

1 B. Consultant may select the time and place of performance for
2 these services; provided, however, that access to City documents, records and the
3 like, if needed by Consultant, shall be available only during City's normal business
4 hours and provided that milestones for performance, if any, are met.

5 C. Consultant has requested to receive regular payments. City
6 shall pay Consultant in due course of payments following receipt from Consultant
7 and approval by City of invoices showing the services or task performed, the time
8 expended (if billing is hourly), and the name of the Project. Consultant shall certify
9 on the invoices that Consultant has performed the services in full conformance
10 with this Agreement and is entitled to receive payment. Each invoice shall be
11 accompanied by a progress report indicating the progress to date of services
12 performed and covered by the invoice, including a brief statement of any Project
13 problems and potential causes of delay in performance, and listing those services
14 that are projected for performance by Consultant during the next invoice cycle.
15 Where billing is done and payment is made on an hourly basis, the parties
16 acknowledge that this arrangement is either customary practice for Consultant's
17 profession, industry or business, or is necessary to satisfy audit and legal
18 requirements which may arise due to the fact that City is a municipality.

19 D. Consultant represents that Consultant has obtained all
20 necessary information on conditions and circumstances that may affect its
21 performance and has conducted site visits, if necessary.

22 E. CAUTION: Consultant shall not begin work until this
23 Agreement has been signed by both parties and until Consultant's evidence of
24 insurance has been delivered to and approved by City.

25 2. TERM. The term of this Agreement shall commence at midnight on
26 September 2, 2008, and shall terminate at 11:59 p.m. on May 31, 2010, unless sooner
27 terminated as provided in this Agreement, or unless the services or the Project is
28 completed sooner.

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3. COORDINATION AND ORGANIZATION.

A. Consultant shall coordinate its performance with City's representative, if any, named in Exhibit "B", attached to this Agreement and incorporated by this reference. Consultant shall advise and inform City's representative of the work in progress on the Project in sufficient detail so as to assist City's representative in making presentations and in holding meetings on the Project. City shall furnish to Consultant information or materials, if any, described in Exhibit "C", attached to this Agreement and incorporated by this reference, and shall perform any other tasks described in the Exhibit.

B. The parties acknowledge that a substantial inducement to City for entering this Agreement was and is the reputation and skill of Consultant's key employee, Gary Thorson. City shall have the right to approve any person proposed by Consultant to replace that key employee.

4. INDEPENDENT CONTRACTOR. In performing its services,

Consultant is and shall act as an independent contractor and not an employee, representative or agent of City. Consultant shall have control of Consultant's work and the manner in which it is performed. Consultant shall be free to contract for similar services to be performed for others during this Agreement; provided, however, that Consultant acts in accordance with Section 9 and Section 11 of this Agreement. Consultant acknowledges and agrees that (a) City will not withhold taxes of any kind from Consultant's compensation; (b) City will not secure workers' compensation or pay unemployment insurance to, for or on Consultant's behalf; and (c) City will not provide and Consultant is not entitled to any of the usual and customary rights, benefits or privileges of City employees. Consultant expressly warrants that neither Consultant nor any of Consultant's employees or agents shall represent themselves to be employees or agents of City.

5. INSURANCE.

A. As a condition precedent to the effectiveness of this

1 Agreement, Consultant shall procure and maintain, at Consultant's expense for the
2 duration of this Agreement, from insurance companies that are admitted to write
3 insurance in California and have ratings of or equivalent to A:V by A.M. Best
4 Company or from authorized non-admitted insurance companies subject to
5 Section 1763 of the California Insurance Code and that have ratings of or
6 equivalent to A:VIII by A.M. Best Company, the following insurance:

7 (a) Commercial general liability insurance (equivalent in scope to
8 ISO form CG 00 01 11 85 or CG 00 01 10 93) in an amount not less than
9 \$1,000,000 per each occurrence and \$2,000,000 general aggregate. This
10 coverage shall include but not be limited to broad form contractual liability,
11 cross liability, independent contractors liability, and products and
12 completed operations liability. City, its boards and commissions, and their
13 officials, employees and agents shall be named as additional insureds by
14 endorsement (on City's endorsement form or on an endorsement
15 equivalent in scope to ISO form CG 20 10 11 85 or CG 20 26 11 85), and
16 this insurance shall contain no special limitations on the scope of
17 protection given to City, its boards and commissions, and their officials,
18 employees and agents. This policy shall be endorsed to state that the
19 insurer waives its right of subrogation against City, its boards and
20 commissions, and their officials, employees and agents.

21 (b) Workers' Compensation insurance as required by the California
22 Labor Code and employer's liability insurance in an amount not less than
23 \$1,000,000. This policy shall be endorsed to state that the insurer waives
24 its right of subrogation against City, its boards and commissions, and their
25 officials, employees and agents.

26 (c) Professional liability or errors and omissions insurance in an
27 amount not less than \$1,000,000 per claim.
28

1 (d) Commercial automobile liability insurance (equivalent in scope
2 to ISO form CA 00 01 06 92), covering Auto Symbol 1 (Any Auto) in an
3 amount not less than \$500,000 combined single limit per accident.

4 B. Any self-insurance program, self-insured retention, or
5 deductible must be separately approved in writing by City's Risk Manager or
6 designee and shall protect City, its officials, employees and agents in the same
7 manner and to the same extent as they would have been protected had the policy
8 or policies not contained retention or deductible provisions.

9 C. Each insurance policy shall be endorsed to state that
10 coverage shall not be reduced, non-renewed or canceled except after thirty (30)
11 days prior written notice to City, shall be primary and not contributing to any other
12 insurance or self-insurance maintained by City, and shall be endorsed to state that
13 coverage maintained by City shall be excess to and shall not contribute to
14 insurance or self-insurance maintained by Consultant. Consultant shall notify City
15 in writing within five (5) days after any insurance has been voided by the insurer or
16 cancelled by the insured.

