



SERVICES AGREEMENT

This Services Agreement is made between Tyler Technologies, Inc. and Client.

WHEREAS Client is a member of the National Joint Powers Alliance ("NJPA");

WHEREAS Tyler participated in the competitive bid process in response to NJPA's RFP #110515 by submitting a proposal on which NJPA awarded Tyler an NJPA contract, numbered 110515-TTI (hereinafter the "2016 NJPA Contract");

WHEREAS documentation of the NJPA's competitive bid process, as well as Tyler's contract with and pricing information for the 2016 NJPA Contract, is available at <http://www.njpacoop.org/cooperative-purchasing/contracts-general/technology-security-communication-solutions/110515-tti>; and

WHEREAS the parties desire to contract for Tyler's provision of professional services to Client under the 2016 NJPA Contract;

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and promises set forth in this Agreement, Tyler and Client agree as follows:

SECTION A – DEFINITIONS

- **"Agreement"** means this Services Agreement.
- **"Business Travel Policy"** means our business travel policy. A copy of our current Business Travel Policy is attached as Schedule 1 to Exhibit B.
- **"Client"** means the City of Redmond, WA.
- **"Effective Date"** means the last date on which a party's authorized representative signs the Agreement.
- **"Force Majeure"** means an event beyond the reasonable control of you or us, including, without limitation, governmental action, war, riot or civil commotion, fire, natural disaster, or any other cause that could not with reasonable diligence be foreseen or prevented by you or us.
- **"Investment Summary"** means the agreed upon cost proposal for the software, products, and services attached as Exhibit A.
- **"Invoicing and Payment Policy"** means the invoicing and payment policy. A copy of our current Invoicing and Payment Policy is attached as Exhibit B.
- **"Statement of Work"** means the industry standard implementation plan describing how our professional services will be provided, and outlining your and our roles and responsibilities in connection with that implementation. The Statement of Work is attached as Exhibit C.
- **"Tyler"** means Tyler Technologies, Inc., a Delaware corporation.
- **"we", "us", "our"** and similar terms mean Tyler.
- **"you"** and similar terms mean Client.

SECTION B – PROFESSIONAL SERVICES

1. Services. We will provide you the various implementation-related services itemized in the Investment Summary and described in the Statement of Work.
2. Professional Services Fees. You agree to pay us the professional services fees in the amounts set forth in the Investment Summary. Those amounts are payable in accordance with our Invoicing and Payment Policy. You acknowledge that the fees stated in the Investment Summary are good-faith estimates of the amount of time and materials required for your implementation. We will bill you the actual fees incurred based on the in-scope services provided to you. Any discrepancies in the total values set forth in the Investment Summary will be resolved by multiplying the applicable hourly rate by the quoted hours.
3. Additional Services. The Investment Summary contains, and the Statement of Work describes, the scope of services and related costs (including programming and/or interface estimates) required for the project based on our understanding of the specifications you supplied. If additional work is required, or if you use or request additional services, we will provide you with an addendum or change order, as applicable, outlining the costs for the additional work. The price quotes in the addendum or change order will be valid for thirty (30) days from the date of the quote.
4. Cancellation. We make all reasonable efforts to schedule our personnel for travel, including arranging travel reservations, at least two (2) weeks in advance of commitments. Therefore, if you cancel services less than two (2) weeks in advance (other than for Force Majeure or breach by us), you will be liable for all (a) non-refundable expenses incurred by us on your behalf, and (b) daily fees associated with cancelled professional services if we are unable to reassign our personnel. We will make all reasonable efforts to reassign personnel in the event you cancel within two (2) weeks of scheduled commitments.
5. Services Warranty. We will perform the services in a professional, workmanlike manner, consistent with industry standards. In the event we provide services that do not conform to this warranty, we will re-perform such services at no additional cost to you.
6. Site Access and Requirements. At no cost to us, you agree to provide us with full and free access to your personnel, facilities, and equipment as may be reasonably necessary for us to provide professional services, subject to any reasonable security protocols or other written policies provided to us as of the Effective Date, and thereafter as mutually agreed to by you and us. You further agree to provide a reasonably suitable environment, location, and space for us to perform our services, including, without limitation, sufficient electrical circuits, cables, and other reasonably necessary items required for the services.
7. Client Assistance. You acknowledge that provision of our services is a cooperative process that may require the time and resources of your personnel. You agree to use all reasonable efforts to cooperate with and assist us as may be reasonably required to meet the agreed upon project deadlines and other milestones. We will not be liable for failure to meet any deadlines and milestones when such failure is due to Force Majeure or to the failure by your personnel to provide such cooperation and assistance (either through action or omission).

SECTION C – INVOICING AND PAYMENT; INVOICE DISPUTES

1. Invoicing and Payment. We will invoice you for all fees set forth in the Investment Summary per our Invoicing and Payment Policy, subject to Section F(2).
2. Invoice Disputes. If you believe any delivered service does not conform to the warranties in this Agreement, you will provide us with written notice within thirty (30) days of your receipt of the applicable invoice. The written notice must contain reasonable detail of the issues you contend are in dispute so that we can confirm the issue and respond to your notice with either a justification of the invoice, an adjustment to the invoice, or a proposal addressing the issues presented in your notice. We will work with you as may be necessary to develop an action plan that outlines reasonable steps to be taken by each of us to resolve any issues presented in your notice. You may withhold payment of the amount(s) actually in dispute, and only those amounts, until we complete the action items outlined in the plan. If we are unable to complete the action items outlined in the action plan because of your failure to complete the items agreed to be done by you, then you will remit full payment of the invoice. We reserve the right to suspend delivery of all services if you fail to pay an invoice not disputed as described above within fifteen (15) days of notice of our intent to do so.

