



ORIGINAL

CITY OF SCHERTZ

UTILITY BILLING ENHANCED CUSTOMER PORTAL

2019-020

TUESDAY, AUGUST 13, 2019

LORI DUDLEY
5519 53RD STREET, LUBBOCK, TX 79414
800.646.2633 EXT. 798003
LORI.DUDLEY@TYLERTECH.COM





COPY

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RESTRICTIONS ON DISCLOSURE

This proposal from Tyler Technologies, Inc. (“Tyler”) contains proprietary and confidential information, including trade secrets, belonging to Tyler or Tyler’s partners. Tyler is submitting this proposal on the express condition that the following portions will not be duplicated, disclosed, or otherwise made available, except for internal evaluation purposes:

- Response to the Functional Requirements, or “Checklist”
- Line-item pricing (total proposed contract amount may be disclosed)
- Screen shots, if any
- Customized Statement of Work/Implementation Plan

Each of these sections has separately been labeled “Proprietary and Confidential – Subject to Restrictions on Disclosure.”

To the extent disclosure of those portions is requested or ordered, Tyler requires written notice of the request or order. If disclosure is subject to Tyler’s permission, Tyler will grant that permission in writing, in Tyler’s sole discretion. If disclosure is subject to a court or other legal order, Tyler will take whatever action Tyler deems necessary to protect its proprietary and confidential information and will assume all responsibility and liability associated with that action.

Tyler agrees that any portions not listed above and marked accordingly are to be made available for public disclosure, as required under applicable public records laws and procurement processes.

TRADEMARKS DISCLAIMER

Because of the nature of this proposal, third-party hardware and software products may be mentioned by name. These names may be trademarked by the companies that manufacture the products. It is not Tyler’s intent to claim these names or trademarks as our own.

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5519 53rd Street
Lubbock, TX 79414
P: 800.646.2633
F: 806.797.4849
www.tylertech.com

August 13, 2019

City of Schertz
Julie Gohlke
Purchasing and Asset Manager
Purchasing and Asset Management Department
1400 Schertz Parkway, Bldg # 2
Schertz, TX 78154

Dear Ms. Gohlke,

Tyler Technologies, Inc. (Tyler) is pleased to offer this proposal in response to the City of Schertz's RFP for Utility Billing Enhanced Customer Portal. We are confident that Tyler's Incode solution brings the right mix of resources, experience, and technology to foster an environment for success.

After carefully reviewing the project goals, objectives and requirements defined within the RFP, we are excited about the opportunity to work with the City of Schertz on this project and expand our relationship with the City. Only Tyler can provide full integration with the City's Incode Utility Billing software.

This proposal and cost schedule is valid and binding for 120 days following the RFP due date. Except as set forth in this proposal, this proposal can be released in part or in total as public information in accordance with the requirements of the laws covering same.

Tyler continually seeks out business partners to share in our success rather than just customers. Our partners, like you, understand the difference between value and cost and want what is best for their communities. If you have any questions, please contact Lori Dudley, your Account Representative at 800.646.2633 ext. 798003 or via email at Lori.Dudley@tylertech.com for more information.

Tyler Technologies authorizes the signatory of this letter to negotiate and bind Tyler Technologies to this response.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Dane Womble".

Dane Womble
President – Local Government Division, Tyler Technologies, Inc.
Tyler Technologies, Inc. is a publicly traded corporation (NYSE: TYL)
EIN: 75-2303920

TAB A: EXECUTION OF OFFER

EXECUTION OF OFFER

Proposal of: Tyler Technologies, Inc.
(Proposer Company Name)

To: **The City of Schertz**
RFP Title:UTILITY BILLING ENHANCED CUSTOMER PORTAL
RFP#:2019-020

This Proposal shall remain in effect for the Proposal Validity Period (ref Section 3.3) and shall be exclusive of federal excise and state and local sales tax (exempt).

The person signing this Response on behalf of the Offeror represents to Owner that:

- (1) The information provided herein is true, complete and accurate to the best of the knowledge and belief of the undersigned; and
- (2) He/she has full authority to execute this Response on behalf of Offerors.
- (3) Offeror has received the Addenda to this RFP, specifically, Addenda numbered _____.

Executed this 7th day of August, 2019

<u>Tyler Technologies, Inc.</u>	
Entity Name	Signature

<u>5519 53rd Street</u>	<u>Dane Womble</u>
Street & Mailing Address	Printed Name of Signatory

<u>Lubbock, TX 79414</u>	<u>President LGD</u>
City, State and Zip	Title of Signatory

<u>800.646.2633</u>	<u>806.797.4849</u>
Telephone Number	Fax Number

<u>Lori.dudley@tylertech.com</u>	<u>806.928.1783</u>
Email Address	Mobile Number



Tab A: Execution of Offer

TAB B: PROPOSERS QUESTIONNAIRE

Proposals must include responses to the questions contained in this Proposer's General Questionnaire. Proposer should reference the item number and repeat the question in its response. In cases where a question does not apply or if unable to respond, Proposer should refer to the item number, repeat the question, and indicate N/A (Not Applicable) or N/R (No Response), as appropriate. Proposer will explain the reason when responding N/A or N/R.

7.1 Proposer Profile

7.1.1 Number of years in Business: 35th years

State of incorporation: Delaware

Number of Employees: over 400 within the LGD Division

Annual Revenues Volume: 2018 - \$935M

Name of Parent Corporation, if any N/A

7.1.2 State whether Proposer will provide a copy of its financial statements for the past two (2) years, if requested by the City.

Tyler will provide copies of the last 2 years of financial statements upon request.

7.1.3 Proposer will provide a financial rating of the Proposer entity and any related documentation (such as a Dunn and Bradstreet analysis) that indicates the financial stability of Proposer.

Tyler's Dunn and Bradstreet number is 04-108-9293. Tyler will be happy to provide the report to the City upon further request.

7.1.4 Is Proposer currently for sale or involved in any transaction to expand or to become acquired by another business entity? If yes, Proposer will explain the expected impact, both in organizational and directional terms.

Tyler is not at liberty to discuss any potential sale, expansion or acquisition, as Tyler is a publicly traded company and such knowledge would constitute insider information.

7.1.5 Proposer will provide any details of all past or pending litigation or claims filed against Proposer that would affect its performance under the Agreement with City (if any).

Tyler's Local Government Division is not presently involved in any litigation and has not been subject to any recent judgments which would affect the provision of software or services pursuant to this procurement. Out of an abundance of caution, Tyler is disclosing currently pending litigation against it that involves, directly or indirectly, other Tyler software or services, as well as recent litigation.

Tab B: Proposers Questionnaire

Again, though, none of these litigations could reasonably be expected to materially affect the provision of software or services pursuant to this procurement:

Pending Litigation:

- *Greene v. Tyler Technologies, Inc.* (United States District Court for the Northern District of Georgia, No. 19-CV-1338): On March 26, 2019, an individual plaintiff filed an overtime wages action under the Fair Labor Standards Act. Plaintiff was originally hired by an entity, known as ExecuTime, that Tyler acquired. Plaintiff alleges that both ExecuTime, and then Tyler, improperly classified plaintiff as exempt from the FLSA's maximum hour provisions. Plaintiff alleges Tyler should not have paid, and should not pay, the annual salary it has paid her, but should instead pay her an hourly wage and overtime. Plaintiff's claim is misplaced, and Tyler looks forward to a favorable resolution of the lawsuit.
- *Stern v. Snohomish County, d/b/a Snohomish County 911 ("Sno911") et al.* (Snohomish County Superior Court, State of Washington, No. 18-2-05901-31): On January 24, 2019, Darrin Stern, a former employee of Sno911, a Tyler client in live production on the New World Public Safety software, added Tyler to a lawsuit already pending by Mr. Stern against Sno911. Mr. Stern alleges that Sno911 discriminated against him by failing to accommodate his alleged disability – color-blindness. He alleges a single claim against Tyler: that Tyler aided and abetted Sno911's discrimination against, and wrongful discharge of, Mr. Stern. Tyler had no role in Sno911's employment decisions relating to Mr. Stern. For that and other reasons, Tyler is confident that Mr. Stern's claims against Tyler are meritless.
- *Alleged Class Action in the Western District of Tennessee*: On January 9, 2017, a lawsuit was filed against Tyler, Shelby County, Tennessee, and various Shelby County officials in a federal district court in Tennessee. That lawsuit was consolidated with a November 2016 lawsuit that had been filed against the Shelby County Sheriff alone. The consolidated complaint, filed March 24, 2017, alleges that Shelby County and officials in the County unlawfully detained certain inmates in the County jail. Tyler implemented its Odyssey case management system in Shelby County courts, but the lawsuit tries to claim that Tyler's software was somehow connected to the allegedly unlawful detentions in the County jail. On October 31, 2017, another class action lawsuit, alleging almost identical facts and claims against the same group of defendants, was filed by a second set of plaintiffs' lawyers on behalf of a second set of alleged class action plaintiffs. Tyler successfully moved for the second-filed suit be consolidated with the first. Since that time, the consolidated plaintiffs have filed multiple amended complaints. Tyler moved to dismiss the lawsuit, and that motion was granted in part, leaving only one claim pending against Tyler. Tyler is confident in its defense against that claim.
- *Tyler Technologies, Inc. v. Force Multiplier Solutions, Inc. et al.*: On August 8, 2017, Tyler sued Force Multiplier Solutions, Inc. and affiliated entities in a Texas state court for breach of contract and related equitable claims. FMS is a reseller of certain Tyler school products. Despite Tyler's various attempts to secure payment, the FMS entities have refused to satisfy an outstanding receivable in excess of \$200,000. Tyler brought the lawsuit to enforce its contractual right to payment. The court granted summary judgment in Tyler's favor.

Tab B: Proposers Questionnaire

Recent Litigation:

- *Sacramento Regional Public Safety Communications Center (“SacFire”) v. Tyler Technologies, Inc.* (E.D. Cal. No. 2:18-cv-01111): On June 22, 2018, SacFire filed a lawsuit against Tyler relating to a proposal submitted by Tyler’s predecessor-in-interest, New World Systems Corporation, and a contract arising out of that proposal that SacFire and Tyler executed soon after Tyler acquired New World. The lawsuit asserts four claims relating to the proposal and the parties’ resulting contract. The lawsuit was baseless. Tyler filed a motion to dismiss the lawsuit, and one of SacFire’s claims was dismissed. The parties subsequently negotiated a mutually agreeable resolution of the remaining claims, and SacFire dismissed the case with prejudice. The Court entered that dismissal on July 17, 2019.
- *Daniels Law LLC, et al, vs. Tyler Technologies, Inc.* (Gwinnett County Superior Court, State of Georgia, No. 19-A-00687-6): On January 31, 2019, three named plaintiffs filed an alleged class action relating to certain transaction fees assessed in connection with use of eFileGA, an electronic filing solution Tyler makes available to courts in Georgia. The lawsuit appeared to be based on plaintiffs’ misunderstanding or mischaracterization of the State legislation outlining permissible fees for electronic filings and/or the fee structure Tyler has deployed consistent with that legislation. Tyler filed a motion to dismiss, and the plaintiffs ultimately responded by dismissing the lawsuit. The stipulation of dismissal was filed on July 12, 2019.
- *Von Lossberg v. Tyler Technologies, Inc. et al.* (4th Judicial District, Ada County, Idaho, No. CV01-18-12607): On July 15, 2018, plaintiffs, parents of an adult son, filed a lawsuit against Tyler, the State of Idaho, the Idaho State Police, Ada County and John/Jane Does 1-10. The lawsuit alleged that the adult son committed suicide using a handgun he should not have been allowed to purchase because an Order of Commitment had been entered against him. The county he resided in – Ada County – uses Odyssey and integrates from Odyssey with the Idaho State Police (“ISP”) to share information such as Orders of Commitment. It is undisputed that Tyler did not develop, implement or maintain that integration. Moreover, the complaint acknowledges that “the Ada County clerk’s office was sending Commitment Orders and the ISP was receiving them, but ISP’s system was not processing any of the information.” It is also undisputed that Tyler did not develop, implement or maintain the ISP’s system. Tyler moved to dismiss the lawsuit, and the court converted Tyler’s motion to a motion for summary judgment. Prior to that motion deadline, the plaintiffs agreed to dismiss the lawsuit against Tyler with prejudice, and the parties mutually agreed to related terms to resolve the lawsuit. The order dismissing Tyler from the lawsuit was entered by the court on June 18, 2019.
- *Muranelli v. Town of Ossining et al.* (State of New York): An individual property owner sued the Town of Ossining, NY and the Town’s Assessor for the 2016 assessment of the individual’s real property seeking declaratory relief based on an alleged error in that assessment. The property owner served Tyler with the lawsuit in April 2018, apparently because Tyler performed a revaluation for the Town; however, there is no claim against Tyler and the relief sought cannot be provided by Tyler. As Tyler was preparing its motion to dismiss, the parties were able to resolve the litigation on mutually agreeable terms.

Tab B: Proposers Questionnaire

- *Vision Appraisal Technology Holdings, LLC v. Tyler Technologies, Inc.*: On November 3, 2017, Vision sued Tyler in a Massachusetts Superior Court. Vision claims Tyler violated a non-disclosure agreement relating to Tyler's appraisal services business by hiring employees who had been employed by Vision. Tyler filed a motion to dismiss, and while that motion was pending, the parties agreed to a resolution of the dispute. That agreed resolution was filed with the Court on June 29, 2018.
- *Munetrix, LLC v. Socrata, Inc.* (E.D. Mich. No. 2:17-cv-12598): Prior to its acquisition by Tyler, Socrata was sued by a Michigan company on claims relating to a contract award to Socrata by the State of Michigan. The lawsuit was resolved by the parties through a mutually agreeable resolution, which resolution was also finalized prior to the acquisition.
- *Isabella v. Tyler Technologies, Inc.* (6:15-cv-00684): In 2015, Tyler's ERP & Schools division was sued by a single plaintiff in a New York federal district court on claims relating to alleged employment discrimination. Tyler strongly contested the plaintiff's allegations, and the parties were able to resolve the claims. The lawsuit was dismissed on mutually agreeable terms in 2016.
- *Tyler Technologies, Inc. v. VBConversions, LLC* (4:14-cv-00150): In 2014, Tyler, on behalf of its ERP & Schools division, filed a declaratory judgment action against a software provider (VBConversions, LLC) in a Texas federal court. In response, VBC sued Tyler for copyright infringement and related statutory violations in a California federal court. VBC is referred to by many in the industry as a "troll," and Tyler successfully negotiated a mutual release and settlement. Each lawsuit was dismissed.

7.1.6 Is Proposer currently in default on any loan agreement or financing agreement with any bank, financial institution, or other entity? If yes, Proposer will specify the pertinent date(s), details, circumstances, and describe the current prospects for resolution.

No

7.1.7 Proposer will provide a customer reference list of no less than three (3) organizations with which Proposer currently has contracts and/or to which Proposer has previously provided services (within the past five (5) years) of a type and scope similar to those required by City's RFP. Proposer will include in its customer reference list the customer's company name, contact person, telephone, number, project, description, length of business relationship, and background of services provided by Proposer.

The 3 below references all use INCODE's Utility Billing software solution, along with the Utility Billing online payments portal and are currently in progress for the implementation of the Tyler Smart Meter portal. These clients have worked closely with INCODE development to design and test the Tyler Smart Meter portal and they should go live by the end of August 2019.