17 D. If this coverage is written on a "claims made" basis, it must
18 provide for an extended reporting period of not less than one hundred eighty (180)
19 days, commencing on the date this Agreement expires or is terminated, unless
20 Consultant guarantees that Consultant will provide to City evidence of
21 uninterrupted, continuing coverage for a period of not less than three (3) years,
22 commencing on the date this Agreement expires or is terminated.

23 E. Consultant shall require that all subconsultants or contractors
24 that Consultant uses in the performance of these services maintain insurance in
25 compliance with this Section unless otherwise agreed in writing by City's Risk
26 Manager or designee.

27 F. Prior to the start of performance, Consultant shall deliver to
28 City certificates of insurance and the endorsements for approval as to sufficiency

1 and form. In addition, Consultant shall, within thirty (30) days prior to expiration of
2 the insurance, furnish to City certificates of insurance and endorsements
3 evidencing renewal of the insurance. City reserves the right to require complete
4 certified copies of all policies of Consultant and Consultant's subconsultants and
5 contractors, at any time. Consultant shall make available to City's Risk Manager
6 or designee all books, records and other information relating to this insurance,
7 during normal business hours.

8 G. Any modification or waiver of these insurance requirements
9 shall only be made with the approval of City's Risk Manager or designee. Not
10 more frequently than once a year, City's Risk Manager or designee may require
11 that Consultant, Consultant's subconsultants and contractors change the amount,
12 scope or types of coverages required in this Section if, in his or her sole opinion,
13 the amount, scope or types of coverages are not adequate.

14 H. The procuring or existence of insurance shall not be
15 construed or deemed as a limitation on liability relating to Consultant's
16 performance or as full performance of or compliance with the indemnification
17 provisions of this Agreement.

18 6. ASSIGNMENT AND SUBCONTRACTING. This Agreement
19 contemplates the personal services of Consultant and Consultant's employees, and the
20 parties acknowledge that a substantial inducement to City for entering this Agreement
21 was and is the professional reputation and competence of Consultant and Consultant's
22 employees. Consultant shall not assign its rights or delegate its duties under this
23 Agreement, or any interest in this Agreement, or any portion of it, without the prior
24 approval of City, except that Consultant may with the prior approval of the City Manager
25 of City, assign any moneys due or to become due Consultant under this Agreement. Any
26 attempted assignment or delegation shall be void, and any assignee or delegate shall
27 acquire no right or interest by reason of an attempted assignment or delegation.
28 Furthermore, Consultant shall not subcontract any portion of its performance without the

1 prior approval of the City Manager or designee, or substitute an approved subconsultant
2 or contractor without approval prior to the substitution. Nothing stated in this Section
3 shall prevent Consultant from employing as many employees as Consultant deems
4 necessary for performance of this Agreement.

5 7. CONFLICT OF INTEREST. Consultant, by executing this
6 Agreement, certifies that, at the time Consultant executes this Agreement and for its
7 duration, Consultant does not and will not perform services for any other client which
8 would create a conflict, whether monetary or otherwise, as between the interests of City
9 and the interests of that other client. And, Consultant shall obtain similar certifications
10 from Consultant's employees, subconsultants and contractors.

11 8. MATERIALS. Consultant shall furnish all labor and supervision,
12 supplies, materials, tools, machinery, equipment, appliances, transportation and services
13 necessary to or used in the performance of Consultant's obligations under this
14 Agreement, except as stated in Exhibit "C".

15 9. OWNERSHIP OF DATA. All materials, information and data
16 prepared, developed or assembled by Consultant or furnished to Consultant in
17 connection with this Agreement, including but not limited to documents, estimates,
18 calculations, studies, maps, graphs, charts, computer disks, computer source
19 documentation, samples, models, reports, summaries, drawings, designs, notes, plans,
20 information, material and memorandum ("Data") shall be the exclusive property of City.
21 Data shall be given to City, and City shall have the unrestricted right to use and disclose
22 the Data in any manner and for any purpose without payment of further compensation to
23 Consultant. Copies of Data may be retained by Consultant but Consultant warrants that
24 Data shall not be made available to any person or entity for use without the prior approval
25 of City. This warranty shall survive termination of this Agreement for five (5) years.

26 10. TERMINATION. Either party shall have the right to terminate this
27 Agreement for any reason or no reason at any time by giving fifteen (15) calendar days
28 prior notice to the other party. In the event of termination under this Section, City shall

1 pay Consultant for services satisfactorily performed and costs incurred up to the effective
2 date of termination for which Consultant has not been previously paid. The procedures
3 for payment in Section 1.B. with regard to invoices shall apply. On the effective date of
4 termination, Consultant shall deliver to City all Data developed or accumulated in the
5 performance of this Agreement, whether in draft or final form, or in process. And,
6 Consultant acknowledges and agrees that City's obligation to make final payment is
7 conditioned on Consultant's delivery of the Data to City.

8 11. CONFIDENTIALITY. Consultant shall keep all Data confidential and
9 shall not disclose the Data or use the Data directly or indirectly, other than in the course
10 of performing its services, during the term of this Agreement and for five (5) years
11 following expiration or termination of this Agreement. In addition, Consultant shall keep
12 confidential all information, whether written, oral or visual, obtained by any means
13 whatsoever in the course of performing its services for the same period of time.
14 Consultant shall not disclose any or all of the Data to any third party, or use it for
15 Consultant's own benefit or the benefit of others except for the purpose of this
16 Agreement.

17 12. BREACH OF CONFIDENTIALITY. Consultant shall not be liable for
18 a breach of confidentiality with respect to Data that: (a) Consultant demonstrates
19 Consultant knew prior to the time City disclosed it; or (b) is or becomes publicly available
20 without breach of this Agreement by Consultant; or (c) a third party who has a right to
21 disclose does so to Consultant without restrictions on further disclosure; or (d) must be
22 disclosed pursuant to subpoena or court order.