SECTION D – TERMINATION

1. For Cause. If you believe we have materially breached this Agreement, you will invoke the Dispute Resolution clause set forth in Section I(3). You may terminate this Agreement for cause in the event we do not cure, or create a mutually agreeable action plan to address, a material breach of this Agreement within the thirty (30) day window set forth in Section I(3). In the event of termination for cause, you will pay us for all undisputed fees and expenses related to the services you have received, or we have incurred or delivered, prior to the effective date of termination.
2. Lack of Appropriations. If you should not appropriate or otherwise receive funds sufficient to purchase the services set forth in this Agreement, you may unilaterally terminate this Agreement effective on the final day of the fiscal year through which you have funding. You will make every effort to give us at least thirty (30) days written notice prior to a termination for lack of appropriations. In the event of termination due to a lack of appropriations, you will pay us for all undisputed fees and expenses related to the services you have received, or we have incurred or delivered, prior to the effective date of termination. Any disputed fees and expenses must have been submitted to the Invoice Dispute process set forth in Section F(2) at the time of termination in order to be withheld at termination. You will not be entitled to a refund or offset of previously paid fees.
3. Force Majeure. Except for your payment obligations, either you or we may terminate this Agreement if a Force Majeure event suspends performance of scheduled tasks for a period of forty-five (45) days or more. In the event of termination due to Force Majeure, you will pay us for all undisputed fees and expenses related to the services you have received, or we have incurred or delivered, prior to the effective date of termination. Any disputed fees and expenses must have been submitted to the Invoice Dispute process set forth in Section F(2) at the time of termination in order to be withheld at termination. You will not be entitled to a refund or offset of previously paid fees.

SECTION E – INDEMNIFICATION, LIMITATION OF LIABILITY AND INSURANCE

1. General Indemnification.

1.1 We will indemnify and hold harmless you and your agents, officials, and employees from and against any and all third-party claims, losses, liabilities, damages, costs, and expenses (including reasonable attorney's fees and costs) for (a) personal injury or property damage to the extent caused by our negligence or willful misconduct; or (b) our violation of a law applicable to our performance under this Agreement. You must notify us promptly in writing of the claim and give us sole control over its defense or settlement. You agree to provide us with reasonable assistance, cooperation, and information in defending the claim at our expense.

1.2 To the extent permitted by applicable law, you will indemnify and hold harmless us and our agents, officials, and employees from and against any and all third-party claims, losses, liabilities, damages, costs, and expenses (including reasonable attorney's fees and costs) for personal injury or property damage to the extent caused by your negligence or willful misconduct; or (b) your violation of a law applicable to your performance under this Agreement. We will notify you promptly in writing of the claim and will give you sole control over its defense or settlement. We agree to provide you with reasonable assistance, cooperation, and information in defending the claim at your expense.

2. **DISCLAIMER. EXCEPT FOR THE EXPRESS WARRANTIES PROVIDED IN THIS AGREEMENT AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, WE HEREBY DISCLAIM ALL OTHER WARRANTIES AND CONDITIONS, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES, DUTIES, OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

3. **LIMITATION OF LIABILITY. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, OUR LIABILITY FOR DAMAGES ARISING OUT OF THIS AGREEMENT, WHETHER BASED ON A THEORY OF CONTRACT OR TORT, INCLUDING NEGLIGENCE AND STRICT LIABILITY, SHALL BE LIMITED TO YOUR ACTUAL DIRECT DAMAGES, NOT TO EXCEED THE TOTAL ONE-TIME FEES SET FORTH IN THE INVESTMENT SUMMARY. THE PRICES SET FORTH IN THIS AGREEMENT ARE SET IN RELIANCE UPON THIS LIMITATION OF LIABILITY. THE FOREGOING LIMITATION OF LIABILITY SHALL NOT APPLY TO CLAIMS THAT ARE SUBJECT TO SECTIONS H(1).**

4. **EXCLUSION OF CERTAIN DAMAGES. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL WE BE LIABLE FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES WHATSOEVER, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.**

5. Insurance. During the course of performing services under this Agreement, we agree to maintain the following levels of insurance: (a) Commercial General Liability of at least \$1,000,000; (b) Automobile Liability of at least \$1,000,000; (c) Professional Liability of at least \$1,000,000; (d) Workers Compensation complying with applicable statutory requirements; and (e) Excess/Umbrella Liability of at least \$5,000,000. We will add you as an additional insured to our Commercial General Liability and Automobile Liability policies, which will automatically add you as an additional insured to our Excess/Umbrella Liability policy as well. We will provide you with copies of certificates of insurance upon your written request.

