

Item # 4-3A

**City of Carson City
Agenda Report**

Date Submitted: January 23, 2007

Agenda Date Requested: February 1, 2007

Time Requested: Consent

To: Mayor and Supervisors

From: Purchasing & Contracts

Subject Title: Action to approve Contract No. 0607-048 a request for the purchase of CIPAce™ Software from CIPPlanner Corporation for a not to exceed cost of \$68,458 exempt from competitive bidding. Fiscal year 2006/2007 funding will be provided as follows: \$15,000 from RTC Fund, \$5,000 from Streets Fund, \$10,000 from Stormwater Fund, \$24,458 from Sewer Fund, and \$14,000 from Water Fund.

Staff Summary: CIPAce™ Software is a web-based enterprise class software application that helps government agencies manage their entire capital program and capital projects from planning to implementation to completion. CIPAce™ Software provides extensive tools for developing the Capital Improvement Plan and managing the implementation of the plan and associated capital projects. CIPAce™ Software is designed to accommodate a wide range of planning and management processes and is flexible while incorporating controls for each step of the planning and management cycle. The entire capital plan, including all historical budgets and plans, actual project expenditures and schedules, is managed by one single database.

Type of Action Requested: (check one)
☐ Resolution ☐ Ordinance
☒ Formal Action/Motion ☐ Other (Specify)

Does This Action Require A Business Impact Statement: ☐ Yes ☒ No

Recommended Board Action: I move to approve Contract No. 0607-048 a request for the purchase of CIPAce™ Software from CIPPlanner Corporation for a not to exceed cost of \$68,458 exempt from competitive bidding. Fiscal year 2006/2007 funding will be provided as follows: \$15,000 from RTC Fund, \$5,000 from Streets Fund, \$10,000 from Stormwater Fund, \$24,458 from Sewer Fund, and \$14,000 from Water Fund.

Explanation for Recommended Board Action: This contract is for the purchase of CIPAce™ Software from CIPPlanner Corporation, 2075 De La Cruz Blvd. Suite 107, Santa Clara, CA 95050 for the Public Works Department for a not to exceed cost of \$68,458.00 as follows:

Option 2:

Perpetual Cost	\$42,786.00
Perpetual Maintenance & Support (Yr 2 -5)	\$ 6,418.00
Net First Year Cost	\$42,786.00
Subsequent Years Cost	\$ 6,418.00
Total 5 Year Cost	\$68,458.00

This software would allow Carson City to:

1. Develop and maintain a five-year fiscally constrained Capital Improvement Program (CIP);
2. Facilitate coordination between capital needs and the operating budgets;
3. Identify the most economical means of financing capital projects;
4. Relate public facilities to other public and private development and redevelopment policies and plans;
5. Focus attention on community objectives and fiscal capacity;
6. Keep the public informed about future needs and projects;
7. Establish a system of annual examination and prioritization of facility needs;
8. Facilitate capital expenditure and revenue estimates and will help to avoid emergency financing methods;
9. Provide a basis for the formulation of bond programs and other revenue producing measures;
10. Assist with the implementation of the Master Plan;
11. Facilitate better coordination between departments in planning and implementing capital projects;
12. Assist with proper programming and project design as well as the development of appropriate project financing and construction schedules.

Pursuant to **NRS 332.115 subsection 1 (h)**, staff is requesting the Board of Supervisors declare that the contract is not adapted to award by competitive bidding.

NRS 332.115 Contracts not adapted to award by competitive bidding; purchase of equipment by local law enforcement agency or other local governmental agency; purchase of goods commonly used by hospital.

1. Contracts which by their nature are not adapted to award by competitive bidding, including contracts for:
(h) Software for computers;
are not subject to the requirements of this chapter for competitive bidding as determined by the governing body or its authorized representative.

Applicable Statue, Code, Policy, Rule or Regulation: NRS 332.115 subsection 1 (h)

Fiscal Impact: \$68,458.00

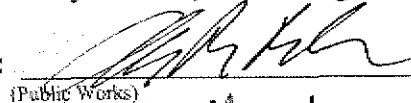
Explanation of Impact: Amount of contract

Funding Source: Fiscal year 2006/2007 funding will be provided as follows: \$15,000 from RTC Fund, \$5,000 from Streets Fund, \$10,000 from Stormwater Fund, \$24,458 from Sewer Fund, and \$14,000 from Water Fund.

Supporting Material: CIPPlanner Corporation proposal dated 9/15/06

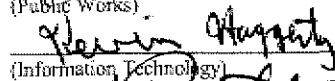
Prepared By: Cheryl Adams, Purchasing & Contracts Manager

Reviewed By:


(Public Works)

Date:

1/23/07


(Information Technology)

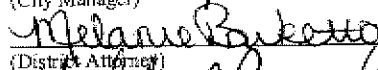
Date:

1/23/07


(City Manager)


Date:

1-23-07


(District Attorney)

Date:

1-23-07


(Finance Director)

Date:

1-23-07

Board Action Taken:

Motion: _____

1) _____

Aye/Nay

2) _____

(Vote Recorded By)

CIPPlanner™ Corporation
is pleased to provide our proposal
for
The City of Carson City, Nevada

September 15, 2006

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Introduction

CIPPlanner™ Corporation (The Corporation) is pleased to present this Proposal to the City of Carson City, Nevada (The Customer). This proposal describes features of the software, the services bundled with the software, and the pricing of the software for The Customer.

CIPAce™ Software is a web-based enterprise class software application that helps government agencies manage their entire capital program and capital projects from planning to implementation to completion. CIPAce™ Software provides extensive tools for developing the Capital Improvement Plan and managing the implementation of the plan and associated capital projects. CIPAce™ Software is designed to accommodate a wide range of planning and management processes and is flexible while incorporating controls for each step of the planning and management cycle. The entire capital plan, including all historical budgets and plans, actual project expenditures and schedules, is managed by one single database.