23 13. ADDITIONAL COSTS AND REDESIGN.

24 A. Any costs incurred by City due to Consultant's failure to meet
25 the standards required by the scope of work or Consultant's failure to perform fully
26 the tasks described in the scope of work which, in either case, causes City to
27 request that Consultant perform again all or part of the Scope of Work shall be at
28 the sole cost of Consultant and City shall not pay any additional compensation to

1 Consultant for its re-performance.

2 B. If the Project involves construction and the scope of work
3 requires Consultant to prepare plans and specifications with an estimate of the
4 cost of construction, then Consultant may be required to modify the plans and
5 specifications, any construction documents relating to the plans and specifications,
6 and Consultant's estimate, at no cost to City, when the lowest bid for construction
7 received by City exceeds by more than ten percent (10%) Consultant's estimate.
8 This modification shall be submitted in a timely fashion to allow City to receive new
9 bids within four (4) months after the date on which the original plans and
10 specifications were submitted by Consultant.

11 14. AMENDMENT. This Agreement, including all Exhibits, shall not be
12 amended, nor any provision or breach waived, except in writing signed by the parties
13 which expressly refers to this Agreement.

14 15. LAW. This Agreement shall be governed by and construed pursuant
15 to the laws of the State of California (except those provisions of California law pertaining
16 to conflicts of laws). Consultant shall comply with all laws, ordinances, rules and
17 regulations of and obtain all permits, licenses and certificates required by all federal, state
18 and local governmental authorities.

19 16. ENTIRE AGREEMENT. This Agreement, including all Exhibits,
20 constitutes the entire understanding between the parties and supersedes all other
21 agreements, oral or written, with respect to the subject matter in this Agreement.

22 17. INDEMNITY. Consultant shall, with respect to services performed in
23 connection with this Agreement, indemnify and hold harmless City, its Boards,
24 Commissions, and their officials, employees and agents (collectively in this Section,
25 "City") from and against any and all liability, claims, allegations, demands, damage, loss,
26 causes of action, proceedings, penalties, costs and expenses (including attorney's fees,
27 court costs, and expert and witness fees) (collectively "Claims" or individually "Claim")
28 arising, directly or indirectly, in whole or in part, out of any negligent act or omission of

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 Consultant, its officers, employees, agents, sub-consultants or anyone under
2 Consultant's control (collectively "Indemnitor"), breach of this Agreement by Indemnitor,
3 misrepresentation or willful misconduct by Indemnitor, and Claims by any employee of
4 Indemnitor relating in any way to workers' compensation. Independent of the duty to
5 indemnify and as a free-standing duty on the part of Consultant, Consultant shall defend
6 City and shall continue this defense until the Claim is resolved, whether by settlement,
7 judgment or otherwise. No finding or judgment of negligence, fault, breach or the like on
8 the part of Indemnitor shall be required for the duty to defend to arise. Consultant shall
9 notify City of any Claim within ten (10) days. Likewise, City shall notify Consultant of any
10 Claim, shall tender the defense of the Claim to Consultant, and shall assist Consultant at
11 Consultant's sole expense, as may be reasonably requested, in the defense.

12 18. AMBIGUITY. In the event of any conflict or ambiguity between this
13 Agreement and any Exhibit, the provisions of this Agreement shall govern.

14 19. COSTS. If there is any legal proceeding between the parties to
15 enforce or interpret this Agreement or to protect or establish any rights or remedies under
16 it, the prevailing party shall be entitled to its costs, including reasonable attorneys' fees.

17 20. NONDISCRIMINATION.

18 A. In connection with performance of this Agreement and subject
19 to applicable rules and regulations, Consultant shall not discriminate against any
20 employee or applicant for employment because of race, religion, national origin,
21 color, age, sex, sexual orientation, gender identity, AIDS, HIV status, handicap or
22 disability. Consultant shall ensure that applicants are employed, and that
23 employees are treated during their employment, without regard to these bases.
24 These actions shall include, but not be limited to, the following: employment,
25 upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or
26 termination; rates of pay or other forms of compensation; and selection for training,
27 including apprenticeship.

28 B. It is the policy of City to encourage the participation of

1 Disadvantaged, Minority and Women-Owned Business Enterprises in City's
2 procurement process, and Consultant agrees to use its best efforts to carry out
3 this policy in its use of subconsultants and contractors to the fullest extent
4 consistent with the efficient performance of this Agreement. Consultant may rely
5 on written representations by subconsultants and contractors regarding their
6 status. City's policy is attached as Exhibit "D" to this Agreement. Consultant shall
7 report to City in May and in December or, in the case of short-term agreements,
8 prior to invoicing for final payment, the names of all subconsultants and
9 contractors hired by Consultant for this Project and information on whether or not
10 they are a Disadvantaged, Minority or Women-Owned Business Enterprise, as
11 defined in Section 8 of the Small Business Act (15 U.S.C. Sec. 637).

12 21. NOTICES. Any notice or approval required by this Agreement shall
13 be in writing and personally delivered or deposited in the U.S. Postal Service, first class,
14 postage prepaid, addressed to Consultant at the address first stated above, and to City at
15 333 West Ocean Boulevard, Long Beach, California 90802, Attn: City Manager, with a
16 copy to the City Engineer at the same address. Notice of change of address shall be
17 given in the same manner as stated for other notices. Notice shall be deemed given on
18 the date deposited in the mail or on the date personal delivery is made, whichever occurs
19 first.

20 22. COPYRIGHTS AND PATENT RIGHTS.

21 A. Consultant shall place the following copyright protection on all
22 Data: © City of Long Beach, California _____, inserting the appropriate year.

23 B. City reserves the exclusive right to seek and obtain a patent
24 or copyright registration on any Data or other result arising from Consultant's
25 performance of this Agreement. By executing this Agreement, Consultant assigns
26 any ownership interest Consultant may have in the Data to City.

