enter the following information into the application:

- Payables Management Open invoices and/or Balance Forwards

Diamond will extract (into a spreadsheet for the Client to review and cleanse) General Ledger data (current and prior year) amounts and transactions, Utility Billing and Property Tax Master Data along with Tax and Utility transaction history and then import that history into the Client’s Diamond system.

The following is specifically noted as the responsibility of the client:

- Entering the above information into the Diamond System
- Reviewing the entered and imported data for accuracy and balancing
- Data conversion assistance or customization provided by Diamond will be billed on a time and materials basis based on written approval by the Client.

### **IMPORTANT NOTES:**

- *Subject to any additional data conversion services listed below in the section entitled “A La Carte Implementation” and except as otherwise noted above, the Client is entering all data manually. Because of the relatively low volume and type of data being considered, this is a more reliable and efficient method of “legacy data translation”.*

## **Reporting and Integration**

Subject to any additional reporting and integration services listed below in the section entitled “A La Carte Implementation”, the client will use “**out of the box**” standard reporting which will include:

- One (1) Property Tax Notice specific to your geography.
- Three (3) Property Tax arrears letters
- One (1) Property Tax Certificate
- One (1) Utility Bill
- Three (3) utility arrears letters
- One of Five AP Cheque stub options (each a different type and style)
- Accounts Receivable Invoice
- Accounts Receivable Statement
- Diamond will provide and install the Management Reporter financial reporting tool and will include training on this tool (see training section for more details). Diamond will also include a suite of standard reports which will include a balance sheet and income statement and one department report. **The Client will be responsible for building any additional financial reports or modifying the existing reports using Management Reporter.**
- Subject to any additional reporting and integration services listed below in the section entitled “A La Carte Implementation”, the Client will use the standard suite of out-of-the-box reports available in the Diamond and Dynamics GP system (of which there are upwards of two thousand) for routine tasks such as posting journals, trial balances and so on.
- It is assumed that MICR encoding will be preprinted on all cheques
- Barcodes are not included in scope.

- Subject to any additional reporting and integration services listed below in the section entitled “A La Carte Implementation”, additional report customization assistance from Diamond beyond the scope included above will be billed on a time and materials basis based on written approval by the Client.

## SUMMARY OF BUNDLED PROFESSIONAL SERVICES COSTS

<b>IMPLEMENTATION SERVICES</b>	
Project Consultation	Included
Installation	Included
Data Conversion	Included
Training & Education	Included
Testing	Included
Go-Live Readiness	Included
First Process Support	Included
<b>TOTAL SERVICES</b>	<b>\$31,500.00</b>

## A LA CARTE IMPLEMENTATION SERVICES

Although Diamond has developed a Standard Implementation Methodology that provides The Town of Fort Frances with the expected quality while keeping overhead and project management costs to a minimum, it is also recognized that you require additional “a la carte services”. These services will continue to follow Diamond’s proven implementation methodology noted in the Bundled Implementation Services section above and are included in the scope of the contract. These services will be billed on a time and materials basis at the service rates noted below. The a la carte services in scope are as follows:

<b>Item</b>	<b>Days</b>	<b>Amount</b>
SmartList Builder Query Tool (Training)	1.0	\$1,050.00
Inventory Management Module with: a) Master Inventory Item Data Conversion and opening balance b) Setup and configuration c) Training	4.0	\$4,200.00
Fixed Assets Module with: a) Setup and Configuration b) Training c) Data Conversion from XL	3.0	\$4,200.00
Employee Self Service & Time Entry	2.0	\$2,100.00
Asset Equipment Costing & Entry	2.0	\$2,100.00
Time Clock Integration	1.0	\$1,050.00
Accounts Receivable Data Conversion; Customer billing balance data, including arrears	2.0	\$2,100.00
Accounts Payable Data Conversion; Vendor Master	2.0	\$2,100.00
Payroll Data Conversion; Employee information and current year T4 related data	2.0	\$2,100.00
<b>TOTAL A LA CARTE IMPLEMENTATION SERVICES</b>	<b>19.00</b>	<b>\$19,950.00</b>