Benefits

- Better capital investment decisions
- Increase management accountabilities
- Significant staff time and cost savings
- Better Program and Project Management Decisions
- Executive-level visibility into capital programs
- Gain multi-sector vision for investment planning
- Deliver more complex and frequent reports on a real-time basis
- Enable lifecycle costing and management at both the program and project level
- More satisfied constituents and legislature
- Enhance real-time collaborations across multiple departments and organizations
- Link up strategic and capital planning

About CIPPlanner™ Corporation

The CIPPlanner™ team has been providing reliable software solutions to a variety of customers, including major government agencies and organizations since 1998. Our involvement with Capital Improvement Programs started back in 2000 and we shipped our first customer in early 2001. The software now is at release 4.0, which embedded the best practices from our research of more than one hundred Capital Improvement and Maintenance Programs from government agencies.

CIPAce™ Software Features

This section introduces the CIPAce™ Software and highlights a list of functionalities of the Software.

Introduction

CIPAce™ Software, a web-based enterprise class software application produced by CIPPlanner Corporation, is breaking new ground for municipalities and government agencies to fundamentally change the way they have planned and managed Capital Improvement Programs and capital projects.

CIPAce™ Software provides a complete software application solution to manage the Capital Improvement Program on a real-time basis across the entire organization. The entire life cycle of the capital program and each capital project under the program, from initialization to completion, is managed under the CIPAce™ Software solution. All the historical capital planning information, capital budget, actual and encumbrance expenditures and schedules are managed by one single database.

CIPPlanner Corporation can tailor the CIPAce™ Software package to match a variety of processes and needs of our customers so that our customers don't have to change their processes to use our software. Authorized users may perform a variety of configurations on a web user interface to customize the software to fit their specific processes and needs. Examples of such customization features include:

- Set and manage unlimited planning cycles.
- Establish planning horizon (1 to 20 years and can be easily extended.)
- Configure multiple phases and processes for project evaluation, ranking and filtering.
- Define departments, project types, programs and many other dropdown list options.
- Enable Smart Text™ and Custom Field Management features, which will be explained later in this document.
- Control the time frame for working through certain processes or tasks. For example, the administrator may set up a start day and an end day for all program participants to submit their capital project proposals.
- Classify and track your project, expenditure and funding information in your own way as you define it for your specific program.

Proposal Management – Optional Module

This module allows a variety of users, including staff, management, council members, citizens and other constituents to submit their capital project proposals and ideas online. The module serves as a central repository to

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allow authorized users to manage, search and track all project proposals or ideas throughout the entire history of the capital program. Two sources of proposals, public and staff, are built into the module. The public proposal form is designed to allow the general public to suggest capital projects over the web. Proposal management includes the ability to approve or reject proposals. Once a proposal is approved, the proposal may be linked to or converted into one or multiple project candidates, which can be managed under the Project Management Module and will be thoroughly researched for fundability during the planning process. One proposal may be linked to or lead to the creation of multiple projects. One project may be linked to multiple proposals. Proposals may have cost estimates as required by the approved process. Proposals may also be rejected. The reason for rejection is recorded in a special field for later review.

The proposal module enables the core program management team to track the status of every capital project idea ever proposed. It provides solid information about the overall capital investment needs of your organization. The module will help you identify proper capital project ideas to apply for grant funds as well.

Project Management

This module manages detailed information for capital projects or capital project candidates throughout the entire project life cycle, from feasibility and fundability study to the completion of the project. Many details of the capital project are captured in this module, including:

- General information of the project, including justifications, descriptions, document management and different ways to classify the project, for example, which program the project belongs to.
- GIS information of projects.
- Forecasted project cost, operating cost, maintenance cost and revenue numbers.
- Capital budget and allocated funding for the project throughout the entire planning horizon at the fund, object code or any other preferred way to classify the funding allocation.
- Project status, schedules and tasks.
- Summarized and detailed level information on encumbrance and actual expenses.
- Comparison between budget and actual spending.
- Comparison between planned schedule and actual progress.
- Timesheet.
- Priorities and fundability of the project.

The Project Management module is one of the key building blocks of CIPAce™ Software and has numerous functionalities built in that are interactive with other modules. CIPAce™ Software enables the comprehensive management of every capital project from conceptual forming

to completion and across multiple planning cycles. The software manages timesheet, cost estimates, schedules, budgets and actual costs of all capital projects under one central database for easy analysis and performance review.

Fund Management

This module allows the forecast of capital funding across the entire planning horizon for each fund source. It allows the allocation of funding to projects by fund. The module integrates tightly with the financial numbers contained in the Project Management module and Funding Allocation module, which will be explained below. It dynamically displays balance information of each fund, reflecting changes on beginning balance, interest, revenue and allocated amount on a real time basis. Funding forecasts for all the existing and historical planning cycles and actual funding revenue for all the funding sources are tracked in one single place.

Fund Group Management

This module allows a two-layer management of funding sources and allocation under a hierarchical structure. Funds or funding sources with similarities may be grouped into a fund group. At the early stage of planning, revenue estimates and funding allocations may be conducted at the fund group level. As time goes by and more details become available, funding estimates and fund allocation will be conducted at the individual fund or funding source level, which generates all the details required to produce a Capital Improvement Plan.

Project Scoping

This module manages the process of scoping capital projects in a variety of scoping areas, including financial, environmental and public safety. Authorized users may modify or create additional scoping areas to review capital projects following the strategic initiatives as defined by the user's organization.

Scoping of a project starts from a supervisor or administrator assigning users to perform evaluations on one or multiple projects in one or multiple scoping areas. As a user finishes the evaluation and submits the scoping result, a supervisor will review the result and either approve the scoping result or send the scoping back to the submitter for additional review and refinement.

The software allows users to perform scoping reviews on an on-going basis. All the scoping efforts and changes are captured and can be viewed later to trace the audit trail of project scoping and financial estimates. This feature allows management and staff to document the scoping process and justify the final evaluation of capital projects. The audit trail feature is especially helpful in doing project scope change management and justifies cost changes due to

project scoping changes. Project engineers may create multiple scenarios for a project to explore various possibilities and the rippling effects throughout the entire capital program. The multiple scenario capability under Project Scoping module is on a project by project basis. CIPAce™ Software also provides a multiple scenario analysis feature, to be explained below, that allows multiple scenario analysis at the program level.