27 C. Consultant warrants that the Data does not violate or infringe
28 any patent, copyright, trade secret or other proprietary right of any other party.

1 Consultant agrees to and shall protect, defend, indemnify and hold City, its officials
2 and employees harmless from any and all claims, demands, damages, loss,
3 liability, causes of action, costs or expenses (including reasonable attorney's fees)
4 whether or not reduced to judgment, arising from any breach or alleged breach of
5 this warranty.

6 23. COVENANT AGAINST CONTINGENT FEES. Consultant warrants
7 that Consultant has not employed or retained any entity or person to solicit or obtain this
8 Agreement and that Consultant has not paid or agreed to pay any entity or person any
9 fee, commission or other monies based on or from the award of this Agreement. If
10 Consultant breaches this warranty, City shall have the right to terminate this Agreement
11 immediately notwithstanding the provisions of Section 10 or, in its discretion, to deduct
12 from payments due under this Agreement or otherwise recover the full amount of the fee,
13 commission or other monies.

14 24. WAIVER. The acceptance of any services or the payment of any
15 money by City shall not operate as a waiver of any provision of this Agreement or of any
16 right to damages or indemnity stated in this Agreement. The waiver of any breach of this
17 Agreement shall not constitute a waiver of any other or subsequent breach of this
18 Agreement.

19 25. CONTINUATION. Termination or expiration of this Agreement shall
20 not affect rights or liabilities of the parties which accrued pursuant to Sections 7, 10, 11,
21 17, 19, 22 and 28 prior to termination or expiration of this Agreement.

22 26. TAX REPORTING. As required by federal and state law, City is
23 obligated to and will report the payment of compensation to Consultant on Form 1099-
24 Misc. Consultant shall be solely responsible for payment of all federal and state taxes
25 resulting from payments under this Agreement. Consultant's Employer Identification
26 Number is [REDACTED] If Consultant has a Social Security Number rather than an
27 Employer Identification Number, then Consultant shall submit that Social Security
28 Number in writing to City's Accounts Payable, Department of Financial Management.

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ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 Consultant acknowledges and agrees that City has no obligation to pay Consultant until
2 Consultant provides one of these numbers.

3 27. ADVERTISING. Consultant shall not use the name of City, its
4 officials or employees in any advertising or solicitation for business or as a reference,
5 without the prior approval of the City Manager or designee.

6 28. AUDIT. City shall have the right at all reasonable times during the
7 term of this Agreement and for a period of five (5) years after termination or expiration of
8 this Agreement to examine, audit, inspect, review, extract information from and copy all
9 books, records, accounts and other documents of Consultant relating to this Agreement.

10 29. THIRD PARTY BENEFICIARY. This Agreement is not intended or
11 designed to or entered for the purpose of creating any benefit or right for any person or
12 entity of any kind that is not a party to this Agreement.

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IN WITNESS WHEREOF, the parties have caused this document to be duly executed with all formalities required by law as of the date first stated above.

LANGHAM CONSULTING SERVICES, INC., a Louisiana corporation

Sept. 6, 2008

By Mary Thomson, President

GARY THORSON, President
Type or Print Name

Sept. 6, 2008

By Celeste Thomson, Secretary

Celeste Thomson, Secretary
Type or Print Name

"Consultant"

CITY OF LONG BEACH, a municipal corporation

Sept. 15, 2008

By Suzan Assistant City Manager
City Manager

"City"

EXEMPTED PURSUANT TO SECTION 301 OF THE CITY CHARTER.

This Agreement is approved as to form on 9-9, 2008.

ROBERT E. SHANNON, City Attorney

By [Signature] Deputy

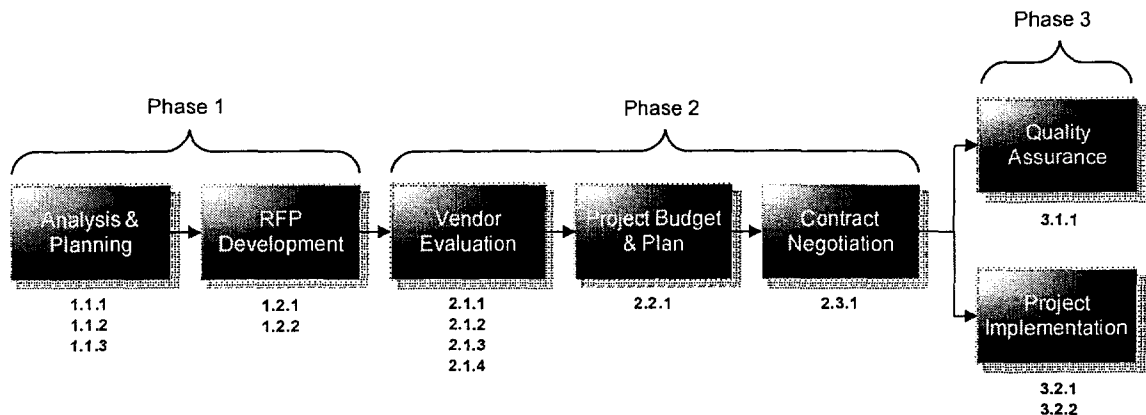
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EXHIBIT “A”

Scope of Work

Scope of Work: Project Plan and Fees

Langham's proposed acquisition plan follows a structured approach based on our Mentor™ Methodology. Mentor™ provides our clients with a common approach to acquisitions while being flexible enough to allow for the idiosyncrasies and individual policies of their organization. For CLB, Langham propose a 7 step project approach as outlined below and described in the following pages.