City of Anadarko, OK – Jo Spanglehour, (405) 247-2481 ext. 115 – Incode client since 1995.

City of Wagoner, OK – Pam Stick, (918) 485-4586 – Incode client since 1995.

East Valley Water District, CA – Crystal Hess, (909) 889-9501 – Incode client since 2013.

Tab B: Proposers Questionnaire

7.1.8 Does any relationship exist (whether by family kinship, business association, capital funding agreement, or any other such relationship) between Proposer and any employee of City? If yes, Proposer will explain.

No

7.2 Approach to Project Services

7.2.1 Proposer will provide a statement of the Proposer's service approach and will describe any unique benefits to the City from doing business with Proposer. Proposer will briefly describe its approach for each of the required services identified in **Section 5, Scope of Work** of this RFP.

Tyler has addressed questions in Section 5 in Tab C below of this RFP Response.

TYLER SMART METERS

Designed for utilities currently using an Advanced Metering Infrastructure (AMI) system along with Incode Utility Billing Online™, Tyler Smart Meters™ helps minimize office calls by expanding your customer's online self-service options, while giving your employees new tools to quickly resolve billing and service issues.

Using advanced analytics, Tyler Smart Meters monitors consumption for all accounts in your service area. When problems are identified, your customers can be proactively alerted via text message, phone call, or email.

ADD VALUE FOR YOUR UTILITY

Tyler Smart Meters delivers valuable capabilities to utility staff that drive cost savings and improve operational efficiency.

QUICKLY RESOLVE SUPPORT CALLS

By combining near real-time data from your AMI system and intuitive graphical tools, employees can review consumption patterns and quickly determine the status of an account. This process reduces costly onsite visits and frees up staff time for other important tasks.

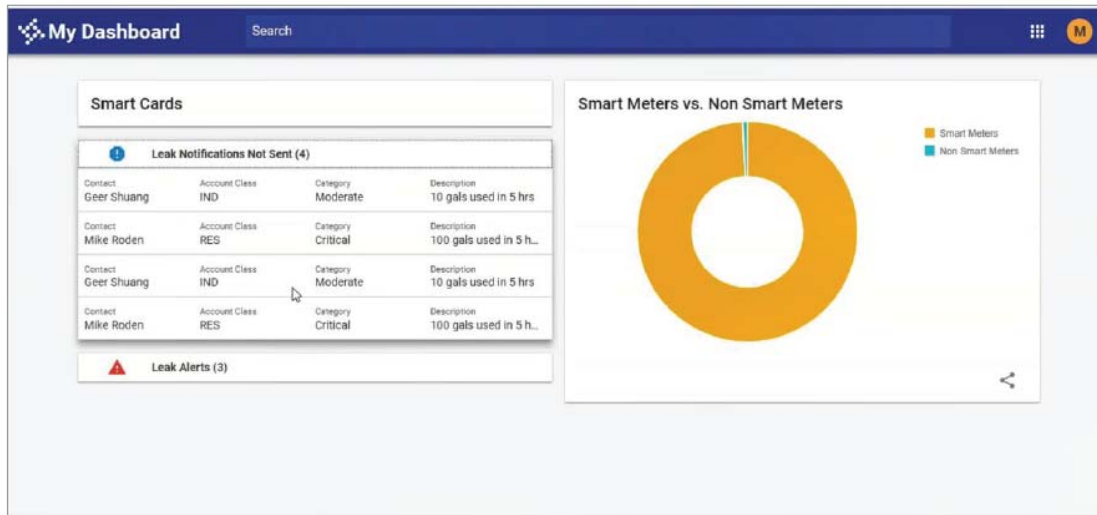
RECEIVE LEAK DETECTION ALERTS

Tyler Smart Meters continually analyzes meter data for all service connections to determine when an account may be experiencing abnormal usage or a leak. When a problem is detected, customers can be alerted in their preferred communication method.

Benefits of Tyler Smart Meters

- Reduce high bill complaints
- Resolve customer complaints faster
- Identify leaks and alert customers
- Minimize onsite visits
- Expand self-service options
- Access portal from any device (desktop, tablet, phone)
- Enhance customer experience
- Gather data from any AMI system
- Integrate with Incode Utility Billing Online

Tab B: Proposers Questionnaire



A clerk's dashboard allows utility employees to easily monitor and troubleshoot the service area.

UNCOVER REVENUE-IMPACTING METER ISSUES

Identifying active accounts with no usage, inactive accounts with usage, and reverse flow situations enables utilities to prevent lost revenue from meter malfunctions, theft, and customer errors.

INTEGRATE WITH INCODE AND ALL AMI SYSTEMS

Tyler Smart Meters is tightly integrated with your installed Incode application, making it easy for your staff members to learn and use. Through a clerk's dashboard, employees can access expanded capabilities for troubleshooting and monitoring the service area.

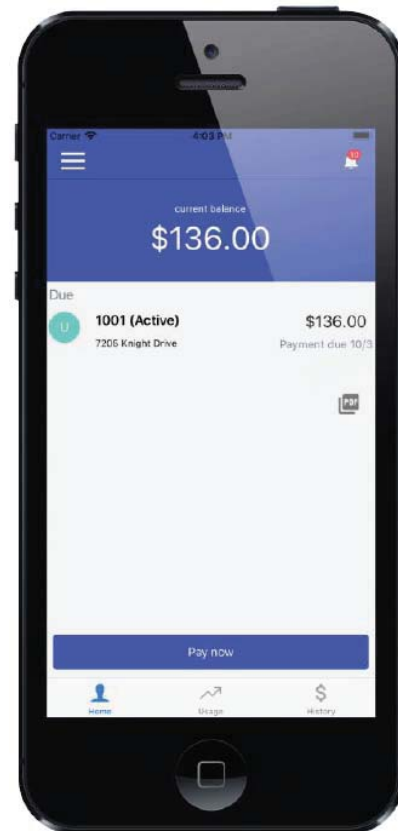
In addition, Tyler Smart Meters works with all major AMI systems including Neptune, Sensus, Badger, Aclara, Itron, Landis+Gyr, and more.

DELIVER A BETTER CUSTOMER EXPERIENCE

The benefits of Tyler Smart Meters don't stop with your utility and its employees. Your customers will realize unprecedented benefits as well.

ELIMINATE SURPRISE BILLS

Customers who register can specify billing (dollars) and usage (gallons, kWh, CCFs) thresholds they do not wish to exceed. The system will automatically notify them when they're approaching those thresholds, preventing a surprise bill or unexpectedly high consumption.



Subscribers have access to their account information 24/7/365 from any device (desktop, tablet, phone).

Tab B: Proposers Questionnaire

EXPAND AND ENCOURAGE SELF-SERVICE

At any time during the billing cycle, your utility customers can log in and see an estimate of their billing. Usage information is presented in graphs with yearly, monthly, daily, and hourly views, making it easier for customers to understand and control their utility consumption. Comparison graphs are available to assist customers looking to conserve.

By empowering customers with on-demand access to their smart meter data, Tyler Smart Meters effectively expands your utility’s hours of operation and enables customer to get answers to their questions without placing a support call.

Subscribers benefit from 24/7/365 access via phone, tablet, laptop, or desktop computer.