Financial scoping can be performed to calculate estimated project cost, operating cost, maintenance cost and Revenue. CIPAce™ Software tightly integrates with Microsoft Excel on forecasting the financials of capital projects. The tight integration with Excel allows the flexibility and the use of powerful functionalities of Excel in estimating project financials; at the same time maintaining the reliability, integrity and multi-user sharing capability of a solid relational database. The item level details of financial numbers are structured and captured in the backend SQL Server database.

The template driven financial scoping approach is maintained and enhanced. Users may follow pre-defined templates to forecast financial outlook online. Users may use different templates to estimate project cost, operating cost, maintenance cost and revenue of the project online using the same excel file. The user organization may modify templates or create new templates as needed. For example, an authorized user may create a construction template to estimate a construction project cost, a building maintenance cost to estimate project maintenance cost and a project revenue template to estimate project revenue. Once the project financial estimate form is initiated following a selected template, the evaluator may modify the structure of the cost estimate form as needed on a project-by-project basis. One or multiple classification structures may be embedded into a financial template. Each classification structure may consist of unlimited level of hierarchies. For example, a template may be set up to allow cost evaluation by Object Code and Work Breakdown Structure (WBS.) Either Object Code or WBS may contain unlimited level hierarchical structures. The template driven approach allows embedding best practices into the financial evaluation effort and minimize redundant work. The risk of overlooking major cost components is minimized.

Project Ranking

This module allows representatives from multiple relevant interest groups to provide input on project priorities from their desktop. Staff and relevant parties involved in the process will use data entry forms to enter their priority judgment, which will be quantified and summarized as an aggregate ranking result. If necessary, the ranking result may be modified by only the administrator to fit changing conditions. The administrator will be able to specify the person(s) who will participate in the ranking process for certain project groups. The administrator may set up multiple ranking rounds as required. This feature allows management and staff to document and justify project priority and funding decisions.

Funding Allocation

This module links funding sources to projects and provides powerful tools to allow users to allocate funding by fund group, fund, project, object code or any other allocation structure as required by your organization. One project may get funding from multiple funds and one fund may fund multiple projects. Funding may be allocated by fund group, fund or project, which establishes a direct linkage between the available funding and the proposed project. CIPAce™ Software updates, synchronizes and displays all numbers on a real time basis as changes are made to project funding sources, fund revenue, allocated amount, project cost, and fund beginning balance. Different colors are used to differentiate between different funding status for projects and funds. For example, over funded projects and funds are marked in red on funding allocation screens.

Other than tracking the allocation numbers, the CIPAce™ Software also provides an effective tool to allow authorized users search through the entire database to identify the following abnormal or unusual conditions in the capital improvement plan:

- Mismatching between fund group revenue and fund revenue. CIPAce™ Software allows fund group and fund revenues to be entered and stored separately to allow maximum flexibility to plan for capital funding. The software will alert the user if the sum of the revenues of funds under a fund group is not equal to the revenue estimate of the fund group itself.
- Mismatching of funding allocation between fund group and fund group's funds. CIPAce™ Software allows funding to be allocated at either the fund group or individual fund level. Funding allocation numbers between fund group and fund may be entered and stored separately to allow maximum flexibility to plan for capital funding allocation. The software will alert the user if the funding allocation numbers between a fund group and funds under the fund group is not equal.
- Projects over funded: This feature lists projects that are allocated with more funding than their project costs required during the planning period.
- Projects under funded – This feature lists projects that are allocated with less funding than their project costs required during the planning period.
- Funds over used: - The feature lists funds that carry a negative balance due to over allocation.
- Funds under used – The feature lists funds that carry a positive balance due to under allocation.

Capital Budget Management

As your organization goes through the funding allocation process and approves the funding allocation numbers as the capital budgets, the CIPAce™ Software administrator may mark the current set of allocation numbers for the budget period as an official budget version. Capital budgets may be modified as needed on an on-going basis. As budget numbers are reviewed, modified

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and approved, the CIPace™ Software administrator may mark the new set of allocation numbers for the budget period as a revised version of official budget. CIPace™ Software will be able to keep track of unlimited number of budget versions as needed and establish an audit trail for your capital budgets.

Project Filtering

This module provides powerful tools to manage the process to determine which projects to fund and not to fund. Project filtering eliminates low priority projects to assure funding availability for high priority projects. The filtering decision may or may not be made based on inputs and results from the Project Scoping and Project Ranking processes. Using this module, an authorized user may filter projects into a funded and unfunded project group with one of the following ways:

- Automatically filter projects based on whether a project has been allocated with 100% of the funding needed under the Funding Allocation module.
- Automatically filter projects based on whether a project has received any funding from any funding sources under the Funding Allocation module.
- Manually specify funded and unfunded projects by an authorized user.

This module allows unlimited rounds of filtering process to exclude the less important projects from the funding process. As this process continues the core team can spend more time and energy on more detailed analysis and evaluation on the remaining project list. Using an incremental method assures that all projects are properly evaluated and the budget remains within the projected revenue limits.

Reporting

This module includes numerous reports for managing the capital improvement program. Most of the report generation pages have a filtering area and a sorting area. The filtering area allows the user to filter the contents to be included in the report according to the individual preference. The sorting area allows the user to sort the order of the report by multiple parameters. The Reporting Module of CIPace™ Software easily produces the entire capital improvement plan with the exception of the Introduction section.

Multiple ways exist for users to modify reports to fit their ongoing needs:

- All reports may be exported to Excel, with original format and layout maintained, for further handling and modifications.
- Project and fund information may be searched and exported to Excel for further handling and modifications.
- Users with knowledge may access to the design view of the report to make modifications.

Software Administration

This module enables the administrator to configure the software to meet your organization's needs and manage numerous backend operations, such as:

- Configure the name of the organization.
- Set up new planning cycles and pull historical planning information into the new cycle to establish a baseline data set.
- Review user login and logout history.
- Export capital budget to XML file or import encumbrance and actual expense details from external XML file in batch.
- Configure the Pull-Down Lists throughout the CIPAce™ Software application.
- Backup and restore database from a user-friendly web interface.