Phase 1, Step 1: Analysis & Planning

Task 1.1.1 Resource Analysis

This analysis will evaluate CLB's capability to resource this project. The analysis will cover the entire period of the AMR Solution and Meter reading Contractor acquisition, AMR implementation and stable operation of the meter reading contract. Consideration will be given to planned project activities, existing operational commitments, and the current staff's skills and areas of expertise. Together we will identify the necessary resources, both technical and functional; to successfully complete all necessary activities for each phase of the project. We will help determine which the most cost effective resourcing approach and ensure a "best practices" methodology is used.

Deliverable: Resource Analysis and a Recommended Resource Plan

Task 1.1.2 Structured Risk Analysis

This task will focus on building a risk matrix based on the scope of the proposed project. During this phase the Langham staff members will:

- Meet with both business and technical staff to better understand the operational characteristics as well as the strengths and weaknesses of the organization;
- Assess, probability of occurrence, impact and identify mitigation plans for all risks identified using an agreed risk management approach; and

- Present our findings in both a written report and PowerPoint Presentation which could be used for CLB Management and/or Board review.

At a minimum, the Risk Analysis will analyze:

- Operational, performance, and level of service factors
- Liability and financial exposure
- AMR technology options
- AMR deployment options (including phased approaches and pilot projects)
- Success factors
- Potential Failure - Red flags and concerns
- Business Process Change and Relationship Management
- Change Management
- Impact of AMR deployments on CIS deployment

The risk analysis matrix and mitigation plans will be presented to CLB management.

Deliverable: Risk Analysis Matrix and Mitigation Plan

Task 1.1.3 Develop Acquisition Project Plan

A critical element of success is setting expectations through proper planning. Once all resources are identified and the associated risks are understood the Project Team members must come to a common project understanding. Together we will define the timeline and expected results for each of the following phases. Roles and responsibilities will be defined with an understanding of the deliverables from each role. Once all elements of the AMR Solution and Meter Reading selection project are understood, the project plan will be finalized and used to manage and track progress. Project plans are typically living documents and may change as various project factors change.

Deliverable: Acquisition Project Plan

Phase 1, Step 2: RFP Development

Task 1.2.1 Develop Detailed Requirements and Related Documents

During this task Langham staff will:

- Educate CLB's selection team with current market AMR technology offerings;
- Work with CLB's selection team to agree on preferred approaches to AMR deployment and AMR technologies from which Langham will construct requirements for an AMR solution;
- Meet with CLB's Subject Matter Expert (SMEs) to critically analyze the business requirements, current processes, desired future processes, and determine the associated functional and technical requirements for manual meter reading;

- Work with CLB selection committee and/or Purchasing department to determine an optimal method for scoring and evaluation. This method may be based on existing scoring methods, recommended by Langham;
- Recommend and work with the selection committee to review and adjust if necessary reference check questionnaires, demonstration instructions and schedules, site visit agendas and evaluation forms;
- Prepare RFP exhibits as necessary.

Deliverables:

- (1) *Detailed Requirements Document;*
- (2) *Vendor Scoring/Evaluation Methodology;*
- (3) *Reference Check Questionnaire;*
- (4) *Outline Vendor Demonstration Instructions and Schedule;*
- (5) *Site Visit Agenda and Evaluation Form*
- (6) *RFP Exhibits (as required)*

Task 1.2.2 Develop Scope of Work and Construct RFP

Langham will prepare a Scope of Work document based on an example, provided to CLB by Langham, for Meter Reading Services and an AMR solution deployment. The Scope of Work will describe in detail the responsibilities, service levels, deliverables and tasks that CLB require prospective vendors to respond to in their proposal.

Langham Consulting will work with CLB's Purchasing and Legal departments to incorporate all deliverables from the previous task together with general conditions, insurance requirements, legal requirements, etc. into a comprehensive RFP. If desired, we can even provide a sample contract for your consideration and possible inclusion in the RFP.

This RFP will undergo final review and adjustment if necessary from the selection committee, Legal and Purchasing Departments. The finalized document will be delivered to Purchasing together with a list of recommended vendors for distribution.

At CLB's discretion, Langham may construct the RFP to allow vendors of AMR solutions and meter reading vendors to respond independently to the RFP, so that vendor A may propose a solution for meter reading and vendor B may propose a solution for an AMR solution. This approach may also allow a single vendor to propose a solution for the entire RFP.

Deliverable:

- (1) *Complete vendor list for RFP distribution*
- (2) *"Scope of Work" document*
- (3) *Finalized RFP*

Phase 2, Step 1: Vendor Evaluation

Task 2.1.1 Vendor Proposals and Evaluations

Following publication of the RFP, Langham will assist the selection team and Purchasing Department in addressing any and all vendor questions. After the proposal

response deadline, Langham will score the objective sections of vendor responses (functional & cost sections) and assist CLB in the team's consensus scoring of the subjective portions of the RFP.

This will result in a short list of at least 3 vendors. Langham will then conduct reference checks for the short listed vendors assessing the vendor/product strength (including financial strength), position in the market, implementation quality, and operational performance and quality.

Finally, we will apply the agreed-upon evaluation procedures to the proposals and other information gathered to this point. These results will be delivered in both detail and summary form to CLB.

Deliverable: Completed Vendor Evaluation Document

Task 2.1.2 Organize the short-listed Vendor Demos

Using the outline Demo Agenda developed in 1.2.1, Langham and CLB staff will work together to refine this in the light of the proposals received to produce a detailed agenda, desired scripts, and accompanying instructions to the vendor.

Langham will coordinate, attend and manage the vendor demonstrations acting as facilitator and ensuring that the vendor covers the required materials and stays within the time allocated to each agenda item. Langham will also facilitate obtaining any additional information needed after the demos.

Deliverable: Detailed Vendor Demo Agenda and Instructions

Task 2.1.3 Participate in Reference Checks & Reference Site Visits

Langham will provide example Reference Check questions/forms that will be reviewed by the CLB Team. During a workshop session with CLB, Langham will finalize the Reference Check Form to be used for the CLB procurement. Langham will then contact 4 to 6 references for each finalist and document the site's response to each item on the Reference Check questionnaire. The reference check data will then be presented to the CLB team in detail and summary form.