SECTION F – GENERAL TERMS AND CONDITIONS

1. Additional Services. You may purchase additional services at the rates set forth in the Investment Summary for twelve (12) months from the Effective Date, and thereafter at our then-current list price, by executing a mutually agreed addendum. If no rate is provided in the Investment Summary, or those twelve (12) months have expired, you may purchase additional services at our then-current list price, also by executing a mutually agreed addendum. The terms of this Agreement will control any such additional purchase(s), unless otherwise specifically provided in the addendum.
2. Optional Items. Pricing for any listed optional services in the Investment Summary will be valid for twelve (12) months from the Effective Date.
3. Dispute Resolution. You agree to provide us with written notice within thirty (30) days of becoming aware of a dispute. You agree to cooperate with us in trying to reasonably resolve all disputes, including, if requested by either party, appointing a senior representative to meet and engage in good faith negotiations with our appointed senior representative. Senior representatives will convene within thirty (30) days of the written dispute notice, unless otherwise agreed. All meetings and discussions between senior representatives will be deemed confidential settlement discussions not subject to disclosure under Federal Rule of Evidence 408 or any similar applicable state rule. If we fail to resolve the dispute, either of us may assert our respective rights and remedies in a court of competent jurisdiction. Nothing in this section shall prevent you or us from seeking necessary injunctive relief during the dispute resolution procedures.
4. Taxes. The fees in the Investment Summary do not include any taxes, including, without limitation, sales, use, or excise tax. If you are a tax-exempt entity, you agree to provide us with a tax-exempt certificate. Otherwise, we will pay all applicable taxes to the proper authorities and you will reimburse us for such taxes. If you have a valid direct-pay permit, you agree to provide us with a copy. For clarity, we are responsible for paying our income taxes, both federal and state, as applicable, arising from our performance of this Agreement.
5. Nondiscrimination. We will not discriminate against any person employed or applying for employment concerning the performance of our responsibilities under this Agreement. This discrimination prohibition will apply to all matters of initial employment, tenure, and terms of employment, or otherwise with respect to any matter directly or indirectly relating to employment concerning race, color, religion, national origin, age, sex, sexual orientation, ancestry, disability that is unrelated to the individual's ability to perform the duties of a particular job or position, height, weight, marital status, or political affiliation. We will post, where appropriate, all notices related to nondiscrimination as may be required by applicable law.
6. E-Verify. We have complied, and will comply, with the E-Verify procedures administered by the U.S. Citizenship and Immigration Services Verification Division for all of our employees assigned to your project.
7. Subcontractors. We will not subcontract any services under this Agreement without your prior written consent, not to be unreasonably withheld.
8. Binding Effect; No Assignment. This Agreement shall be binding on, and shall be for the benefit of,

either your or our successor(s) or permitted assign(s). Neither party may assign this Agreement without the prior written consent of the other party; provided, however, your consent is not required for an assignment by us as a result of a corporate reorganization, merger, acquisition, or purchase of substantially all of our assets.

9. Force Majeure. Except for your payment obligations, neither party will be liable for delays in performing its obligations under this Agreement to the extent that the delay is caused by Force Majeure; provided, however, that within ten (10) business days of the Force Majeure event, the party whose performance is delayed provides the other party with written notice explaining the cause and extent thereof, as well as a request for a reasonable time extension equal to the estimated duration of the Force Majeure event.
10. No Intended Third Party Beneficiaries. This Agreement is entered into solely for the benefit of you and us. No third party will be deemed a beneficiary of this Agreement, and no third party will have the right to make any claim or assert any right under this Agreement. This provision does not affect the rights of third parties under any Third Party Terms.
11. Entire Agreement; Amendment. This Agreement represents the entire agreement between you and us with respect to the subject matter hereof, and supersedes any prior agreements, understandings, and representations, whether written, oral, expressed, implied, or statutory. Purchase orders submitted by you, if any, are for your internal administrative purposes only, and the terms and conditions contained in those purchase orders will have no force or effect. This Agreement may only be modified by a written amendment signed by an authorized representative of each party.
12. Severability. If any term or provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement will be considered valid and enforceable to the fullest extent permitted by law.
13. No Waiver. In the event that the terms and conditions of this Agreement are not strictly enforced by either party, such non-enforcement will not act as or be deemed to act as a waiver or modification of this Agreement, nor will such non-enforcement prevent such party from enforcing each and every term of this Agreement thereafter.
14. Independent Contractor. We are an independent contractor for all purposes under this Agreement.
15. Notices. All notices or communications required or permitted as a part of this Agreement, such as notice of an alleged material breach for a termination for cause or a dispute that must be submitted to dispute resolution, must be in writing and will be deemed delivered upon the earlier of the following: (a) actual receipt by the receiving party; (b) upon receipt by sender of a certified mail, return receipt signed by an employee or agent of the receiving party; (c) upon receipt by sender of proof of email delivery; or (d) if not actually received, five (5) days after deposit with the United States Postal Service authorized mail center with proper postage (certified mail, return receipt requested) affixed and addressed to the other party at the address set forth on the signature page hereto or such other address as the party may have designated by proper notice. The consequences for the failure to receive a notice due to improper notification by the intended receiving party of a change in address will be borne by the intended receiving party.
16. Client Lists. You agree that we may identify you by name in client lists, marketing presentations, and

promotional materials.

17. Confidentiality. Both parties recognize that their respective employees and agents, in the course of performance of this Agreement, may be exposed to confidential information and that disclosure of such information could violate rights to private individuals and entities, including the parties. Confidential information is nonpublic information that a reasonable person would believe to be confidential and includes, without limitation, personal identifying information (*e.g.*, social security numbers) and trade secrets, each as defined by applicable state law. Each party agrees that it will not disclose any confidential information of the other party and further agrees to take all reasonable and appropriate action to prevent such disclosure by its employees or agents. The confidentiality covenants contained herein will survive the termination or cancellation of this Agreement. This obligation of confidentiality will not apply to information that:

- (a) is in the public domain, either at the time of disclosure or afterwards, except by breach of this Agreement by a party or its employees or agents;
- (b) a party can establish by reasonable proof was in that party's possession at the time of initial disclosure;
- (c) a party receives from a third party who has a right to disclose it to the receiving party; or
- (d) is the subject of a legitimate disclosure request under the open records laws or similar applicable public disclosure laws governing this Agreement; provided, however, that in the event you receive an open records or other similar applicable request, you will give us prompt notice and otherwise perform the functions required by applicable law.

18. Business License. In the event a local business license is required for us to perform services hereunder, you will promptly notify us and provide us with the necessary paperwork and/or contact information so that we may timely obtain such license.

19. Governing Law. This Agreement will be governed by and construed in accordance with the laws of your state of domicile, without regard to its rules on conflicts of law.

20. Multiple Originals and Authorized Signatures. This Agreement may be executed in multiple originals, any of which will be independently treated as an original document. Any electronic, faxed, scanned, photocopied, or similarly reproduced signature on this Agreement or any amendment hereto will be deemed an original signature and will be fully enforceable as if an original signature. Each party represents to the other that the signatory set forth below is duly authorized to bind that party to this Agreement.