7.2.2 Proposer will provide an estimate of the earliest starting date for services following execution of the Agreement.

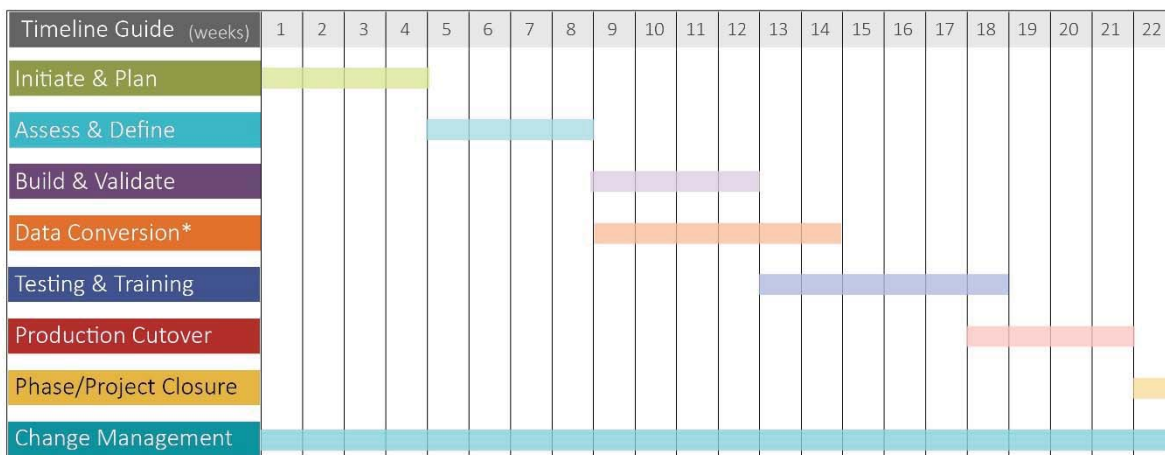
Implementation will be 12 to 18 weeks after contract is signed and the meter reading vendor provides meter reading file. Tyler can’t start the implementation process until the meter reading vendor has provided Tyler with the necessary files to populate the portal.

7.2.3 Proposer will submit a work plan with key dates and milestones. The work plan should include:

- 7.2.3.1** Identification of tasks to be performed;
- 7.2.3.2** Time frames to perform the identified tasks;
- 7.2.3.3** Project management methodology;
- 7.2.3.4** Project roles and responsibilities;
- 7.2.3.5** Project change control procedure; and
- 7.2.3.4** Implementation strategy.

IMPLEMENTATION GUIDE

The Implementation Sample Gantt chart is included here as a reference tool to see the most ideal scenario for your software implementation. This is merely a suggested timeline and is in no way a commitment from Tyler.



*If included in scope of project. Review scope or cost summary for details

Tab B: Proposers Questionnaire

When a client purchases, Tyler will reach out to the City with the below list of responsibility breakdown. Tyler cannot start our work until the meter reading vendor provides us with files.

Tyler Technologies:

- Work with Meter Reading Vendor to start usage data export process (2 weeks)
- Create integration with meter reading vendor (4 to 6 weeks)
- Test files obtained from meter reading vendor (2 to 3 weeks)
- Set up test accounts and complete testing (2 weeks)
- Training for Smart Meter Portal and BackOffice (1 day)
- Training for Clerk Dashboard (1 day)
- Flag all meters as Smart Meters (gradual rollout) (1 day)

Schertz, TX:

- Provide Tyler with contact info for meter reading vendor and facilitate introductions/meetings (1 week)
- Send Tyler the meter reading vendor's SOW prior to signing
- Compile a list of 5-10 account numbers for testing (plus sample bills) (1 day)
- Complete SMTP Setup Survey (1 day)
- Attend Training for Smart Meter Portal and BackOffice (1 day)
- Attend Training for Clerk Dashboard (1 day)
- Flag all meters as Smart Meters (gradual rollout) (1 day)

7.2.4 Proposer will describe the types of reports or other written documents Proposer will provide (if any) and the frequency of reporting, if more frequent than required in the RFP. Proposer will include samples of reports and documents if appropriate.

The clerk dashboard contains widgets and smart cards that give the clerk a view of all the alerts that are happening with Tyler Smart Meter portal.

Alert/Widget Definitions

Type	Description	Smart Card	Widget
Leak Alert	This alert notifies a citizen when a leak is detected based on consumption received from an AMI vendor. A leak is flagged on a meter having consumption values for 24 consecutive hours. BackOffice has a configuration that allows for setting min/max values within an account class and category. Leaks are categorized as Moderate, Severe, and Critical and each category can be set to automatically notify the citizen. A summary of leak alerts that were created will be available to clerk as a smartcard on the Clerk Dashboard.	X	

Tab B: Proposers Questionnaire

Billing Threshold Alert	This alert notifies a citizen when their total bill is estimated to be above a threshold they have previously set. This estimated bill amount is a point in time estimate, not projected through the end of the billing cycle. This alert gives the citizen an early warning that their bill might end up being higher than expected. A summary of billing threshold alerts that were created will be available to clerk as a smartcard on the Clerk Dashboard.	X	
Consumption Threshold Alert	This alert notifies a citizen when their consumption has reached an amount above a threshold they have previously set. This is another way for the citizen to keep a close watch on their consumption usage. A summary of consumption threshold alerts that were created will be available to clerk as a smartcard on the Clerk Dashboard.	X	
Active Accounts without Usage	This smartcard will show meters that are being synchronized (marked as Smart Meter) but haven't reported any consumption from the AMI vendor.	X	
Non-Revenue Leak Alerts	This smartcard will show leak alerts that were produced by TSM but that aren't tied to a specific account in the UB application.	X	
Meters Not Reporting	This smartcard will show a list of meters that have not reported consumption within the last day.	X	
Total Number of Meter Reporting	This is an overview for the past 7 days on which meters are reporting and which meters are not. This allows the clerk to see at a glance how many meters are not showing consumption.		X
Spike in Usage % Above Daily Average User Alert	This smartcard will show a list of meters with a spike in usage. BackOffice has a configuration that allows for setting a Spike in Usage % within an account class for each service.	X	

Tab B: Proposers Questionnaire

Total Community Consumption VS Meters Reporting	<p>This is a graph that shows a rolling 7 days of total community consumption with a line representing meters reporting. This gives the clerk the ability to see at a glance what their consumption is for a given service, along with the number of meters that are reporting to make up that consumption. This graph has a drop down to switch between services.</p> <p>Total community consumption = the total consumption per day for ALL meters of a certain service</p>		X
Notifications sent by Type/Notification History	<p>This is a graph that categorizes alerts that went out automatically by the system. This allows the clerk to quickly review how many alerts went out without having to run a report. There is a drop down that allows the clerk to switch between Leak Alerts, Leak Alerts Not Sent, Billing Threshold Alerts, and Consumption Threshold Alerts. If the clerk wants to review the actual alerts that went out, they would check the appropriate Smart Cards.</p>		X
Reverse Flow Alert	<p>This smartcard will show accounts that are flagged for reverse flow.</p>	X	

7.3 Solution Specific Questions

7.3.1 Describe the process to withdraw the consumption data from Harmony, that collects the reads, and upload that data to your solution.

It is expected that Harmony will generate a file with hourly reads for meters in the AMI system and upload this to an SFTP site. It is preferred that Harmony uses their own SFTP site. In this case, Tyler would need credentials to be able to read the files from that server. If this setup is not possible, Tyler can provide the SFTP site and provide credentials to Harmony to upload the files. Tyler will provide the file format to generate these files and also the naming conventions. The frequency of these file drops could be anything from one to 4 times a day. Harmony would need to clarify how missing reads are handled (would this be a separate file, or would they just be included in the next file drop).

7.3.2 Describe the process to upload billing data from Incode, the billing and customer account software, to your solution.

The Tyler Smart Meter portal is automatically already integrated with the INCODE Utility Billing software application.

Tab B: Proposers Questionnaire

7.3.3 Describe the payment process, including required payment processors and gateways that need to be set up, and how payment information is received from your solution and will be recorded onto the customer's Incode account.

Schertz already utilizes Tyler's online payment portal, <https://www.municipalonlinepayments.com/schertztx/> so there is no need to setup a new merchant processor. Payments will remain the same as they are processed today.

7.3.4 Describe the process for which the customer would go through to view their charges and make a payment.

Schertz already utilizes Tyler's online payment portal, <https://www.municipalonlinepayments.com/schertztx/> so payments will remain the same as they are processed today.