Vendor reference sites will be selected based on the client list provide by each vendor. Langham Consulting will identify user sites that are most similar in size and complexity to CLB and provide a list of site visit candidates to the Project Team. Once the desired site visit locations are identified, Langham Consulting will arrange and schedule those visits. In addition, Langham Consulting and the Project Team will once again meet to identify the goals of each visit. Once detailed, Langham will develop a site visit agenda and evaluation/scoring form for Project Team review and approval. During the site visits, Langham Consulting will be responsible for the distribution and collection of the completed evaluation forms as well as consolidating the information into a trip report.

*Deliverables: Trip Reports with Evaluations
Completed Reference Check Forms & Summary Report*

Task 2.1.4 Develop the Ranking of the Vendors

Langham Consulting will provide templates for the evaluation of demonstrations and site visits. Langham and the CLB's Project team can customize these template based on the goals of the Team. Langham Consulting will be responsible for distributing and collecting all scoring sheets for each vendor demo and site visit. We will consolidate those scores into a spreadsheet format which will compare the scores from the participants for all vendors. The vendor's scores will be added to their RFP scores to provide a Total Score for each vendor. The vendors will be ranked based on this additional scoring information. CLB will be provided with all the details from the analysis, a summary written report and PowerPoint Presentation which may be used for CLB's Management review.

Scoring will facilitate vendors proposing on either the AMR Solution or Meter Reading solution parts of the RFP or both.

Deliverable: Vendor Ranking Document with supporting detail

Phase 2, Step 2: Project Budget & Plan

Task 2.2.1 Prepare Project Summary and Estimated Costs

Based on the aforementioned Resource Analysis and the highest ranking vendor proposal, Langham and the Project Team will build a detailed project budget, broken down by Meter Reading and AMR solutions. A high level summary will also be provided in order that all parties understand the short term and long term financial impact of this project.

A Project Summary will provide a brief history of the acquisition process and summarize findings along the way.

Deliverable: Project Summary & Projected Project Budget

Phase 2, Step 3: Contract Negotiation

Task 2.3.1 Lead or Participate in Final Contract Negotiations

Langham Consulting will obtain the current contract/agreement from the selected vendor(s) for implementation and operational services and support. We will review each agreement and provide a "redlined" version to the Project Team and CLB's designated Attorney with recommended changes, a recommended Statement of Work and a list of issues. Langham will then conduct a Contract Review & Negotiation Strategy meeting to obtain consensus on negotiation points, gain an understanding of CLB's view on each point, and develop a negotiation plan including any "deal breakers." Langham's negotiation strategy is to develop and preserve a long-term mutually beneficial relationship between CLB and the vendor while ensuring quality vendor performance and minimizing the risks to CLB and the customers you serve. Langham's chief negotiator, Gary Thorson, Ph.D. has over 24 years of experience doing just.

Deliverable: Vendor Contract including detailed Statement of Work.

Phase 3, Step 1: Quality Assurance

Task 3.1.1 Assess Project

Langham Consulting utilizes a proven Independent Validation and Verification process for the Quality Assurance reviews and Risk Mitigation. This procedure involves independent & confidential meetings with specific groups of individuals (e.g., customer service, IS technical support (System Admin, & DBA's), Field Services, etc., involved in or affected by the implementation process. The information obtained from the monthly interviews is then analyzed to determine and document the status of the project in four analytical areas. The Langham Consultant will evaluate the project activities in the following four major risk areas: Scope, Schedule, Budget, & Quality. Langham Consulting will provide CLB's Management with a verbal briefing while onsite and a written report of our findings within one week of the onsite visit.

We also review internal and vendor provided status reports and other project documentation to verify that the activities of the project are consistent and on track with the current project plan/schedule. Additionally, we review vendor invoicing/payments and compare this to the vendor contract and project budget to evaluate any potential financial risks. Langham Consulting will also at times interview CLB's end users to verify that the project impact and staff expectations are being clearly communicated to the users and that the users are coming up to speed for production use of the product.

Based on our findings during each month's review we will provide a QA Status report with Risk Management Recommendations. Langham Consulting will provide this report to the Steering Committee and attend the monthly Steering Committee meeting if desired. Langham Consulting has provided this type of service for numerous clients and is currently under contract to provide these services to Las Vegas Valley Water District (Oracle CC&B), Orange County Utilities (PeopleSoft CIS), Pinellas County, Florida (SAP) and Martin County Utilities (undecided).

While onsite for each Independent Verification & Validation review, Langham Consulting will meet with CLB and vendor staff in an effort to:

- Evaluate project progress in reference to the project plan and change management plan;
- Evaluate vendor performance in reference to the contract;
- Identify missed milestones or milestones at risk;
- Identify impact of any missed milestones;
- Identify current or potential project risk issues;
- Provide Risk Mitigation recommendations.

Deliverable: Written IV&V review of the progress and direction of the Project after each monthly meeting

Phase 3, Step 2: Project Implementation

Task 3.2.1 Assess Change

Using our Resource Analysis as a basis, Langham will formulate an organizational Change Management Plan. This plan will describe how the impacts of the change from one service provider to another, for manual meter reading and AMR deployment, will affect CLB. It will recommend organizational, staffing, procedural and policy changes that CLB should make to accommodate those changes while retaining a consistent level of service to its internal and external customers. This plan will account for any stated enterprise goals CLB may wish to incorporate. For example, if CLB wishes to use this transition as an opportunity to move from bi-monthly to monthly billing, the change management plan will incorporate this goal.

Deliverable: Change Management Plan

Task 3.2.2 Manage Implementation

As Project Manager, Langham Staff will provide leadership, management, and industry expertise that will ensure a successful transition process and implementation of meter reading services and the AMR solution's pilot for CLB.