21. Cooperative Procurement. To the maximum extent permitted by applicable law, we agree that this Agreement may be used as a cooperative procurement vehicle by eligible jurisdictions. We reserve the right to negotiate and customize the terms and conditions set forth herein, including but not limited to pricing, to the scope and circumstances of that cooperative procurement.

22. Contract Documents. This Agreement includes the following exhibits:

Exhibit A	Investment Summary
Exhibit B	Invoicing and Payment Policy Schedule 1: Business Travel Policy
Exhibit C	Statement of Work

IN WITNESS WHEREOF, a duly authorized representative of each party has executed this Agreement as of the date(s) set forth below.

Tyler Technologies, Inc.

City of Redmond, WA

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Address for Notices:

Tyler Technologies, Inc.
One Tyler Drive
Yarmouth, ME 04096
Attention: Chief Legal Officer

Address for Notices:

City of Redmond
15670 NE 85th Street
Redmond, WA 98052
Attention: Authorized Signatory



Exhibit A
Investment Summary

The following Investment Summary details the services to be delivered by us to you under the Agreement. This Investment Summary is effective as of the Effective Date. Capitalized terms not otherwise defined will have the meaning assigned to such terms in the Agreement.

Description	Days	Unit Price	Extended Price
Implementation of <i>Microsoft Dynamics 365 for Operations</i> – Budget Planning module as defined in the Statement of Work (“Exhibit C”).			
Budget Planning Implementation	25	\$1,480.00	\$37,000.00
Budget Planning End User Training	5	1,480.00	7,400.00
Application Integration Services	15	1,480.00	22,200.00
Application Development Services	19	1,480.00	28,120.00
Onsite Post Go-Live Support (1 week X 5 days)	5	1,480.00	7,400.00
Project Management	24	1,600.00	38,400.00
<i>Estimated Total Services</i>			\$140,520.00
Estimated Travel and Expenses (Trips)	5	2,000.00	10,000.00
<i>Estimated Total Services Plus Travel</i>			\$150,520.00

Comments/Assumptions:

1. Days and number of trips quoted above are estimates—customer will be billed for actual time worked.
2. Rates are determined by Tyler’s contract #110515-TTI with National Joint Powers Alliance (NJPA) and will be billed in half-day increments.
3. This quotation is for services only. All software licenses for *Microsoft Dynamics 365 for Operations* will be purchased by the City directly via their Microsoft Enterprise Agreement.
4. Microsoft provides basic support and maintenance as part of their Dynamics 365 Service Plan Subscription, and Customer has opted to utilize that plan. Tyler help desk for Budget Planning is not included in this quotation, but will be quoted separately upon request by Customer.



Exhibit B
Invoicing and Payment Policy

We will provide you with the services set forth in the Investment Summary. Capitalized terms not otherwise defined will have the meaning assigned to such terms in the Agreement.

Invoicing: We will invoice you for the applicable services fees in the Investment Summary as set forth below. Your rights to dispute any invoice are set forth in the Agreement.

1. Professional Services. Implementation and other professional services (including training) are billed and invoiced as delivered, at the rates set forth in the Investment Summary.
2. Expenses. The service rates in the Investment Summary do not include travel expenses. Expenses will be billed as incurred and only in accordance with our then-current Business Travel Policy, plus a 10% travel agency processing fee. Our current Business Travel Policy is attached to this Exhibit B at Schedule 1. Copies of receipts will be provided upon request; we reserve the right to charge you an administrative fee depending on the extent of your requests. Receipts for miscellaneous items less than twenty-five dollars and mileage logs are not available.

Payment. Payment for undisputed invoices is due within forty-five (45) days of the invoice date. We prefer to receive payments electronically. Our electronic payment information is:

Bank:	Wells Fargo Bank, N.A. 420 Montgomery San Francisco, CA 94104
ABA:	121000248
Account:	4124302472
Beneficiary:	Tyler Technologies, Inc. – Operating



Exhibit B
Schedule 1
Business Travel Policy

1. Air Travel

A. Reservations & Tickets

Tyler's Travel Management Company (TMC) will provide an employee with a direct flight within two hours before or after the requested departure time, assuming that flight does not add more than three hours to the employee's total trip duration and the fare is within \$100 (each way) of the lowest logical fare. If a net savings of \$200 or more (each way) is possible through a connecting flight that is within two hours before or after the requested departure time and that does not add more than three hours to the employee's total trip duration, the connecting flight should be accepted.

Employees are encouraged to make advanced reservations to take full advantage of discount opportunities. Employees should use all reasonable efforts to make travel arrangements at least two (2) weeks in advance of commitments. A seven day advance booking requirement is mandatory. When booking less than seven days in advance, management approval will be required.

Except in the case of international travel where a segment of continuous air travel is scheduled to exceed six hours, only economy or coach class seating is reimbursable.

B. Baggage Fees

Reimbursement of personal baggage charges are based on trip duration as follows:

- Up to five days = one checked bag
- Six or more days = two checked bags

Baggage fees for sports equipment are not reimbursable.

2. Ground Transportation

A. Private Automobile

Mileage Allowance – Business use of an employee's private automobile will be reimbursed at the current IRS allowable rate, plus out of pocket costs for tolls and parking. Mileage will be calculated by using the employee's office as the starting and ending point, in compliance with IRS regulations. Employees who have been designated a home office should calculate miles from their home.

B. Rental Car

Employees are authorized to rent cars only in conjunction with air travel when cost, convenience, and the specific situation reasonably require their use. When renting a car for Tyler business, employees should select a “mid-size” or “intermediate” car. “Full” size cars may be rented when three or more employees are traveling together. Tyler carries leased vehicle coverage for business car rentals; additional insurance on the rental agreement should be declined.