7.4 Miscellaneous

7.4.1 Proposer will provide a list of any additional services or benefits not otherwise identified in this RFP that Proposer would propose to provide to City.

INTERACTIVE VOICE RESPONSE – UTILITY BILLING

Is your utility billing office being inundated with calls from customers needing to check the status of their account or make a payment? With Incode® Utility Billing Interactive Voice Response (IVR), customers have the ability to conduct their business by phone, bringing new meaning to customer service while simultaneously increasing staff efficiency.

BENEFITS OF UTILITY BILLING IVR:

- Reduce lobby lines and customer wait times
- Increase access to customer information
- Boost staff efficiency by decreasing customer service calls
- Improve customer response times and increase collections
- Access up-to-date account information through integration with Incode Cashiering or Cash Collections

HOW IT WORKS:

1. The utility billing customer calls a dedicated phone number and is prompted to enter their account information using their phone's keypad, including account number and address.
2. Account information including balance and due date is given and the customer is prompted to make a payment.

Tab B: Proposers Questionnaire

3. The customer is prompted to enter credit card information and receives a confirmation number.
4. Payment transaction results are pushed in real time to Incode Cashiering or Cash Collections.

Note: IVR is available only to users of Incode and Incode 10 Utility Billing.

INCODE NOTIFY FOR UTILITIES

Tyler's Incode Notify for Utilities relieves your staff of the duty of contacting utility customers regarding matters such as billing delinquencies, cut-off notices and more by allowing users the capability to create and send customized phone messages in an audited environment—even during the past due and penalty process phases.

After a call is made, Incode Notify for Utilities posts back to the host server confirming delivery. For example, during a call campaign the result of each call will be recorded back to the system indicating whether the call was answered, the line was busy or if the call was picked up by an answering machine or voicemail. This helps you ensure all citizens are notified appropriately and enables you to easily set up follow-up campaigns as needed.

Incode Notify for Utilities gives you the ability to:

- Send courtesy messages, penalty notifications or 24-hour utility service cut-off notification at any point during the past due and penalty processes
- Replace mailings with personalized phone messages
- Set up multiple phone messages
- Control time range for calls to be made
- Control notification exclusion based on specific message codes (calls successful, delivered to voice mail, etc.)
- See comprehensive, campaign-based or account level notification results

Standard Incode Notify for Utilities features include:

- User-defined messages with embedded application data field values
- Independent interactive and voicemail messages
- Bilingual option (English/Spanish/both)
- Right party contact confirmation
- Schedulable time frames
- Input modes (touch tone/ voice recognition)
- Wait on hold for right party
- User-defined retry for missed calls
- Inbound campaigns with real-time lookups

INCODE EASYPAY ONLINE PAYMENT PORTAL

Do you have citizens wanting to make various types of donations or payments online such as facility rentals and ambulance memberships? Now they can process almost any type of payment more efficiently with Tyler's Incode® EasyPay Online Payment Portal. User-friendly and quick to set up whenever you need it, this web-based portal gives your citizens and staff complete control over the online payment experience.

HOW IT WORKS

When the need arises to process a new kind of payment online, simply set up a payment method and the fields required to collect the information. Then direct your citizens to the website. When payments are received, they automatically transfer to your cash collection system and post to your city's general ledger for easy review and reporting. All of the information is stored on the Web rather than in the application and can be exported to Microsoft® Excel® for analyzing, reporting and sharing. Incode EasyPay processes all major credit cards and is PCI-compliant.

ONLINE ACCESS EMPOWERS STAFF AND CITIZENS

Staff will find that setting up online payments is easy with customizable fields for each payment type. Whether it's a recurring payment such as memberships or permit fees, a donation requiring a variable amount or a calculated total such as fees and fines, Incode EasyPay handles them all with ease. And the 24/7 access your citizens will enjoy from their preferred mobile device will not only mean increased convenience for them, but less foot traffic and payment processing for you.

The screenshot shows a web-based payment form. At the top, there is a 'Pay to' dropdown menu with 'Donation to Library' selected. Below this is a grey box containing the text: 'Any donation would be greatly appreciated to fund the children's summer reading project.' Underneath the grey box is a 'Email Address' field with a red 'required' label and a small icon. Below the email field is a 'Credit Card' section with the text 'all fields required'. This section includes a 'Card Number' field, a 'Exp' field with 'MM' and 'YYYY' dropdowns, a 'CVC' field with a lock icon, and an 'Amount \$' field. At the bottom of the form is a large green button with a lock icon and the text 'Pay'.

Tab B: Proposers Questionnaire

7.4.2 Proposer will provide details describing any unique or special services or benefits offered or advantages to be gained by City from doing business with Proposer. Additional services or benefits must be directly related to the goods and services solicited under this RFP.

Tyler has had a partnership with the City of Schertz for over 15 years with regards to utility billing software, utility billing online component/portal, as well as, financial, customer relationship and court software.

7.4.3 Does Proposer have a contingency plan or disaster recovery plan in the event of a disaster? If so, then Proposer will provide a copy of the plan.

Disaster Recovery - Losing your data and equipment need no longer signal panic over missing data or disrupting processes. Tyler Disaster Recovery can have you back up and running your critical processes within hours. Tyler provides the servers, the operations staff, and secure storage for your data.

Utilizing our state-of-the-art data center, Tyler can transparently retrieve a copy of your data every night, thereby ensuring your critical users can always process work via modem or by traveling to one of two Tyler locations. If interested, please inquire regarding specifics and pricing.



Tab B: Proposers Questionnaire

TAB C: OVERVIEW OF PROPOSED SYSTEM / SCOPE OF SERVICES

5.2 Minimum Requirements

The proposed solution shall be capable of the following:

5.2.1 Have customizable alerts the customer can set at certain consumption levels

Each user can manage their alerts and setup custom values

Manage Alerts

example@domain.com Off Email

(xxx-xxx-xxxx) Off Text

Off Voice

Off **Leak Alerts**
Receive alert if consumption indicates abnormal usage or potential leak.

Off **Billing Threshold Alerts**
Receive alert if estimated billing amount exceeds

\$ 265.8
Your average bill for the last 12 months was \$265.80. Your highest bill in the last 12 months was \$381.50.

Off **Consumption Threshold Alerts**
Please notify me if my daily usage exceeds

Water (Gals.)
Average daily use = 439.55 Gals.

Elec. (kWh)
Average daily use = 155.06 kWh

Gas (CF)
Average daily use = 100.55 CF

5.2.2 Be able to show customer bill breakdowns of services and fees

When logging into the website the user has the ability to view a PDF of their actual Utility bill. The consumption chart also has the ability to display projected and estimated bills.

5.2.3 Be able to take payments from the customer portal

The website accepts future scheduled (one-time payments), instant payments and reoccurring drafts.

5.2.4 Be able to show customer consumption monthly, daily, and hourly in both charts and graphs

The consumption chart starts out as a monthly view and then the user can drill down to see daily and hourly views, along with an export button to download the consumption reads into excel.

5.2.5 Have automatic leak alerts sent directly to the customer

The portal supports automatic leak alerts where the clerk has the ability to configure different leak thresholds based on customer class.

5.2.6 Show billing and payment history

The portal has a tab that shows transaction history which includes bills, payments, fees, and any adjustments made to the Utility Account.

5.2.7 Allow for the creation of notes on the customer account that are only visible to staff.

Within the Utility Billing software, there is the ability to set notes on account manager.

5.2.8 Allow for the customer to contact staff directly from the solution to allow for requesting replacement garbage receptacles, bulk pick-up services, etc.

The website is configurable so that you can setup any service request you would like and once a service request is submitted, it is automatically emailed to whatever clerk was configured to receive the request.