## F.F.P.C. IMPLEMENTATION SERVICES

In addition to the Implementation Services outlined above, The Fort Frances Power Corporation (wholly owned subsidiary of the Town of Fort Frances) will implement Diamond Municipal Solutions. This will be in the same database as a separate data set / company set-up. The SMART template will form the core of the system and will be an exact copy of what the Town of Fort Frances will be receiving. The training will be conducted in joint sessions, meaning both the Town staff and the Power Corp staff will participate in the same training session. In addition to the template setup and training shadowing, the Fort Frances Power Corporation will receive additional services from Diamond to meet their specific requirements. These services will continue to follow Diamond's proven implementation methodology noted in the Bundled Implementation Services section above and are included in the scope of the contract. These services will be billed on a time and materials basis at the service rates noted below. The a FFPC additional services in scope are as follows:

Item	Days	Amount
G/L data conversation	1.0	\$1,050.00
Create and Configure additional company <ul style="list-style-type: none"><li>• Create company from template</li><li>• Refine settings</li><li>• Create update users</li></ul>	3.0	\$3,150.00
Payroll configuration and testing (FFPC staff will enter data manually)	3.0	\$3,150.00
Inventory – FFPC staff will participate in standard training and will enter data manually. If additional setup is required it will be applied toward contingency below	0.0	\$0
Fixed Assets – FFPC staff will participate in standard training and Diamond will assist in data conversion from XL. If additional setup is required it will be applied toward contingency below	0.0	\$0
Accounts Receivable Data Conversion; Customer Master (FFPC staff will enter open invoice data manually)	0.5	\$525.00
Accounts Payable Data Conversion; Vendor Master	0.5	\$525.00
Additional Contingency: <ul style="list-style-type: none"><li>• Additional Training</li><li>• Additional Configuration &amp; Set up (Inventory / Fixed Assets)</li></ul> Form Customization	5.0	\$5,250.00
<b>• TOTAL FFPC ADDITIONAL IMPLEMENTATION SERVICES</b>	<b>13.00</b>	<b>\$13,650.00</b>

## PAYMENT OF PROJECT TRAVEL EXPENSES & PER DIEMS

Per Diems and out of pocket travel expenses will be billed as incurred. **A \$2,400 travel expense contingency has been included as part of this contract.** Additional expenses will be agreed upon between the Diamond Project Manager and the Client before expenses are incurred or billed. Any services not related to the delivery of project services are invoiced subject to the rates and policies listed in Diamond's current Rates for 2016 – outlined below.



## CONSULTING, SUPPORT AND CUSTOM SERVICES - RATES

Effective July 1<sup>st</sup>, 2016

### **Services:**

Regular Hourly Rate	\$ 190 / hour
Overtime rate (After hours)	\$ 285 / hour
Weekend rate	\$ 380 / hour
Regular Daily Rate	\$ 1,330 / day
On Call Daily Rate	\$ 700 (includes 2 hours)
Weekend On Call Daily Rate	\$ 1400 (includes 2 hours)
Senior Hourly Rate	\$ 250 / hour

### **Travel Time:**

For return travel time from Diamond office to the Client	\$ 50 / hour
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### **Other Costs:**

Mileage:	\$0.52 per km
Meals / Per Diem:	\$50 per day
Accommodations:	Actual rates are recouped.
Airfare/Rental Car:	Actual rates are recouped.
Out of Pocket expenses:	Actual rates are recouped

### **Notes:**

- ◆ **Inclement Weather:** Diamond Municipal encourages our consulting team to exercise their own discretion while traveling in inclement weather; team members have the right to delay or cancel scheduled on-site work should they deem travel to be unsafe. Should weather result in a late start, or necessitate an early departure, any rate adjustments will be handled on a per-incident basis. Sincere effort will be made to reschedule any cancelled activities as soon as possible, but we cannot guarantee that other scheduled work for other clients will automatically be cancelled.
- ◆ **Payment Terms:** All services and expenses are billed as incurred and are due upon receipt of invoice.
- ◆ **Cancellation:** Cancellations must occur 1 week prior to the start of the session to avoid being charged for the session.
- ◆ **Per Diems:** Diamond reserves the right to charge specific territory per diems based on cost of living in that area.