C. Public Transportation

Taxi or airport limousine services may be considered when traveling in and around cities or to and from airports when less expensive means of transportation are unavailable or impractical. The actual fare plus a reasonable tip (15-18%) are reimbursable. In the case of a free hotel shuttle to the airport, tips are included in the per diem rates and will not be reimbursed separately.

D. Parking & Tolls

When parking at the airport, employees must use longer term parking areas that are measured in days as opposed to hours. Park and fly options located near some airports may also be used. For extended trips that would result in excessive parking charges, public transportation to/from the airport should be considered. Tolls will be reimbursed when receipts are presented.

3. Lodging

Tyler’s TMC will select hotel chains that are well established, reasonable in price, and conveniently located in relation to the traveler's work assignment. Typical hotel chains include Courtyard, Fairfield Inn, Hampton Inn, and Holiday Inn Express. If the employee has a discount rate with a local hotel, the hotel reservation should note that discount and the employee should confirm the lower rate with the hotel upon arrival. Employee memberships in travel clubs such as AAA should be noted in their travel profiles so that the employee can take advantage of any lower club rates.

“No shows” or cancellation fees are not reimbursable if the employee does not comply with the hotel’s cancellation policy.

Tips for maids and other hotel staff are included in the per diem rate and are not reimbursed separately.

4. Meals and Incidental Expenses

Employee meals and incidental expenses while on travel status are in accordance with the federal per diem rates published by the General Services Administration. Incidental expenses include tips to maids, hotel staff, and shuttle drivers and other minor travel expenses. Per diem rates are available at www.gsa.gov/perdiem.

A. Overnight Travel

For each full day of travel, all three meals are reimbursable. Per diems on the first and last day of a trip are governed as set forth below.

Departure Day

Depart before 12:00 noon	Lunch and dinner
Depart after 12:00 noon	Dinner

Return Day

Return before 12:00 noon	Breakfast
Return between 12:00 noon & 7:00 p.m.	Breakfast and lunch
Return after 7:00 p.m.*	Breakfast, lunch and dinner

*7:00 p.m. is defined as direct travel time and does not include time taken to stop for dinner

The reimbursement rates for individual meals are calculated as a percentage of the full day per diem as follows:

- Breakfast 15%
- Lunch 25%
- Dinner 60%

B. Same Day Travel

Employees traveling at least 100 miles to a site and returning in the same day are eligible to claim lunch on an expense report. Employees on same day travel status are eligible to claim dinner in the event they return home after 7:00 p.m.*

*7:00 p.m. is defined as direct travel time and does not include time taken to stop for dinner

5. Internet Access – Hotels and Airports

Employees who travel may need to access their e-mail at night. Many hotels provide free high speed internet access and Tyler employees are encouraged to use such hotels whenever possible. If an employee's hotel charges for internet access it is reimbursable up to \$10.00 per day. Charges for internet access at airports are not reimbursable.



**Exhibit C
Statement of Work**

The Statement of Work document begins on the following page.

Tyler Technologies Statement of Work

The purpose of this document is to outline the Tyler software implementation plan for Microsoft Dynamics 365 for Operations - Budget Planning module. This document has been customized for the City of Redmond, WA.

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Executive Summary

Tyler Technologies, Inc (Tyler) is proposing to provide implementation services related to the cloud based production operations of Microsoft Dynamics 365 for Operations – Budget Planning for the City of Redmond (CoR).

CoR and Tyler will each define project teams, working together these teams will accomplish the following key tasks: develop project plans and schedules, conduct as-is and to-be analysis, perform static environment testing, configure Dynamics based on CoR business requirements, conduct training, provide master data movement services and deploy Dynamics 365 for Operations – Budget Planning in a production environment agency-wide. In addition, Tyler is proposing a limited period of post implementation support.

The project managers from both entities will develop a set of implementation plans that will govern the implementation process; these documents will cover project scope management, schedule management, project communication, project resources, quality management, education management and risk management. The project managers from CoR and Tyler will review the project status, project budget and project risks on a bi-weekly basis; project sponsors meetings will be conducted monthly.

Tyler will provide a SharePoint site dedicated to the CoR project which will contain all related implementation artifacts. In addition, Tyler will utilize online meeting technologies and on-site sessions at CoR facilities for analysis; training services will be performed on-site. Project Management services will incorporate both onsite and remote meetings.

The following sections of this Statement of Work will define the approach, deliverables, responsibilities, and scope of the contracted services.

Background

Beginning in 2008, The City of Redmond (CoR), Tyler and Microsoft began the Technology Adoption Program (TAP) which resulted in CoR beginning production operations on Microsoft Dynamics AX 2012 (Beta Version) on July 5, 2011. CoR implemented the following AX modules: General Ledger, Procurement and Sourcing, Accounts Payable, Cash and Bank Management, Budgeting, Project Management and Accounting, Accounts Receivable, Organization Administration, and System Administration. The City also implemented Tyler's Insight Extensions, Eden Payroll, Tyler Content Manager and Tyler Cashiering to support CoR operations. Tyler and Microsoft continued to assist CoR and ultimately upgraded CoR to a supported, generally available release of Dynamics AX 2012 in December 2011. Since that time, Tyler and Microsoft have continued supporting CoR via Microsoft hot fixes, rollups and upgraded versions of Tyler Insight Extensions. As of this writing, CoR is currently operating Dynamics AX 2012 R3 (Version 6.2).

CoR & Tyler did work together on a Budget Planning pilot with Dynamics AX 2012 in early 2012; while the pilot was deemed largely successful, it was ultimately decided that the CoR would not proceed with the implementation of Budget Planning with Dynamics AX 2012. Since that time, the CoR has continued to use their existing legacy Budget Planning software.

In the fall of 2016, Microsoft announced the general availability of the next version of Dynamics AX:

Dynamics 365 for Operations. Included in this release is a new cloud based Budget Planning offering. The CoR has, based on this announcement, requested assistance from Tyler in order to expand budget planning operations using the newly released Dynamics 365 for Operations offering.