User Management

This module allows the administrator to manage user accounts and status. A regular user may maintain his or her account information from this module as well. An authorized user may set up his or her own working spaces, which define the default planning cycle and working scenario as the user logs into the system.

Project Tracking

This module tracks the implementation of on-going projects, including project encumbrance, actual cost, vendors, time sheet, project scheduling and status. Actual costs may be tracked at the line item level and may be classified by project, by fund or by any other way of classification that the user prefers. Comparison between actual spending and budget, at line item level, can be produced easily from the integrated database. Project managers or staff may use the CIPAce™ Software to manage the payment request and approval process.

Project managers may write up project status reports online to summarize project status and outline project schedules. Project status is configurable according to your organization's needs. As project status is updated along the implementation process, a history of the project progress will be produced as well.

The time sheet feature allows staff or any relevant parties related to projects to record their time spent on projects.

User Access Right Configuration

This module allows the administrator to exercise extensive and flexible access control over the entire application, from a module down to an individual field, and from a specific type of data to an individual data record or data element.

Through an easy-to-use web interface, the administrator can define "write", "read only" or "deny" access rights for a user or a role on the application down to an individual data field or data element level. For example, the administrator may configure a user to be able to access to project A and project E at the project module but not other projects or features throughout the program.

This module offers the following key features to manage access rights:

- Access rights may be enforced by any data element contained in the application. For example, the administrator may assign a user with "write" access to two projects but restrict him from accessing to all the other projects. Other than controlling data access by project, the administrator may control user access by a number of other data types, such as proposal, fund, fund groups, programs, cycles, scenarios, department, district and user-defined dimensions used to classify a variety of data contained in the application.
- Access rights may further be regulated by functional areas of the software. Functional areas may be defined with a hierarchical structure of module – feature – individual item. A feature may be a form, a section on a form or a report. An individual item may be a small area, an individual field, dropdown box, radio button, check box or any other individual user control on a form. For example, the administrator may allow a user to access to the "Project General Information" form but not the "Set Authorization" button on the form.
- Access control may be defined by role or by individual user. Administrators may create or manage role and set default access rights for the role. As a new user is created and assigned with a certain role, the new user will automatically inherit the access rights of the corresponding role. The administrator may change a user's access rights and make the user's access rights to be different from those of the user's corresponding role.

Multiple Scenarios

This module allows authorized users to create and explore different capital plans based on different assumptions. The multiple scenarios feature described here is at the program level. One scenario is essentially one capital plan, which has its own funding and project cost assumptions. A new scenario may draw data from an existing scenario as the starting point. Different assumptions on all aspects of the capital improvement plan, including funding availability, project cost and funding allocations, may be created to allow multiple scenario analysis.

SmartText™ Management

This module allows the administrator to customize terminologies, program messages and instructions throughout the CIPAce™ Software application to

fit the organization's specific needs. Another SmartText™ feature allows the administrator to add or modify the text in the help files to match the terminology and processes used by the organization. The customization is achieved by using an intuitive web user interface.

Custom Field Management

This module allows authorized users to add new data fields on data entry forms for proposals, projects, funds and fund groups. Users may use this feature to track data elements that are not included in the standard version of the software.

Data Classification Management

This module allows authorized users to create multi-layer classification structures from a web interface to classify any data captured by the CIPAce™ Software database. A user may create a multi-layer classification on a web form that assembles the interface of creating multi-layers of folders and sub-folders at Windows Explorer. Once a classification structure is created, an authorized user may deploy the classification structure to classify various data contained in the CIPAce™ Software application.

GIS Module

CIPAce™ Software GIS solution is built on top of ESRI GIS technologies. This solution gives CIPAce™ Software users full access to GIS functionalities related to capital projects. Users may specify location of the project on the map by entering the project site address or draw the location on map as a line or an area. Users may search for projects using a variety of criterion, including their distances in relation to each other, and show the projects on a map. Users may click on a project on the map and pull and display detailed project information out of the CIPAce™ Software.

Document Management

This module serves as an electronic file storage system to allow users to store and organize all project related files online. Users may set up multiple multi-level classification structures to classify every electronic document. Other document management features supported include File Check in / Check out, Get Latest Version, View Historical Versions, Browse by Multi-level Folders and Document Search Engine.

Microsoft Project Server Integration

Microsoft Project Server has now been integrated into CIPAce to become a comprehensive total solution for managing every detail of the entire capital project from the program level down to the individual project level. CIPAce provides the Single Sign-On functionality in the application so the users simply click on the MS Project tab and the system will automatically log into the Project Server.

The CIPAce integration with MS Project allows the user to associate a CIPAce project with a corresponding MS Project just by clicking a hyper link. The user can also create a new MS project in Project Server through the CIPAce application and make an association with a CIPAce project.

Microsoft Project functionalities, including project tracking, project resources management and project tasks, are therefore natively embedded into the CIPAce application. The user can access to these features by clicking the links in the MS Project tab page in the CIPAce application. The screen will forward to the Project Server Web Access page where the user can manage the particular project's task, schedule etc.

Integration with Third-party Applications

CIPAce™ Software provides multiple possibilities to allow data exchange with third-party programs:

- Link to external programs on a real time basis via a pre-defined web service, which is the latest open industry standard for software integration
- Batch data upload and download between programs
- Import/export data and reports to Excel™ spreadsheets

Typical third-party software programs that could be integrated with CIPAce™ Software include:

- Financial Accounting Software
- Timesheet Tracking Software
- GIS System

For pricing information on integration service please refer to the Pricing and Solution section of this proposal.

Data Migration

The Corporation can provide data migration services to import The Customer's historical CIP data into the CIPAce software. The Customer may choose to migrate either only the data of the most recent years or the entire CIP history. For pricing information on data migration service please refer to the Pricing and Solution section of this proposal.