Implementation Activities will include but will not be limited to:

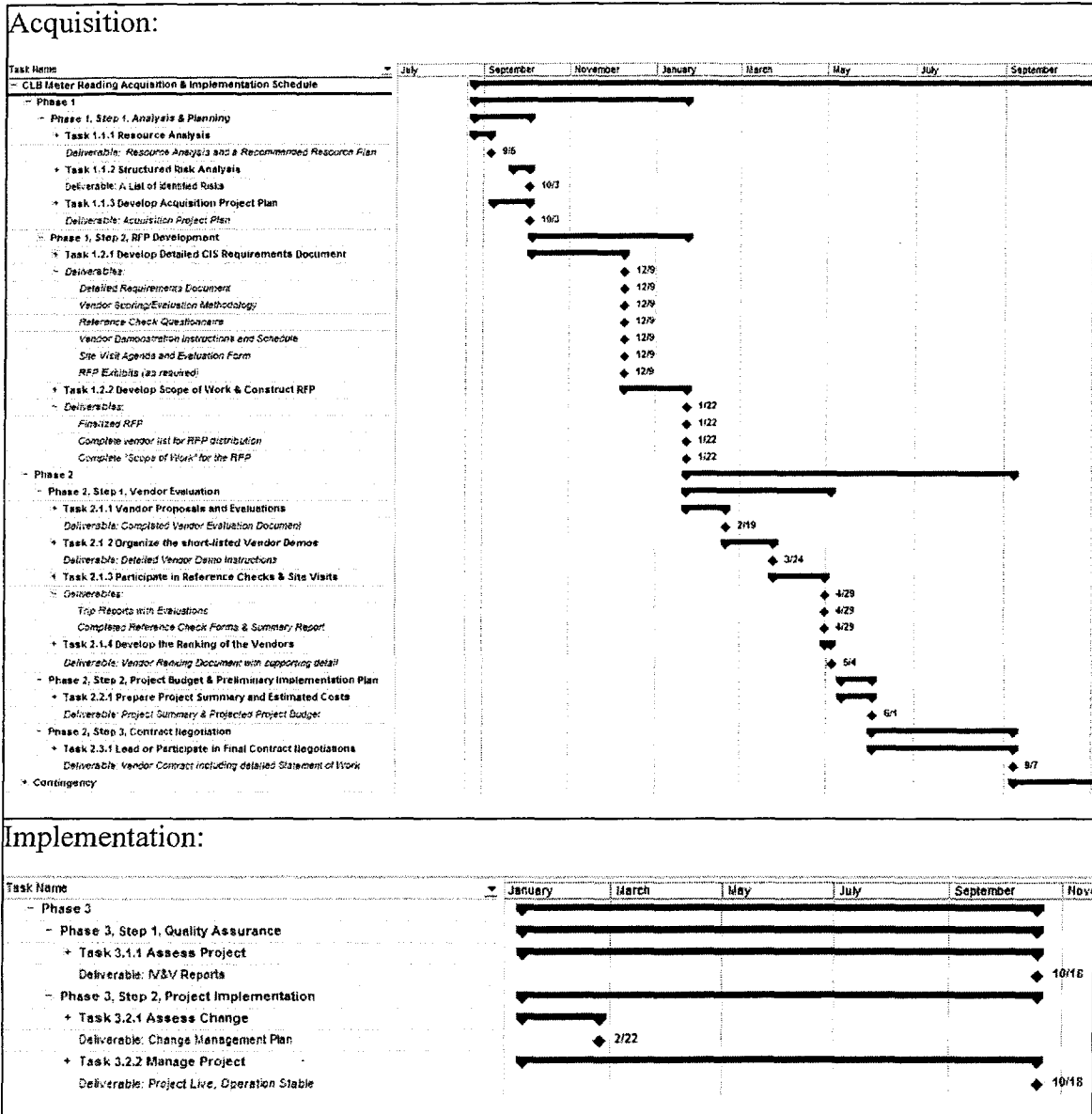
- On-site services 50% to 95 % of the time (at the option of CLB) for duration of the project (including, but not limited to project mobilization, requirements definition, in-house development, testing, cut-over and stabilization);
- Detailed project planning and project auditing;
- Monitoring progress against deliverables and milestones;
- Managing the preparation of transition plans;
- Scheduling of project activities and resources;
- Issuance of progress reports (frequency to be agreed with CLB);
- Documentation of meeting minutes;
- Project team management;
- Issue tracking between vendor(s) and CLB;
- Formal and informal communication on all relevant events;
- Participation in staff meetings to insure information sharing, problem solving and decision making;
- Assistance and advise CLB in the execution of the Change Management Plan;
- Manage system testing and determining acceptance criteria.

Most importantly, Langham Consulting will provide project advice and recommendations based on our 20 plus years of industry experience.

Deliverable: Project Management during the "implementation stage" & a Successful Implementation.

Schedule

Please refer to the example Project Plan below for an estimated timeline for the acquisition. This baseline plan is adjusted to accurately reflect the findings of tasks 1.1.1 and 1.1.2 and will remain as a living document until completion of the acquisition.



Staffing plan

Langham Consulting propose the following staffing for this project. Full resumes for all our staff are available on request and were provided in our original RFQ response for the resources we are proposing for this engagement.

Project Director, Contract Negotiator: Gary Thorson, Ph.D. (20% commitment)

The role of Project Director serves CLB in proactively ensuring Langham's contract is executed as agreed and as the final point of escalation for any issues CLB may wish to raise. Gary will also act as the project's quality assurance resource responsible for the quality and consistency of deliverables and adherence to the Langham approach.

Gary has over 24 years of contract negotiation experience. His role will be to develop a negotiation strategy and perform the negotiation of contracts with selected vendor(s) on behalf of or as a member of the CLB negotiation team.