Scope of Work

TYLER, will assist Client to place into production the cloud based Dynamics 365 for Operations – Budget Planning software product suite and other supporting services including, but not limited to:

- Project Planning
- Project Management
- Master Data Migration
- System Testing
- Core User Training
- Post Implementation support

Scope Change Process

If Client desires products or services not in current contract scope, or requires a change to the existing services, the Client's Project Manager shall deliver to the Tyler's Project Managers a scope change request specifying the proposed work with sufficient detail to enable Tyler to evaluate it. After review and impact analysis, Tyler will provide Client with a written scope change proposal containing the following:

- Detailed description of resources (both Tyler and Client) required to perform the change
- Specifications
- Implementation Plans
- Schedule for completion
- Acceptance criteria
- Impact on current milestones and payment schedule
- Impact on project goals and objectives
- Price

All client scope change requests and scope change proposals must be submitted by the Client Project Manager. Scope change requests will also be identified on the issues log and elevated to the Client Executive Team for review at the next Executive Team meeting.

Project Work Plan

Methodology

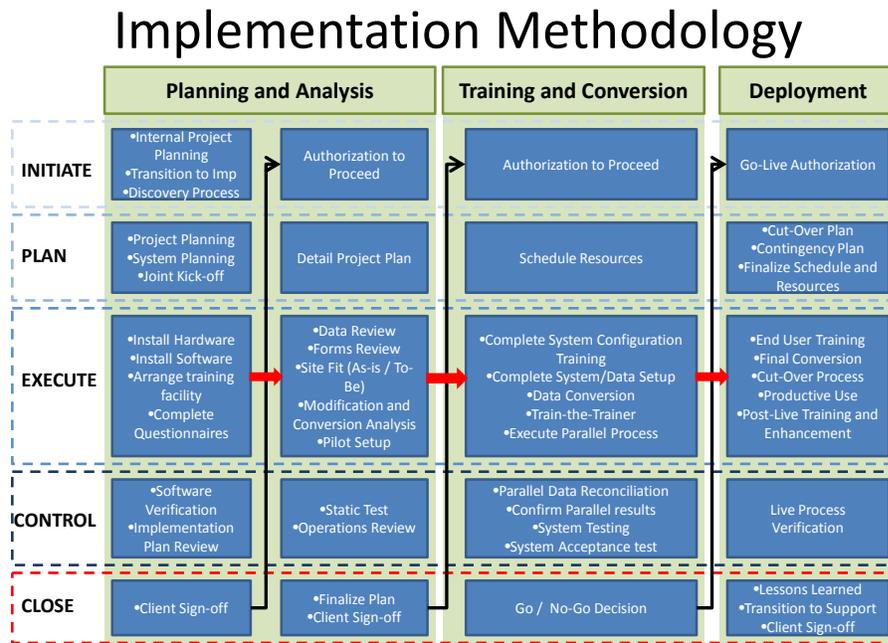
Following is the Work Breakdown Structure overview which has been specifically designed for Microsoft Dynamics by Tyler; each component adheres to the PMI methodology of the five process groups as follows:

- Initiating: Project is authorized and launched.
- Planning: Project objectives are defined; best course of action is selected.

- Executing: People and other resources are coordinated to implement the project plan.
- Controlling: Project progress is monitored; deviations from project plan are addressed.
- Closing: Formal project completion is accepted; project is officially closed.

Implementation Methodology Overview

The Tyler approach utilizing PMI process groups is depicted on the following illustration.



This section defines implementation activities and responsibilities for the major phases of the Tyler Implementation Methodology using the key defined below.

- Own : The party is solely responsible for the task
- Lead : The party responsible for the task and may manage other resources
- Participate : The party is involved in, but does not lead the task
- Share: Both parties are mutually responsible for completing the task. Both parties assume individual responsibility to ensure task is completed
- Review : The party is responsible for reviewing work products after task is completed
- None : The party is not involved in the task

Project Management		
DYNAMICS 365 Project Plan Development & Management	Lead	Review
Define DYNAMICS 365 Project Standards &	Lead	Participate

Project Management		
Project Management		
Procedures		
Obtain Executive Mandate	None	Own
Manage DYNAMICS 365 Deliverable Sign-offs	Lead	Participate
Manage Tyler Implementation Resource Scheduling	Share	Share
Monitor 365 Project Budget	Share	Share
Risk Management	Share	Share
Schedule Client Resources	None	Own
Coordinate Client Interdepartmental Activities	Participate	Lead
Tyler Project Status Meetings	Share	Share
Coordinate and Manage Internal Client Project Meetings	None	Own
Monitor Client Project Task Completion	Participate	Lead
Track Project Issues	Share	Share

Project Overview

Project Assumptions

The following outlines major assumptions regarding the SOW and the commitment to Live Dates on time and within budget:

- Project will be completed on a time-and-materials based contract. Tyler and the Client will be responsible for providing required commitments identified in this statement of work. Failure to provide appropriate support to the listed activities and tasks described in this statement of work may result in change orders
- It will be the Client's responsibility to train decentralized users. The Client is responsible for scheduling the decentralized training, developing customized user documentation, conducting the training, and assessing user understanding and acceptance.
- All project tasks will be assigned owners and due dates which correspond to the overall project schedule. Project Tasks that are not completed by the due date may adversely affect the project schedule and Go-Live Dates
- Decisions will be made in a timely fashion in order to achieve scheduled due dates on tasks and prepare for subsequent training sessions. Decisions left unmade may affect the project schedule as each analysis and implementation session builds on the decisions made in prior sessions
- Both Tyler and the Client are responsible for adhering to and executing the Project in accordance with the schedule and budget defined in the approved Plan. In the event either party finds that significant variance to planned schedule may occur or is occurring, then Tyler and Client Project Managers are responsible for determining the necessary corrective actions and updating the Plan accordingly.
- In the event the Client elects to add or modify Client business policies during this Project, then such policy changes are solely the Client's responsibility to define, document, and implement.
- The Client will procure, configure and maintain the Dynamics 365 environment.
- The Client is responsible for all system administrative tasks in the Dynamics 365 environment.
- The Client will need to maintain certain budgetary setup data in both the AX2012 and Dynamics 365 instances, including but not limited to dimensions for budgeting, budget models, budget cycles, budget codes, and budget allocation terms.
- The Client will utilize layouts in Dynamics 365, end users entering budgetary information directly in the application (as opposed to the Excel office add-ins).
- The Client will need to maintain certain general ledger setup in both Dynamics 365 and AX2012 instances including but not limited to organization hierarchies, account setup, dimension setup, account structure setup (including rules), dimensions, ledger setup, and calendar setup.
- The Client may not be able to generate budget plans from general ledger, and may need to utilize office add-in functionality or DIXF to import general ledger data.
- The Client will not generate budget plans from fixed assets – fixed asset budgets will be manually entered.
- The Client will import forecast positions utilizing Tyler Insight Extension Feature "1543 - Position budgeting data import".
- Tyler will port "1543 - Position budgeting data import" to Dynamics 365.
- The Client will need to maintain in Dynamics 365 forecast position setup information in the budget planning and HCM modules, including but not limited to budget cost elements, compensation groups, levels, reference point setups, and compensation grids (depending upon client business requirements).
- The Client will not generate budget plans from project forecasts.
- The Client will not generate budget plans from demand forecasts.
- The Client will not generate budget plans from supply forecasts.

- The Client may not be able to generate budget plans from budget registry entry data, and will utilize office add-in functionality or DIXF to import general ledger data
- The Client will need to maintain users and user security separately in the Dynamics 365 instance.
- Tyler will port the data over twice, the first will be a test pass for training and will include all master and transactional data and a final go live conversion which will only be a refresh of transactional data.
- The Client will be responsible for maintaining master data once it is configured in Dynamics 365.
- Tyler will provide integrations to the Production environments for the Client’s Dynamics AX 2012 and Tyler’s Eden Payroll systems to Dynamics 365. All other system integrations are out of scope.
- Tyler will need six users licenses to access the Dynamics 365 environment; these users should be included in the Client’s users license count.
- In support of the overall project management activities, the Client will:
 - Appoint a Client Project Manager with overall responsibility for Client resources and with the authority to ensure decisions and commitments from the Client are made and communicated to the Tyler Project Manager in a timely and efficient manner.
 - Communicate to the Tyler Project Manager on the progress of the Client’s internal deliverables and any deviation that would affect Tyler’s ability to meet the Project schedule.
 - Ensure that individuals with the authority to represent the Client and to provide information needed by Tyler are available when necessary, attend meetings as required, and perform all activities assigned to the Client.

Personnel Assumptions

The personnel listed below have been identified for the roles as indicated. These people will be assigned to their indicated roles during the entire implementation. In the case where the person is indicated as TBD (to be determined), it is assumed that qualified staff will be available as the schedule requires.

Position	Staff	Commitment
Client Project Sponsor	Mike Bailey	Part Time
Client Project Manager	Dawn Johnson	Part Time
Client Functional Lead – Budget	TBD	Part Time
Client Technical Lead - Systems	TBD	Part Time
Tyler Project Sponsor	Steve Brozinick	Part Time
Tyler Budget SME	Serena Messner	Part Time
Tyler Project Manager	TBD	Part Time
Tyler Implementation Consultant	TBD	Part Time

The following assumptions apply to staff resource assignments for the Project:

- Identified Project staff resources will be available for Project work in accordance with the schedule defined within the Plan. Project staff should not be required to spend time on other company business in lieu of or to the detriment of their Project responsibilities.
- Project staff shall be knowledgeable and experienced within their assigned functional area.
- Additional subject matter experts shall be made available as necessary to address specific functional and procedural issues that might arise and require expertise beyond that of the immediate Project staff.



- To ensure knowledge and performance continuity, Project staff shall be assigned to the Project for the entire duration of the Project Phase.
- Client Project staff are able and empowered to answer and resolve business issues on behalf of the Client.

Anticipated Project Timeline

Based on the information gathered during the project scope definition, Tyler has generated the estimated project timeline (below). The timeline was built upon the assumptions within this SOW and is subject to change. During project planning, a detailed project plan will be created and maintained throughout the implementation.

Redmond, Washington - Microsoft Dynamics 365 Budget Planning Implementation Timeline													
 City of Redmond WASHINGTON	2017											2018	
	Mar	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Jan	Feb
Project Planning and Execution													
Project Management													
Project Planning and Kick Off													
Status Reporting													
Configuration Management													
Integration Services													
Integration Development Services													
Integration Verification													
Manage Required Cloud Environments													
Validation													
Integration Validation													
End User Training													
Acceptance Testing/Budget Plan Validation													
Production Operations													
System Go-Live													
Ongoing Post Go-Live Support													

Project Planning and Kickoff

The following outlines major assumptions and activities surrounding the Project Initiation and Kickoff phase of the Project:

- The Client shall assign and authorize a Project Manager prior to the start of this phase.
- The Client Project Manager, along with the Tyler Project Manager, shall participate in the review and final revision of the Project management and planning documents, which include this Implementation Project Scope Agreement, the Project Risk Register, and the Communications Plan.
- The Tyler Project Manager and Client Project Manager will develop the Project Plan. Tyler will be responsible for providing the initial project plan and will maintain and update the project plan throughout all phases of the project. The Client’s project team will approve the initial and all subsequent updates of the project plan at the regularly scheduled project meetings. The Client will be involved in reviewing and providing necessary feedback and inputs as requested by the Tyler project manager