Application Hosting

The Corporation offers a hosting option that will host the CIPAce™ Software application on behalf of the Customer. Hosting customer will be given a public web address and corresponding user names and passwords to access to the application. The Corporation will be responsible for all the hardware, software and internet connection that are required to set up the host application. Customer will be responsible for the connection to the public internet. The Application Hosting service also includes daily data backup and application maintenance. For pricing information on application hosting service please refer to the Pricing and Solution section of this proposal.

Installation and Training

The Corporation assures success for all users by tailoring CIPAce™ Software and training the users on the proper use of the software. Initial software installation and one day's training are included in the purchase price. Travel related expenses will be collected and billed to the city as incurred. For pricing on subsequent training services, please refer to the Pricing and Solution section of this proposal.

CIPPlanner Support and Maintenance

Software Support and Maintenance Contract

Software support and maintenance may be provided via the Corporation's Software Support and Maintenance Contract (SSMC), which offers numerous benefits to The Customer:

- Unlimited technical support via phone or email
- Product upgrades, maintenance releases and patches
- Unlimited user training via phone or Internet
- Priority response for error reports
- Documentation updates
- Unlimited installation support
- Ability to submit suggestions for product enhancements

Product support is provided via telephone (408) 213-0135 or email at support@cipplanner.com on an unlimited basis. Telephone support is provided and available from 8:00 AM – 5:00 PM, Pacific Time, Monday through Friday. The Corporation also provides unlimited email support which may be answered the next business day. Software support provides customers with assistance and information about the general use of the CIPAce™ Software.

Software maintenance is provided for the current version at time of purchase on an on-going basis. Maintenance service includes minor upgrades to features and functionalities as well as on-going bug fixes. The Corporation directs its development team to make continuous improvement to the current version based on feedback from customers under SSMC.

Support and maintenance contract rates are calculated as a percentage of the total perpetual license list price value of CIPPlanner software installed at a site (excluding discounts). Additional software purchased in the mid-term of a contract cycle will be taken into account immediately and its rate will be calculated on a pro-rata basis until the next contract renewal date, after which it will revert to the full rate. Specific contract cost is listed under the Pricing section of this proposal.

The Software Support and Maintenance Contract is attached as Appendix C.

Warranty, License and Documentation

Warranty

The Corporation warrants CIPace™ Software to be fully functional when it is delivered and to conform to all documentation delivered with the software. The Corporation recognizes that every user environment is different and therefore there is a possibility that CIPace™ Software may not work with every possible configuration.

If there is a problem, The Customer agrees to the following:

1. The Customer will document the problem, collecting as much information as possible. This information will be given to CIPPlanner™ via email or fax.
2. Call the help line (650) 605-0800 or email the problem information stating the severity of the problem, and the requested fix.
3. Cooperate in the correction by demonstrating the problem, providing additional information as requested by the Corporation.

The Corporation agrees to resolve problems that The Customer finds in the software. This resolution may include any of the following:

1. Correct the base-line software such that the software conforms to the documentation.
2. Correct the documentation.
3. Provide a work-around solution that provides the desired effect.
4. Create a special version of the software for The Customer. If the required solution falls outside our current version, we may quote a special revision for the customer that solves the problem.
5. Refund The Customer's payment(s) or a portion thereof and/or rescind the contract.

The Corporation will first discuss the proposed solution with The Customer and verify that the solution is the right solution.

The warranty will remain valid for the first ninety (90) days of installation and for each subsequent year as long as the standard support and maintenance agreement is in effect. Corruptions or problems caused by unauthorized operations or changes by Customer are not covered by the warranty and therefore may be billed at the current consulting rate plus travel related expenses.

License

The CIPAce™ Software is offered subject to a license agreement. This agreement limits the use of CIPAce™ Software to The Customer's organization and for the purposes for which CIPAce™ Software was designed. There are two versions of the agreement depending on the type of license required, Perpetual or Annual.

A perpetual license allows the user to use CIPAce™ Software indefinitely. An Annual license requires renewal each year by the payment of an annual fee.

The Customer agrees to execute the license and abide by the terms of the licenses as part of its acceptance of this software.

Documentation

The documentation for CIPAce™ Software is online help files. These files include instruction for the use of the software and interface to the software. Additional electronic documentation may be provided to The Customer free of charge at time of purchase as it becomes available.

Pricing and Solutions

Pricing Structure and Terms

The total cost is the sum of licensing cost, support cost and other optional costs.

Support and Maintenance Contract is priced as a percentage of the total perpetual license price of CIPPlanner software to be installed at the Customer's site. The current rate at writing of this proposal is fifteen percent (15 %.) A service contract includes standard support, new bug fixes and minor upgrade. Software support is provided over the phone and is available from 8 AM – 5 PM Monday through Friday. We also provide unlimited email support. E-mail may be answered the next business day. For additional details on support and maintenance, please see CIPPlanner Support and Maintenance section in this proposal.

Other optional costs include software hosting cost, data migration cost, software integration cost, software hosting cost, custom programming cost, additional onsite training that goes beyond the standard initial one-day training and installation, travel expense reimbursement at cost, and consulting cost. The current rates of the services are listed below. Please note that these rates may be changed without notice.

Hosting cost is \$250 per month. Custom programming and integration is \$150 per hour.

The Data Migration service is priced on a case-by-case basis with an hourly rate of \$100 per hour

A one day initial software installation and training are included in the purchase price. Travel related expenses will be collected and billed to the city as incurred. Subsequent on site training is available at \$450.00 per half day, \$750.00 full day plus expenses. Subsequent web based training is available at \$75.00/ hr.

All proposed licenses and contracts are subject to execution of a Standard Software License Agreement (SSLA) attached to this proposal. The use of the software implies the customer's concurrence with the SSLA.

Proposed Packages and Pricing

Based on previous conversations between The Corporation and The Customer, we propose the following option to Customer as listed in Table 1. Explanations of all CIPAce™ Software modules are listed under the CIPAce™ Software Features section of this proposal.

CIP PLANNER

Modules with quantity 0 are available, and were not included for this contract.
Please notice that Administrator may be a Project Manager as well.