5.2.9 Include a smart phone application

Coming soon - MyCivic

5.2.10 Allow for the display of City News, Announcements, link to the City website and link to the staff directory.

Coming soon - MyCivic

5.2.11 Minimal browser add-ons for optimal functionality

No add-ons are required for the website.

5.2.12 Include a document and/or resource center for general instructions and/or information on utility billing

[http://help.tyleru.com/InSite/Welcome to Help.htm#t=Welcome to Help 1.htm](http://help.tyleru.com/InSite/Welcome%20to%20Help.htm#t=Welcome%20to%20Help%201.htm)

5.2.13 Allow for the set-up of auto-pay solutions via bank and/or credit card.

The website supports the ability for the user to sign up for autopay via bank or credit card. It also allows the user to update their card info and draft date, along with canceling or postponing autopay.

Note: No convenience fees will be charged to the end-user for use of the portal.

Currently, the City of Schertz is set to bill site so the \$1.25 per transaction fee for UBO is billed directly to the City (rather than to the end-user/citizen). There is no additional per transaction fees associated with TSM.

TAB D: SAMPLE DOCUMENTS

Proposers should include sample copies of the documents and/or reports outlined in the scope of work (Section 5). Although they are sample forms, the documents must contain all material terms so that the City can fairly evaluate the proposer's forms.

All alert information for the Tyler Smart Meter portal can be found on the clerk dashboard. In order to see a breakdown of the smart cards and widgets, please refer to the descriptions above and review the video (no sound) at the link below:

<https://www.screencast.com/t/IBijbwgfiR>

The data from meter search screen can be exported into excel.



Tab D: Sample Documents

TAB E: COST PROPOSAL

COST PROPOSAL NOTES

The following Tab E: Cost Proposal is based on the stated requirements provided by City of Schertz in this RFP. It includes Tyler software license fees, estimated services, project management, conversion, and travel and expense costs.

Implementation is done remotely. Therefore, travel expenses should not be incurred, unless specifically requested by City. If so, expenses are billed as incurred per IRS per diem standards.

The license fees listed in this Cost Summary do not include any tax or other governmental impositions including, without limitation, sales, use, or excise tax. All applicable sales tax, use tax, or excise tax shall be paid by client and shall be paid over to the proper authorities by client or reimbursed by client to Tyler Technology on demand in the event that Tyler Technology is responsible or demand is made on Tyler Technology for the payment thereof. If tax-exempt, client must provide Tyler Technology with client's tax-exempt number or form.



Tab E: Cost Proposal

PRICING AND DELIVERY SCHEDULE

Proposal of: Tyler Technologies, Inc.
(Proposer Company Name)

To: **The City of Schertz**

RFP Title: **UTILITY BILLING ENHANCED CUSTOMER PORTAL**

RFP#: **2019-020**

Having carefully examined all the specifications and requirements of this RFP and any attachments thereto, the undersigned proposes to furnish the services required pursuant to the above-referenced Request for Proposal upon the terms quoted below.

6.1 Pricing for Services

Do NOT use “To Be Determined” or similar annotations for cost estimates

Software Implementation	\$ <u>12,240</u>
Integration with Incode	\$ <u>0</u>
Software Maintenance Year 1	\$ <u>26,650</u>
Software Maintenance Year 2	\$ <u>26,790</u>
Software Maintenance Year 3	\$ <u>26,937</u>
Software Maintenance Year 4	\$ _____ (Optional)
Software Maintenance Year 5	\$ _____ (Optional)

Proposer shall list any other fees associated with the implementation and use of proposed solution. Additional fees shall be identified as “Mandatory” or “Optional”.

Total Solution Price for Year 1 \$38,890

6.2 City’s Payment Terms

City’s standard payment terms for services are “Net 30 days.”



Tab E: Cost Proposal



Sales Quotation For

Dawnecia Hardin-Trussell
 City of Schertz
 1400 Schertz Pkwy
 Schertz, TX 78154-1634
 Phone: +1 (210) 619-1111
 Email: dhardintrussell@schertz.com

Quoted By: Lori Dudley
 Quote Expiration: 12/13/2019
 Quote Name: City of Schertz - LGD - Smart Meter Portal - Notify - IVR
 - Easy Pay
 2019-86441-4
 Quote Number:
 Quote Description:

Tyler Software and Related Services

Description	License	Impl Hours	Impl Cost	Data Conversion	Module Total	Maintenance
Customer Relationship Management Suite						
Utility Handheld Meter-Reader Interface	\$2,200	4	\$520	\$0	\$2,720	\$550
Utility Meter Data Sync w/Scheduler	\$9,000	4	\$520	\$0	\$9,520	\$2,250
<i>Sub-Total:</i>	\$11,200		\$1,040	\$0	\$12,240	\$2,800
TOTAL:	\$11,200	8	\$1,040	\$0	\$12,240	\$2,800

Tyler Software and Related Services - Annual

Description	Impl. Hours	Impl. Cost	Data Conversion	Annual Fee
Customer Relationship Management Suite				
Smart Meter Portal	0	\$0	\$0	\$23,850
EasyPay Online Payment Component	0	\$0	\$0	\$0
Tyler Hosted Applications				
Notifications for Utility Billing	0	\$0	\$0	\$0
IVR Solution for Utility Billing	0	\$0	\$0	\$0
<i>Sub-Total:</i>				
TOTAL:	0	\$0	\$0	\$23,850

Summary

	One Time Fees	Recurring Fees
Total Tyler Software	\$11,200	\$2,800
Total Tyler Annual	\$0	\$23,850
Total Tyler Services	\$1,040	\$0
Total Third Party Hardware, Software and Services	\$0	\$0
Summary Total	\$12,240	\$26,650

Comments

- Client agrees that items in this sales quotation are, upon Client's signature or approval of same, hereby added to the existing agreement ("Agreement") between the parties and subject to its terms. Additionally, payment for said items, as applicable but subject to any listed assumptions herein, shall conform to the following terms:
- License fees for Tyler and third party software are invoiced upon the earlier of (i) deliver of the license key or (ii) when Tyler makes such software available for download by the Client;
 - Fees for hardware are invoiced upon delivery;
 - Fees for year one of hardware maintenance are invoiced upon delivery of the hardware;
 - Annual Maintenance and Support fees, SaaS fees, Hosting fees, and Subscription fees are first payable when Tyler makes the software available for download by the Client (for Maintenance) or on the first day of the month following the date this quotation was signed (for SaaS, Hosting, and Subscription), and any such fees are prorated to align with the applicable term under the Agreement, with renewals invoiced annually thereafter in accord with the Agreement.
 - Fees for services included in this sales quotation shall be invoiced as indicated below.
 - Implementation and other professional services fees shall be invoiced as delivered.
 - Fixed-fee Business Process Consulting services shall be invoiced 50% upon delivery of the Best Practice Recommendations, by module, and 50% upon delivery of custom desktop procedures, by module.
 - Fixed-fee conversions are invoiced 50% upon initial delivery of the converted data, by conversion option, and 50% upon Client acceptance to load the converted data into Live/Production environment, by conversion option. Where conversions are quoted as estimated, Tyler will invoice Client the actual services delivered on a time and materials basis.
 - Except as otherwise provided, other fixed price services are invoiced upon complete delivery of the service. For the avoidance of doubt, where "Project Planning Services" are provided, payment shall be invoiced upon delivery of the Implementation Planning document. Dedicated Project Management services, if any, will be invoiced monthly in arrears, beginning on the first day of the month immediately following initiation of project planning.
 - If Client has purchased any change management services, those services will be invoiced in accordance with the Agreement.
 - Expenses associated with onsite services are invoiced as incurred.