Facility Requirements



The following outlines major assumptions surrounding the Facility used for the Project:

- The Client will provide a room to be used as a training lab for Tyler staff to transfer knowledge to Client resources as well as a place for Client staff to practice what they have learned.
- The room is to be set up in a classroom setting. The number of workstations in the room is to be determined by the Client. It is Tyler’s recommendation that every person attending a scheduled session with a Tyler Implementer have their own workstation; however, Tyler requires that there be no more than two people at a given workstation.
- A workstation is to consist of a computer that has access to the Dynamics 365 training/test database, Dynamics AX 2012 test/training database, Eden test database and a printer.
- The Client is to provide a workstation that connects to Dynamics 365, AX 2012 and Eden for the Tyler trainer conducting the session. The computer must be linked to a projector so everyone attending the session is able to follow the information being communicated.
- In addition to computers and a printer, it is recommended that a phone be available in the room as well as a white board with markers and eraser.
- The Client is responsible to schedule the training room for the sessions conducted by Tyler staff.

Training Approach

Tyler’s training philosophy is designed to follow the natural business cycle of the public sector and ensure the core project team is able to use Dynamics 365. The first step in our training cycle is Daily Operations, which provides the foundation for using Dynamics 365. The second series of training sessions, Weekly Operations, builds upon daily operations training and focuses on completing key business processes while reinforcing daily operational tasks. The third series of training sessions, Monthly / Periodic Operations, completes the monthly/annual business cycles. The culmination of all the training sessions is the Go Live Operations session; during this session, users will perform their normal duties within the Production Dynamics 365 database. Tyler staff will be on-site to assist as needed to ensure a successful go live deployment of Dynamics 365.

Go Live Operations

This session is the first week of Go Live operations using Dynamics 365 in the production environment; Tyler staff will be onsite to assist the agency, as need.

Training Roles & Responsibilities	Responsibility	
	Tyler	Client
Logistics and training administration	Participate	Lead
Core-User training	Lead	Participate
Development of end-user training documents	None	Own
End-user training delivery (process training, navigation, application)	None	Own
Go Live Operations	Participate	Lead

Acceptance Testing

Testing occurs throughout the project, typically in repeated patterns that align closely with other major project activities. This is a shared responsibility between the Client and Tyler and will be coordinated, conducted and



monitored by both parties.

Static Environment Testing (SET)

This is performed once the Client has made preliminary Best Practice decisions. The purpose of the test is to provide an early opportunity to the Client for validation of business process decisions in the actual application, without the complication of converted data. This pristine testing environment allows decision-makers to focus on process flow without the potential impact of converted data

Integration Testing

Beginning with the testing that occurs during the Static Environment Test and continuing with Customizations testing, process training (Project Team/Functional Lead, Core User and End User), special attention is paid to the integration integrity of the system. Whether between Dynamics 365 applications and the General Ledger, all aspects of functional integrity is tested repeatedly throughout the implementation. This testing is part of pre-live assessment.

User Acceptance Testing (UAT)

User Acceptance testing is conducted both leading up to and following end-user training. While some recommend that UAT is all performed post end-user training, Tyler supports incremental UAT through trial run processing. Early trial runs and parallels will most likely not involve end-users, once again isolating them from any issues that may be discovered through the process. Once processes are stabilized and can be completed without significant error, the UA testing will expand to include End Users.

Testing Roles & Responsibilities		Responsibility	
Task	Description	Tyler	Client
Define SET scripts	Define requirements and step by step processes for scenarios that need to pass to meet the City’s functional needs	Participate	Lead
Establish To-Be Test Plan	Compile information gathered during analysis and prepare settings for To-Be Test (Static Environment Test)	Own	None
Perform To-Be Test (Static Environment Test)	Conduct demonstration of To-Be decisions in Dynamics 365 with hand-keyed data	Lead	Participate
Authorization to Proceed	Client acceptance of To-Be Test and authorization to proceed with training and data population	None	Own
Perform User Acceptance Test	Complete User Acceptance Test	Participate	Lead

Appendix A: Dynamics 365 Implementation Activities

This section defines implementation activities and responsibilities for the major phases of the Tyler Implementation Methodology using the key defined below.

- Own: The party is solely responsible for the task
- Lead: The party responsible for the task and may manage other resources
- Participate: The party is involved in, but does not lead the task
- Share: Both parties are mutually responsible for completing the task. Both parties assume individual responsibility to ensure task is completed
- Review: The party is responsible for reviewing work products after task is completed
- Configure: The party is responsible for configuring the task
- Maintain: The party is responsible for maintaining the task once configured
- None: The party is not involved in the task

Budget Planning

Task		TYLER	CLIENT
System Configuration			
Budget parameters		Lead	Review, Maintain
Dimensions for budgeting	<ul style="list-style-type: none"> • Budget dimensions • Custom dimensions • Advanced Rules Structures 	Lead	Review, Maintain
Budget hierarchies		Lead	Review, Maintain
Workers and departments		Lead	Review, Maintain
Budgeting Workflows		Lead	Configure, Maintain
Budgeting planning configuration	<ul style="list-style-type: none"> • Scenarios • Stages • Workflows • Scenario constraints • Priorities • Folders • Templates 	Lead	Configure, Maintain
Budget Planning Process		Lead	Configure, Maintain
Functional Training			
Budget plan entries		Lead	Participate, Maintain

Budget plan processing		Lead	Participate, Maintain
Budget stage reviews		Lead	Participate, Maintain
Budget worksheet		Lead	Participate, Maintain
Budget justification		Lead	Participate, Maintain
Budget plan lines		Lead	Participate, Maintain
Position Budgeting		Lead	Participate, Maintain
Generate budget register entry		Lead	Participate, Maintain