Senior Consultant, Project Manager: Tim Almond (50% commitment)

Tim will manage the entire effort, taking on the following responsibilities:

Acquisition

- Manage the project according to the contracted deliverables and agreed schedule;
- Schedule meetings with CLB executives and Subject Matter Experts;
- Identification and management of risk;
- Formulation of strategic options;
- Presentation of deliverables to CLB;
- Analysis of information and relevant documentation;
- Final preparation of all materials including RFP, board presentations and business case;
- Performing Quality Control peer reviews & reference checks;
- Lead the construction of documentation and presentation of final deliverable.

Implementation

- Manage the project according to the contracted deliverables and an agreed transition plan and schedule;
- Monitor contracted deliverables and milestones and recommend (or not) payment to vendor;
- Identify risks; formulate and execute mitigation plans;
- Communicate with all levels of vendor and CLB staff and management as contracted and as required;
- Manage CLB implementation team as required;
- Work with Edison and the replacement service provider to ensure a smooth transition;
- Liaise with Edison and the selected replacement service provider as required.

Senior Consultant: Jerry Witherspoon (30% commitment)

Jerry will assist Tim in materials preparation and review throughout the entire Acquisition and Implementation phases. Jerry will take specific responsibility for the resource analysis and change management aspects of the project.

EXHIBIT "A-1"

CLB Resourcing Commitment

The following represents the typical resource commitment required from the perspective of a Langham client in order to support an acquisition of this nature. The exact resource allocation will not be known until a resource analysis is complete and an acquisition plan agreed in the first phase.

Role in the Acquisition	Typical Allocation	Applicable Phases
Executive Sponsor / Executive Co-sponsor(s)	15%	All
Selection Committee Members	15%	1 and 2
Core Team Members	50%	2 and 3
Subject Matter Experts	10%	All phases

Cost estimate

The following table represents Langham’s not to exceed price for the services described in this proposal:

Tasks & Milestones	Resource	Total Estimated Hours	Not to Exceed Price*
Acquisition Services			
Resource Analysis	Almond	80	\$13,600.00
Structured Risk Analysis	Almond	40	\$6,800.00
Acquisition Project Plan	Almond/ Thorson	40	\$6,800.00
Detailed Requirements	Almond/ Thorson	240	\$40,800.00
Scope of Work & Construct RFP	Almond/ Thorson	80	\$12,800.00
Vendor Proposal Evaluations	Almond/ Thorson	160	\$27,200.00
Vendor Demo Management	Almond	120	\$20,400.00
Vendor/User Site Visits	Almond	80	\$13,600.00
Vendor Ranking	Almond	60	\$10,200.00
Project Budget Preparation	Almond/ Thorson	60	\$10,200.00
Contract Negotiations	Thorson	120	\$20,400.00
Total		1080	\$183,600.00

Implementation Services			
Quality Assurance	Thorson	160	\$27,200.00
Project Management	Almond	840	\$142,800.00
Change Management	Almond	120	\$20,400.00
Total		1,120	\$190,400.00
Bi-Project Incentive**			
To be used at CLB's discretion	Credit	80	(\$13,600)
Project Total with Credit Applied			\$360,400.00
<p><i>*Note: Services are provided on an hourly basis at a rate of \$170/hr, inclusive of all expenses listed in CLB's RFP (Submission Requirements, 2.v.). This represents a reduction from our standard hourly rate of \$175/hr and is contingent on Langham being awarded both this contract and the contract for CIS selection.</i></p>			
<p><i>**Note: The bi-project incentive offers CLB 80 hours of consulting services to be used on either this contract or the CIS Acquisition contract and is offer as an additional benefit if Langham is awarded both contracts. The cost of these additional hours to CLB is \$0.00 and may be requested by CLB at any time during either contract for any desired additional services. If any portion of these hours remains unused at the end of either contract, Langham will offer the remaining balance as a rebate/credit to CLB on our final invoice (applying a rate of \$170/hr).</i></p>			

Leveraging Benefits from Multiple Contract Awards

There are many benefits to awarding both this acquisition and the Customer Information System (CIS) acquisition to Langham Consulting. The following list is some of the benefits CLB would recognize:

- A reduction of hourly rate to match that of the CIS selection proposal;
- An offer of 80 hours free consultancy to be used at CLB's discretion on either contract;
- As Langham only bill for the hours worked rather than to the limit of the contract, miscellaneous, non-tangible benefits are likely to translate into savings;
- Organizational and institutional knowledge (e.g. procurement policies, business procedures, etc) gained on one project means less time familiarizing oneself with organizational structure and procedures for the other project and in general a more thorough understanding of the organization in total;

- Less time spent will be spent in the functional analysis of meter reading requirements on the CIS acquisition as much of the learning experience has occurred in the meter reading acquisition;
- Better coordination of Langham resources: many on-site opportunities to kill two birds with one stone;
- Better coordination of CLB resources: multiple subjects can be addressed in a single meeting;
- Less time is spent overall in the development of meter reading specifications: the consultant asks the questions once, and documents the requirements once;
- Ambiguity is removed between the two projects with the consultant ensuring a consistency of approach;
- Using one method, Mentor™, will ensure consistent deliverables and documentation;
- CLB will have to learn only one consultant's method rather than two. an ease of common;
- Langham essentially becomes the one party responsible for defining and finding “meter to cash” solutions for CLB.

EXHIBIT “B”

City’s Representative: Pamela Horgan

EXHIBIT “C”

Materials/Information Furnished: None

CITY OF LONG BEACH POLICY FOR DISADVANTAGED, MINORITY-OWNED AND WOMEN-OWNED BUSINESS ENTERPRISES

It is the policy of the City of Long Beach to utilize Disadvantaged, Minority-Owned and Women-Owned Business Enterprises in all aspects of contracting, including construction, the purchase of materials and services, including professional services, leases and the granting of concessions.

EXHIBIT "D"