AMI - 15,000 meters

For the first three (3) years, the Smart Meter Portal price is \$23,850 annually, assuming client's meter count stays at 15,000. At year four (4) and after, standard pricing based on the client's yearly meter count will apply. Text and phone call notifications are \$0.10 each and will be billed to the client on a quarterly basis.

of Utility Billing accounts = 9,000

Comments

- Notification for Utility Billing (\$0.10 per call) includes Customer notification by phone (call late notices and general notifications). Call lists are automatically generated and the account is updated after the call. It includes a custom message for each call type and the call message can be in English or Spanish. It generates reports based on call results. Note: The Utility will be billed at the rate specified above for all the calls made. The Utility will be billed quarterly by Tyler Technologies for calls conducted.
- Incode IVR Solution for Utility Billing-The payment packet is created in centralized cash collections. The IVR system gives the customer an account balance, the customer makes the payment by phone, and the account manager is updated with the payment record. NOTE: There is a \$1.25 per transaction fee associated with the IVR that will be paid by client unless Tyler is instructed by the client to pass along to the user at time of payment.
- Smart Meter Portal give the ability to view AMI data in a chart form thru Billing online Payments. It provides citizen transparency to track and proactively manage consumption and citizens can opt in to receive consumption notifications and leak alerts. Note: Notifications are billed out quarterly as incurred at \$0.10 per call or text.
- EasyPay Online Payment Component allows clients to setup payment forms for misc. payments with a fixed, calculated or open payment amount. The payments are sent from the website to the cash collection/Cashiering application and then posted to the GL application. NOTE: There is a \$1.25 per transaction fee associated with the EasyPay that will be paid by client unless Tyler is instructed by the client to pass along to the user at time of payment.



Tab E: Cost Proposal

TAB F: ADDITIONAL INFORMATION

1. Insurance Certificates

Please see Tyler's Insurance Certificate located below in this Section of the RFP Response.

2. Supplementary Information

Please see Tyler's response to 7.4.1 above along with our response to question 3 below.

3. Other supporting materials and work portfolio which demonstrates the firm's work quality

ABOUT TYLER TECHNOLOGIES

- Empowering government and schools to create safer, smarter, and more vibrant communities
- Solutions include: Appraisal & Tax, Civic Services, Courts & Justice, Data & Insights, ERP, Land & Official Records, Public Safety, and Schools
- Headquartered in Plano, Texas with 28 office locations across the U.S. and Canada
- Tyler is a Corporation incorporated in Delaware – Incorporated November 1989
- Publicly traded on the New York Stock Exchange under the symbol "TYL"
- Founded in 1966
- Exclusively focused on local government since 1997
- More than 21,000 successful installations across 10,000 sites, with clients in all 50 states, Canada, the Caribbean, Australia, and other international locations
- Client retention rate of 98%
- 5,000+ employees
- Annual revenues of \$935 million (2018)
- Reinvestment of \$48M into Research & Development
- Scalable products with the smallest jurisdiction (Loving County, TX with a Population of 82) to the largest (Los Angeles County, CA with a population of 10.1M)

WHAT SETS TYLER APART

There are a few key differentiators of Tyler Technologies and its proposed Incode solution that should be viewed as significantly advantageous to the City.

First and foremost, all of Tyler's efforts are focused on providing technology solutions to the public sector. Our attention is not diluted by providing solutions to other industries and our staff are industry experts in the public sector arena.

Tab F: Additional Information

Secondly, Tyler has consciously decided to implement its own projects. We don't outsource our implementation efforts to 3rd party integrators. We feel this allows us to provide better service to our customers at a much lower cost. Furthermore, due to our expertise in the public sector, we're able to more clearly identify to our customers the best business practices of the public sector. Our approach to implementation will inevitably result in a project with a greater definition of both cost and timeframe.

Third, Tyler adheres to a philosophy called "Evergreen Development." Under this approach, Tyler will provide all future enhancements including platform changes to Incode solution to the City as part of its annual maintenance agreement without additional re-licensing fees. This is a significant divergence from the typical business practices of traditional vendors.

Fourth, we offer Software as a Service model. While others may offer this service, they typically outsource the data center to a 3rd party. Tyler Technologies owns and operates its own datacenters located in Yarmouth, ME and Plano, TX.

Fifth, if there are modifications to be delivered through the implementation process, it is important to note that these modifications for the City would become part of the generally released Incode system available to all clients going forward. This allows our clients on annual maintenance to receive additional functionality from new clients as well as our support team does not have to worry that you have modifications when either supporting or upgrading you. Most vendors today still maintain modifications by individual clients which places more stress on their support teams and cost to the client when upgrading.



Tab F: Additional Information

EXCEPTIONS TO RFP

City of Schertz, Texas (“City”)
Request for Proposals – Utility Billing Enhanced Customer Portal, RFP # 2019-020
Tyler Statement Regarding Exceptions to the Aforementioned Procurement Document(s)

Tyler’s Proposal is based on the delivery of the requested software and services according to Tyler’s standard implementation methodology and Tyler’s standard contract(s). That methodology, and that contract(s), have been refined and enhanced over Tyler’s many years of operation in the public sector information technology market. ***Tyler’s submission of its Proposal does not constitute a waiver of Tyler’s right to negotiate any and all terms to the mutual satisfaction of the parties. Tyler’s Proposal is in compliance and subject to the RFP terms, except as modified by, taken exception to, and as otherwise provided in the Proposal.***

Tyler will consider its implementation methodology and its contract(s) to be the starting point for those negotiations unless expressly stated otherwise in its Proposal. Tyler’s standard contract(s) are included for your reference. Because it is impossible to negotiate in a vacuum, Tyler reserves the right to review and discuss in good faith at the time of contract negotiations any customer specific sample contract and/or contract terms included in the Request for Proposal.

To the extent you request to incorporate your bid documents and our proposal documents into the contract package, we will agree to do so as long as the order of priority is (a) the final, negotiated contract; (b) our proposal documentation; and (c) your bid documentation.

Tyler has also provided its Evidence of Insurance certificate and its source code escrow agreement with Iron Mountain (to the extent you desire to escrow the Tyler source code under a perpetual license agreement). Tyler’s insurance program and source code escrow arrangements are established at a corporate level and are not subject to change on an individual customer basis.

Tyler does not agree to work for hire provisions. We retain all intellectual property and confidentiality rights in and to our proprietary and/or confidential information and deliverables.

Tyler is providing the following representative “exceptions” to standard procurement terms and conditions for your review. This representative list does not negate any of the expectations Tyler has stated above:

- **1.4 Term of Agreement:** For an on premise solution, the Agreement between the City and Tyler shall not have a defined term. Tyler does provide maintenance and support services on an annual basis, as set forth in its Maintenance and Support Agreement (Exhibit C to the standard Tyler contract). For a SaaS contract, the term of the contract shall be the agreed upon SaaS term which may renew automatically thereafter on a year-to-year basis, or such other renewal term as the parties may agree.
- **2.5 Public Information:** We reserve the right to protest the public disclosure of our confidential

Exceptions to RFP

business information/trade secrets but will comply with applicable public records laws.