Table 1

Carson City, NV	
Administrator	3
Project Managers	10
Report Viewers	20
CIPPlanner Corp.	
Modules	Licenses
Project Management	10
Fund Management	1
Fund Group Management	1
Project Scoping	10
Project Ranking	1
Fund Allocation	1
Capital Budget Management	1
Project Filtering	1
Standard Reporting	33
Standard Utilities	1
User Management	1
Tracking Actual	10
User Access Right Configuration	1
Multiple Scenarios	0
Smart Text Management	1
Custom Field Management	1
Classification Management	0
GIS Module	10
Documentation Management	10
Project Integration	10
MS Project Server	
MS Project Professional	
MS Project Web Access	
Audit Trail	1
Annual	\$14,262
Annual Support	\$6,418
total Annual	\$20,680
Five Year Total Annual Lic.	\$89,138
Perpetual License Cost	\$42,786
Annual Support	\$6,418
Five Year Total Perpetual Lic.	\$68,458

Table 2 below lists the licensing and support cost based on a Perpetual Licensing of the proposed software package as described in Table 1.

Table 2

Option 1:	
Annual License Cost	\$14,262.00
Annual Maintenance & Support	\$ 6,418.00
Total First Year Cost	\$20,680.00
Total 5 Year Cost	\$89,138.00
Option 2:	
Perpetual Cost	\$42,786.00
Perpetual Maintenance & Support (Yr 2 -5)	\$ 6,418.00
Net First Year Cost	\$42,786.00
Subsequent Years Cost	\$ 6,418.00
Total 5 Year Cost	\$68,458.00

Operating Environment

CIPAce™ Software is a web-based enterprise class software application. The server operating environment required for installing CIPAce™ Software is Windows 2000 or 2003 Server, Microsoft SQL Server 2000 Professional or above and Crystal Report Professional Version 10. Software required on the desktop is Internet Explorer 5.5 or higher and Microsoft Office 2003 Professional. The entire or portion of the software may run either inside the LAN or over the Internet. The Customer may install CIPAce™ Software in its internal server(s) or have The Corporation host the application on The Customer's behalf. Should The Customer chooses to install CIPAce™ Software in its internal server(s), The Customer will need to make the operating environment ready before The Corporation may proceed with the installation.

Terms and Conditions

This proposal is subject to the Corporation's standard terms and conditions:

1. All quotations are for a period of 30 days from the date of the quotation. If the Corporation receives a written request for an extension within the 30 day period, the Corporation will extend the quotation for a maximum of 60 days (total 90 days). If the Customer and the Corporation agree to enter into a Standard Software Evaluation License Agreement based on this quotation, this quotation will be extended, if necessary, to cover the entire evaluation period.
2. Terms are 25% with order, 50% on delivery and training, balance of 25% Net 30. Payment is past due 30 days thereafter. A monthly 1% late payment interest fee will be applied for past-due outstanding balance.
3. If any customization is required, a separate invoice will be prepared and delivered when the customization is completed.
4. Full refunds will be made for the license and service contracts if CIPAce™ Software is shown to be defective within the 30 days of delivery. Thereafter, it will be subject to repair of the defect by the Corporation and the license agreement.
5. The Customer agrees to execute the license and abide by the license terms. In the event that The Customer fails to fully execute the license or for some reason fails to deliver the executed license, its use of CIPAce™ Software shall be sufficient to constitute agreement to be bound by the terms of the license.
6. CIPAce™ Software and documentation of the software will be provided to the Customer electronically.

Statement of Acceptance

By checking the options below and signing this proposal, both parties indicate the acceptance of the terms and conditions described under this proposal and the corresponding appendixes.

Descriptions	
Hosting by CIPPlanner?	Yes / No

Please sign and return two paper copies of proposal and corresponding appendixes back to CIPPlanner Corporation at the following address:

CIPPlanner Corporation
2075 De La Cruz Blvd.
Suite 107
Santa Clara, CA 95050

Upon acceptance, CIPPlanner Corporation will then send one original copy back to you for your files.

The Corporation

By: _____

Name: _____

Title: _____

Date: _____

The Customer

By: _____

Name: _____

Title: _____

Date: _____

Appendix A: Standard Software License Agreement - Perpetual

CIPPLANNER CORPORATION LICENSE AGREEMENT - PERPETUAL

This License Agreement entered into this ___ day of ___, 2006 (the "Effective Date") between CIPPlanner Corporation (hereinafter "Licensor") located in Santa Clara, CA. and _____ (hereinafter "Licensee") located in **Carson City, Nevada**.

1. GRANT OF LICENSE:

Subject to your payment of the applicable fee, Licensor grants you a nonexclusive, nontransferable right to use the CIPAce Software, including documentation, updates and bug fixes, provided all maintenance fees are current, and any additional modules licensed separately (hereinafter defined as "Software"). The Software may be installed on multiple computers and its use is limited to the Licensee. It may not be used by any third party on your behalf.

2. TERM OF LICENSE:

If you have the Software for evaluation purposes, this license will expire Ninety (90) days from the date of this Agreement and the Software will be disabled at that time. If you have licensed the Software, you have a perpetual non-exclusive, non-transferable license to use the Software, subject to the Grant of License above subject to the Termination clause below.

3. INTELLECTUAL PROPERTY NOTICE:

The Program, Documentation and all copies (in whole or part) shall remain the exclusive property of Licensor and its corporate parent. The Software including Documentation is proprietary and is protected by copyright, patent and/or trade secret law. All proprietary notices incorporated in or fixed to the Software including the Documentation shall be duplicated by Licensee on all copies or extracts thereof and shall not be altered, removed or obliterated. Your use of the software and associated documentation is subject to the applicable copyright and patent laws and the express rights and restrictions of this License Agreement

4. RESTRICTIONS:

You may not remove any copyright, trademark, or other proprietary notices from the Software. You may not reverse engineer, decompile, or disassemble the Software. Except as expressly provided under these license terms, nothing herein shall be construed as granting you any license or other right, by implication or otherwise, under any patent, copyright, trademark, trade secret or other proprietary right of Licensor or its corporate parent. You may not continue to use the Software upon expiration or termination of your license rights.

5. WARRANTIES OR LIABILITIES:

If you have licensed this Software on a trial basis it is provided to you "AS IS". You expressly acknowledge and agree that use of the Software is AT YOUR OWN RISK. If you have formally licensed this Software, Licensor warrants and represents to you that:

- Licensor has the right to enter into this Agreement.
- For a period of Ninety (90) days from the date of shipment to you, the Software will substantially conform to the documentation provided for the version of Software licensed.
- The Software media shall be free of defects.

Licensee's sole remedy in the event of nonconformity of the Software at Licensor's option will replace the defective Software or refund the amount paid for the defective Software.

NO OTHER WARRANTY, EXPRESS OR IMPLIED, IS MADE WITH RESPECT TO THE SOFTWARE, DOCUMENTATION OR SERVICES TO BE SUPPLIED HEREUNDER; INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT. NO WARRANTY IS MADE REGARDING THE RESULTS TO BE OBTAINED FROM ANY SOFTWARE OR SERVICES OR THAT ALL ERRORS IN THE SOFTWARE WILL BE CORRECTED, OR THAT THE SOFTWARE'S FUNCTIONALITY WILL MEET LICENSEE'S REQUIREMENTS. Licensee acknowledges its responsibility to regularly back-up data and to adequately test prior to deployment each production version of the Software in a configuration that reasonably simulates Licensee's planned production environment.

THE TOTAL LIABILITY, IF ANY, OF LICENSOR OR ITS PARENT INCLUDING BUT NOT LIMITED TO LIABILITY ARISING OUT OF CONTRACT, TORT, BREACH OF WARRANTY, CLAIMS BY THIRD PARTIES OR OTHERWISE, SHALL NOT IN ANY EVENT EXCEED THE FEES PAID BY LICENSEE FOR THE SOFTWARE OR SERVICES WHICH GIVE RISE TO THE CLAIM. NEITHER LICENSOR NOR ITS PARENT SHALL BE LIABLE FOR LOSS OF PROFITS, LOSS OR INACCURACY OF DATA, OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

6. **TERMINATION:**

Either Party may terminate this Agreement immediately upon written notice for the material breach of the other Party, which material breach has remained uncured for a period of thirty (30) days from the date of delivery of written notice thereof to the breaching Party. Licensor may terminate this Agreement and any licenses granted hereunder immediately for a breach of its Intellectual property rights or failure to pay license fees.

7. **EXPORT CONTROLS:**

You are responsible for compliance with all applicable export or re-export control laws and regulations if you export this software.

8. **GENERAL:**

This Agreement shall be construed, interpreted and applied in accordance with the laws of the State of Nevada, without regard to the principles of conflicts of laws and both parties consent and agree to the jurisdiction of the courts of the State of Nevada located in Carson City, Nevada for enforcement of this Agreement. This Agreement constitutes the entire agreement between Licensor and you, and supersedes any other communications or advertising relating to the software.

Licensor

Licensee

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Appendix B: Non-Disclosure Agreement

This Non-Disclosure Agreement ("Agreement") entered into this _____, 2006, effective as of _____ by and between Keenology™ Corporation dba CIPPlanner™ Corporation, a California company, located at 2075 De La Cruz Blvd., Suite 107, Santa Clara, California 95050, herein called "CIPPlanner" and The City of Carson City, NV with an address located at 201 N Carson St., Carson City, NV 89701 herein called "Confidant".

WHEREAS, CIPPlanner owns certain computer software, other technology and business information which are trade secrets of and/or are proprietary to CIPPlanner or its vendors; and

WHEREAS, Confidant and CIPPlanner wish to discuss certain business transactions which could require each party to disclose confidential information to the other; and

WHEREAS, each party desires to execute this Agreement to evidence their agreement to protect the confidential information of the other.

NOW, THEREFORE, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. CONFIDENTIAL INFORMATION.

1.1. Confidential Information. Confidential Information includes any information, not generally known in the relevant trade or industry, obtained from CIPPlanner or Confidant or its vendors or licensors or which falls within any of the following general categories: (a) information relating to trade secrets of CIPPlanner or Confidant or its vendors or licensors; (b) information relating to existing or contemplated products, services, technology, designs, processes, formulae, computer systems, computer software, algorithms and research or developments of CIPPlanner or Confidant or its vendors or licensors; (c) information relating to the business of CIPPlanner or Confidant or that of its vendors or licensors, including but not limited to, business forms, business plans, policies and documents, business processes and procedures, sales or marketing methods, methods of doing business, customer lists, customer usages and/or requirements, and supplier information; or (d) information marked "Confidential" or "Proprietary."

1.2. Standard of Protection. For five (5) years or for a period of five (5) years following termination of Confidant's contractual relationship(s) with CIPPlanner, whichever is later, each party agrees to keep the Confidential Information of the disclosing party in the strictest confidence, in the manner set forth below:

1.2.1. Neither party shall copy, modify, enhance, compile or assemble (or reverse compile or disassemble), or reverse engineer Confidential Information of the other or anything containing or embodying such Confidential Information and neither party shall directly or indirectly, disclose, divulge, reveal, report or transfer such Confidential Information to any third party or to any individual employed by CIPPlanner or Confidant, other than an employee of CIPPlanner or Confidant having a need to know such Confidential Information and who has executed a confidentiality agreement in substantially the form hereof.

1.2.2. Neither party shall use any Confidential Information or the concepts therein for its own benefit or for the benefit of a third party or for any purpose other than the purpose for which such Confidential Information is being disclosed.

1.2.3. Neither party shall remove any proprietary legends or notices, including copyright notices, appearing on or in the Confidential Information.

1.2.4. Each party shall take appropriate action with respect to each and every person permitted access to any Confidential Information to ensure that each person complies with the confidentiality provisions hereof.