- 2.6 Criteria for Selection: As noted above, Tyler will comply with the RFP as set forth in Tyler's Proposal, including but not limited to this Statement of Exceptions.
- 3.2.1 Tab A: Execution of Offer; Section 8 Execution of Offer Form: Tyler's Proposal is in compliance and subject to the RFP terms, except as modified by, taken exception to, and as otherwise provided in Tyler's Proposal. Tyler shall be obligated to provide products and services only upon execution, and under and according to the terms and conditions of, the mutually negotiated contract between Tyler and the City.
- 3.2.5 Tab E: Cost Proposal; Section 6 Pricing and Delivery Schedule: Unless expressly indicated otherwise, our Proposal contains estimates of the amount of services and associated expenses needed, based on our understanding of the size and scope of your project. The actual amount of services and expenses depends on such factors as your level of involvement in the project and the speed of knowledge transfer. If required, we will provide a not-to-exceed quote once the scope of services has been finalized. Unless noted otherwise, our services rates do not include travel expenses, which are separately estimated and are payable in accordance with our then-current Business Travel Policy. The fees quoted by Tyler do not include any taxes, including, without limitation, sales, use or excise tax. All applicable taxes shall be paid by Tyler to the proper authorities and shall be reimbursed by the City to Tyler. In the event the City possesses a valid direct-pay permit, the City will forward such permit to Tyler on the effective date of the contract. In such event, the City shall be responsible for remitting all applicable taxes to the proper authorities. If tax-exempt, the City shall provide Tyler with the City's tax-exempt certificate.
- Section 4 General Terms and Conditions: As noted, Tyler prefers to use the standard Tyler contract as the basis for beginning contract negotiations. If the City insists on using the Sample Service Agreement in the RFP as the starting point, Tyler reserves the right to negotiate those terms with the City. A non-exhaustive list of terms that conflict with Tyler's standard provisions, and which Tyler would expect to negotiate with the City, is provided below for exemplary purposes only. As noted above, Tyler reserves the right to negotiate any and all contract terms to the mutual satisfaction of the parties.
- 7.2 Approach to Project Services: Tyler's Proposal includes a sample project plan. Tyler will deliver the actual project plan following contract execution upon obtaining further information from the City.
- Service Agreement: Tyler reserves the right to negotiate any and all contract terms in the Service Agreement to the mutual satisfaction of the parties.
 - Section 1. Duration: For an on premise solution, the Agreement between the City and Tyler shall not have a defined term. Tyler does provide maintenance and support services on an annual basis, as set forth in its Maintenance and Support Agreement (Exhibit C to the standard Tyler contract). For a SaaS contract, the term of the contract shall be the agreed upon SaaS term which may renew automatically thereafter on a year-to-year basis, or such other renewal term as the parties may agree.
 - Section 2. Scope of Work: Tyler warrants that it will perform services in a professional, workmanlike manner, consistent with industry standards. In the event Tyler provides services

Exceptions to RFP

that do not conform to this warranty, Tyler will re-perform the services at no additional cost to the client. We agree to comply with applicable laws and mutually agreed to customer protocols. The quoted fees are based, in part, on the cost of compliance with applicable laws existing as of the time of the quote. Should laws applicable to Tyler's performance under the agreement change post-signature, Tyler reserves the right to seek a change order for the additional work, time and/or cost that may be required to comply with the new law, ordinance or regulation. We reserve the right to discuss in good faith which laws you consider applicable, and to identify those in the contract.

- Section 3. Compensation: Tyler's standard payment terms are set forth in the Invoicing and Payment Policy (Exhibit B) to the standard Tyler contract. Payment is due within forty-five days of invoicing. Unless expressly indicated otherwise, quoted fees contains estimates of the amount of services and associated expenses needed, based on our understanding of the size and scope of your project. If required, we will provide a not-to-exceed quote once the scope of services has been finalized. Unless noted otherwise, our services rates do not include travel expenses, which are separately estimated and are payable in accordance with our then-current Business Travel Policy. The fees quoted by Tyler do not include any taxes, including, without limitation, sales, use or excise tax.
- Section 4. Time of Completion: Tyler does not agree to "time being made of the essence." Tyler will begin and perform services in accordance with the mutually agreed upon implementation plan schedule.
- Section 5 Insurance; Exhibit B: We agree to secure our insurance from a carrier with a minimum AM Best rating of A-:VII. Tyler's insurer evidences Tyler's insurance coverage using a standard Acord form. The coverage limits set forth on our certificate of insurance do not apply separately. Certificates of insurance listing the customer as certificate holder are available upon request after a contract is signed. Copies of Tyler's insurance policies are only made available in the event a claim is disputed or denied. Tyler will disclose its deductibles upon written request, but those deductibles are not subject to customer approval. Tyler is well-positioned financially to satisfy its deductibles. At your request during contract negotiations, we will add language to the insurance provision that adds you as an additional insured to our commercial general liability and auto liability policy for claims arising out of or relating to the contract, which automatically affords you the same status under our excess/umbrella liability policy. A Certificate of Insurance reflecting that status may be provided at your request after the contract is executed. Our carrier has issued blanket endorsements regarding additional insured status; we do not issue separate endorsements specific to each customer. We agree that our insurance is primary for claims under our CGL or auto policies that arise out of or relate to the contract and are between us and you. If required, Tyler will agree to waive subrogation, but only on claims under our CGL or auto policies that arise out of or relate to the contract and are between us and you, except to the extent the damage or injury is caused by you. If you require it in the contract, we will agree to provide you with notice of cancellation, non-renewal or reduction in our insurance coverages below the minimum requirements set forth in the contract within thirty (30) days

Exceptions to RFP

thereof. Renewal certificates of insurance will be provided as close as practicable to the date the applicable policy or policies is/are renewed.

- Section 6. Miscellaneous Provisions – (a) Subletting; Section 10. No Assignment: Tyler reserves the right to, without the prior written consent of the customer, assign the contract in its entirety to the surviving entity of any merger or consolidation or to any purchaser of substantially all of Tyler’s assets.
- Section 6. Miscellaneous Provisions – (b) Compliance with Laws: We agree to comply with applicable laws and mutually agreed to customer protocols. The quoted fees are based, in part, on the cost of compliance with applicable laws existing as of the time of the quote. Should laws applicable to Tyler’s performance under the agreement change post-signature, Tyler reserves the right to seek a change order for the additional work, time and/or cost that may be required to comply with the new law, ordinance or regulation. We reserve the right to discuss in good faith which laws you consider applicable, and to identify those in the contract.
- Section 7. Termination: Tyler's standard practice is not to include a termination for convenience provision in its contracts, given the significant investments made by both parties to the procurement and implementation. The customer may terminate its contract with Tyler for cause in the event Tyler fails to cure a material breach within thirty days of the customer’s invocation of dispute resolution. In the event of such termination the customer will make payment to Tyler for all undisputed products, services and expenses delivered or incurred through the effective date of termination. Payment for disputed products, services and expenses, and the customer’s remedies, will be determined through the mutually agreed dispute resolution process. If the customer should not appropriate or otherwise make available funds sufficient to purchase, lease, operate or maintain the products set forth in the contract, or other means of performing the same functions of such products, the customer may unilaterally terminate its contract with Tyler upon thirty days’ prior written notice to Tyler. Upon termination for non-appropriation, the customer shall remit payment for all products and services delivered to the customer and all expenses incurred by Tyler prior to Tyler's receipt of the termination notice. The customer will not be entitled to a refund or offset of previously paid license and other fees.
- Section 8. Indemnification: Tyler shall defend, indemnify and hold harmless its customers from and against any and all direct claims, losses, liabilities, damages, costs and expenses (including reasonable attorney's fees and costs) for personal injury or property damage arising from Tyler's negligence or willful misconduct; or Tyler’s violation of a law applicable to our performance under its agreement with such customer. The customer must notify Tyler promptly in writing of the claim and give us sole control over its defense or settlement. The customer also agrees to provide Tyler with reasonable assistance, cooperation, and information in defending the claim at our expense.

Tyler will defend, indemnify, and hold harmless its clients from third-party claims that the Tyler software and/or documentation infringes an intellectual property right in accordance with Section H(1) of Tyler’s standard contract.

Exceptions to RFP

- Section 13. Governing Law; Venue: Tyler reserves the right to remove any litigation to federal court of competent jurisdiction.
- Section 21. Right to Audit: The City may audit Tyler's books and records relating directly to the contract once per year on one week advance written notice, and at the City's expense.
- Section 22. Dispute Resolution: Tyler agrees to negotiate with the City an appropriate method of non-binding dispute resolution for resolving contract disputes between the parties.
- Section 24. Certificate of Interested Parties: As a publicly traded corporation, Tyler is exempt from providing the Form 1295 Certificate of Interested Parties under Texas law.