1.2.5. Neither party shall have any obligation with respect to any information which such party ("Recipient") can, by legally sufficient evidence establish:

1.2.6. was already known to the Recipient; or

1.2.7. was or becomes publicly known through no wrongful act of Recipient; or

1.2.8. was rightfully obtained by Recipient from a third party without similar restriction and without breach hereof; or

1.2.9. was used or disclosed by Recipient with the prior written authorization of the disclosing party; or

1.2.10. was disclosed pursuant to the requirement or request of a governmental agency, which disclosure cannot be made in confidence, provided that, in such instance, Recipient shall first give to the disclosing party notice of such requirement or request.

2. **DISCLOSURE.** Notwithstanding anything contained herein to the contrary, in the event that it is unintentionally exposed to any Confidential Information, neither party shall directly or indirectly, disclose, divulge, reveal, report or transfer such Confidential Information to any person or entity or use such Confidential Information for any purpose whatsoever.

3. **MODIFICATION; WAIVER.** No modifications of this Agreement or waiver of any of its terms will be effective unless set forth in a writing signed by the party against whom it is sought to be enforced.

4. **GOVERNING LAWS.** This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Nevada covering contracts made and to be performed in that State, without regard to its conflicts of laws principles. Further, the parties irrevocably agree that any legal action or proceedings brought by or against them with respect to this Agreement shall be brought in the courts of the State of Nevada located in Carson City, Nevada and, by execution and delivery hereof, the parties irrevocably submit to such jurisdiction and hereby irrevocably waive any and all objections which they may have with respect to venue in any of the above courts.

5. **REMEDIES.** Each party acknowledges that the unauthorized disclosure of each party's Confidential Information will diminish the value of the proprietary interests of the other or its vendors or licensors therein. Accordingly, it is agreed that if either party breaches its obligations the other shall be entitled to equitable relief to protect its interests, including but not limited to injunctive relief, as well as monetary damages.

6. **ATTORNEYS' FEES.** The prevailing party in any action brought for the enforcement or interpretation of this Agreement shall be entitled to receive from the losing party a reasonable sum for its attorneys' fees and costs of litigation, in addition to any other relief to which it may be entitled.

7. **ASSIGNMENT.** Confidant may not assign its rights or delegate its obligations hereunder.

8. **SEVERABILITY.** The provisions of this Agreement shall be deemed severable, and the invalidity or enforceability of any one or more of the provisions hereof shall not affect the validity and enforceability of the other provisions hereof.

9. **COUNTERPARTS.** This Agreement may be executed in counterparts, each of which will be deemed an original and all of which together will constitute one instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the day and year first above written.

CIPPlanner Corporation

BY: _____

PRINTED NAME: _____

TITLE: _____

DATE: _____

CONFIDANT

BY: _____

PRINTED NAME: _____

TITLE: _____

DATE: _____

Appendix C: Software Support and Maintenance Contract

This Contract entered into this ____ day of _____, 2006 (the "Effective Date") between Keenology™ Corporation dba CIPPlanner™ Corporation (hereinafter "CIPPlanner") located in Santa Clara, CA. and The City of Carson City, NV (hereinafter "Licensee") located in Carson City, NV 89030.

1. Software Support and Maintenance to be provided

- 1.1. Advice and assistance through telephone support are available during normal working hours (8:00 AM to 5:00 PM PST) Monday to Friday excluding statutory holidays.
- 1.2. Support is available by phone at 408-340-0135 or email at support@cipplanner.com. This support is provided to the Licensee on a "best efforts" basis, and may include suggestions for short term "work around" solutions, and/or the provision of modifications to the software or documentation as deemed appropriate by CIPPlanner. This support does not provide support cover for any hardware (i.e. computers, sample makers etc.) or third-party software products supplied by any other third parties. It is the customer's sole responsibility to take steps to source the necessary cover for such items.
- 1.3. Program upgrades to the software and documentation licensed under the Standard Software License Contract will be furnished on request or when released by CIPPlanner. CIPPlanner's policy is to utilize the Internet for software distribution and installation support. Users requiring media will be responsible for both media and shipping costs. Users who require onsite installation service by a CIPPlanner technician will be responsible for the technician's travel expenses and travel time to be charged at the current rate.
- 1.4. Software minor upgrades, patch releases and installation assistances to all versions of CIPAce™ Software are made available at no additional cost, other than as described above, to users with a current Support and Maintenance Contract.

2. Licensee Obligations

All materials supplied under this Contract are supplied under the same terms and conditions as contained in CIPPlanner's Standard Software License and are to be used for the sole purpose of upgrading existing systems for which the Licensee has a valid Support Contract.

3. Duration and Consideration

- 3.1. The duration of this Contract shall be for a period of twelve months from the date agreed at time of purchase. Unless notified otherwise, CIPPlanner will automatically extend the Contract every year for one additional year and invoice the Licensee accordingly. In the event of a revised fee CIPPlanner will inform the Licensee not less than thirty (30) days before renewal is due.
- 3.2. This Contract may be terminated by the Licensee subject to the following provisions. Licensee must notify CIPPlanner of intention not to renew no less than thirty (30) days before the annual renewal date.
- 3.3. If the Licensee fails to remit charges due to CIPPlanner by the due date, CIPPlanner's obligations to the Licensee under the terms of this Contract cease immediately.
- 3.4. If this Contract lapses, as in 3.3. above, CIPPlanner reserves the right to charge a fee for the reinstatement of the Contract. The fee for this will be payment of all overdue maintenance and an additional charge based on 10% of the current Support and Maintenance Contract list price.

4. Limitation of Liability

In no event will CIPPlanner be liable for any damages, including loss of profits, or any other direct, indirect, incidental or consequential damages, arising from the use of, or the inability to use, the software.

5. Governing Laws

This Contract will be governed by the Laws of the State of Nevada, USA and both parties consent and agree to the jurisdiction of the courts of the State of Nevada located in Carson City, Nevada for enforcement of this Agreement.

6. Correspondence

Any materials or communications sent to the Licensee by CIPPlanner under this Contract will be sent by first class letter post, Internet Email or facsimile.

CIPPlanner

Licensee

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____