

Request for Proposal

#99390



LINKS ERP/EAM/CIS

Issued July 16, 2009

PROPRIETARY AND CONFIDENTIAL

Version 1.0 • July 16, 2009

Request for Proposal

Pedernales Electric Cooperative

ERP/EAM/CIS

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1. General Information

1.1. Name of Proposal

Pedernales Electric Cooperative LINKS ERP/EAM/CIS

1.2. Confidential Information

This Request for Proposal (RFP) and your response to the RFP are considered "Confidential Information." RFP recipients are not authorized to duplicate, distribute, or otherwise disseminate or make available this document or the information contained in it to a third party without the prior written consent of PEC. RFP recipients may make this document available to those employees who have a need to know its contents in order to participate in the response to this RFP. RFP recipients shall not include or reference this RFP in any publicity without prior written consent from PEC. By accepting this RFP, the vendor agrees that the information provided within this RFP will be kept confidential.

1.3. Procurement Communication Process

Any questions or communications concerning proposal submission, specifications or other requirements must be directed to:

Name:	Jackie Harding
Company:	Pedernales Electric Cooperative, Inc.
Address:	302-B Haley Road
City, State, Zip:	Johnson City, TX 78636
Tel:	830.868.4782
Fax:	830.868.4963
Email:	Jackie.Harding@peci.com

Send your queries via email to Jackie.Harding@peci.com. All questions must be received by 5pm (Central Daylight Time) on July 28, 2009.

Note: All inquiries and comments relating to this LINKS ERP /EAM/ CIS RFP must be directed to Jackie Harding. Any contact with parties outside the official channel set forth above will not be accepted and could be interpreted as canvassing, e.g. as endeavoring to gain inside information about the procurement effort. Any communication with PEC staff or PEC Board Members outside the described method in this document during the procurement process is grounds for immediate rejection of proposer's offering and proposal disqualification regardless of whether or not the offender is a direct recipient of this communication and notice.

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1.4. Executive Summary

Pedernales Electric Cooperative (PEC) is issuing this Request for Proposal for qualified respondents to provide software and implementation/integration services for the replacement of its current ERP/EAM/CIS solutions.

The scope of this RFP includes Enterprise Resource Planning (ERP), Enterprise Asset Management (EAM), and Customer Information System. For Customer Information (CIS), PEC utilizes a solution called foCIS. The foCIS system will be evaluated (from a functional and technical perspective) against other CIS solutions during this procurement process. After proposals are received and evaluated, PEC will make a determination as to whether the foCIS system will be replaced, or will be integrated into the overall solution architecture. More detail regarding this approach is provided later in this document. PEC has already performed a comprehensive analysis of all business processes, and has identified their optimal "To-Be" state by business area. This To-Be state has been used to create detailed functional and technical requirements which are included within this RFP.

PEC is interested in obtaining a license-based solution, implemented by the successful proposer with the assistance of PEC Core Team and staff. PEC has no pre-conceived notions regarding implementation strategy, phases, or approach, and directs each respondent to propose an approach that the respondent feels will maximize PEC's success in this endeavor.

Proposals must be for the entire scope. No point-solution proposals will be evaluated. Those vendors who have best-of-breed point solutions are encouraged to align themselves with other best-in-class providers to deliver a complete solution and proposal.

Current circumstances warrant an aggressive timeline for this procurement effort. Proposals will be due by 5pm (Central Daylight Time) on August 11th. A detailed schedule of this procurement effort is included later within this Request for Proposal.

1 electronic copy (on CD) and 12 paper copies of each completed proposal, clearly marked "PEC ERP/EAM/CIS Proposal", must be delivered to:

Name:	Jackie Harding
Company:	Pedernales Electric Cooperative, Inc.
Address:	302-B Haley Road
City, State, Zip:	Johnson City, TX 78636

Proposals must be delivered to Jackie Harding at the address listed above no later than 5:00 pm (Central Daylight Time) on August 11, 2009. Any proposal received at the designated location after the required time and date specified for receipt shall be considered late and non-responsive. Late proposals will not be evaluated for award. The functional requirements and pricing worksheets must be completed and submitted in Microsoft Excel format. All other components of the proposal must be submitted in MS Word and Adobe PDF.

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***PEC is soliciting proposals in response to this RFP. However, PEC will not formally extend an offer or execute a related contract until the PEC Board of Directors has approved such action. ***

1.5. Pedernales Electric Cooperative's Background

PEC's operational focus is to provide reliable electricity and outstanding services to members at reasonable rates. As a cooperative, PEC is owned by the "members" it serves. Because of this unique business model, PEC members demand the best service, reliability, and management.

- ☐ PEC is a member-owned cooperative, which procures and distributes electricity to its 229,000 meters over a non-contiguous 8,100 square mile service territory with its headquarters in Johnson City, Texas.
- ☐ PEC operates out of 17 district and business offices in addition to its headquarters located in Johnson City, Texas and employs approximately 900 staff.
- ☐ The level of computer literacy for staff is varied, ranging from extremely capable power-users to users with virtually no technological experience.
- ☐ PEC has no existing strategic alliances with any company providing hardware, software, or other technology.
- ☐ This solution spans all areas within the Cooperative, and will directly impact the day-to-day operational responsibilities of all PEC staff.
- ☐ The business objectives for this project are to:
 - Implement a solution which enables the To-Be process flows as created during the earlier phase(s) of this project.
 - Deploy a solution that utilizes current technologies and is capable of supporting the organization's ERP, EAM, and CIS needs for at least the next ten years.
 - Choose a technology solution that has the flexibility and capability to scale and improve as PEC's business model changes over time.
 - Evaluate foCIS, from a functional and technical perspective against other CIS solutions.
 - Implement a new chart of account structure created during the earlier phase(s) of this project.
 - Position PEC to continue delivering excellent member service at the established levels and enable the organization to continue its focus on constant member service improvement.
 - Position PEC to respond to Board, legislative, and other Member requests for information in a timely and accurate manner.

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- Provide PEC management with the tools and information that they need to most effectively manage their respective areas of operational responsibility.
 - Support a culture of transparency and servant leadership.

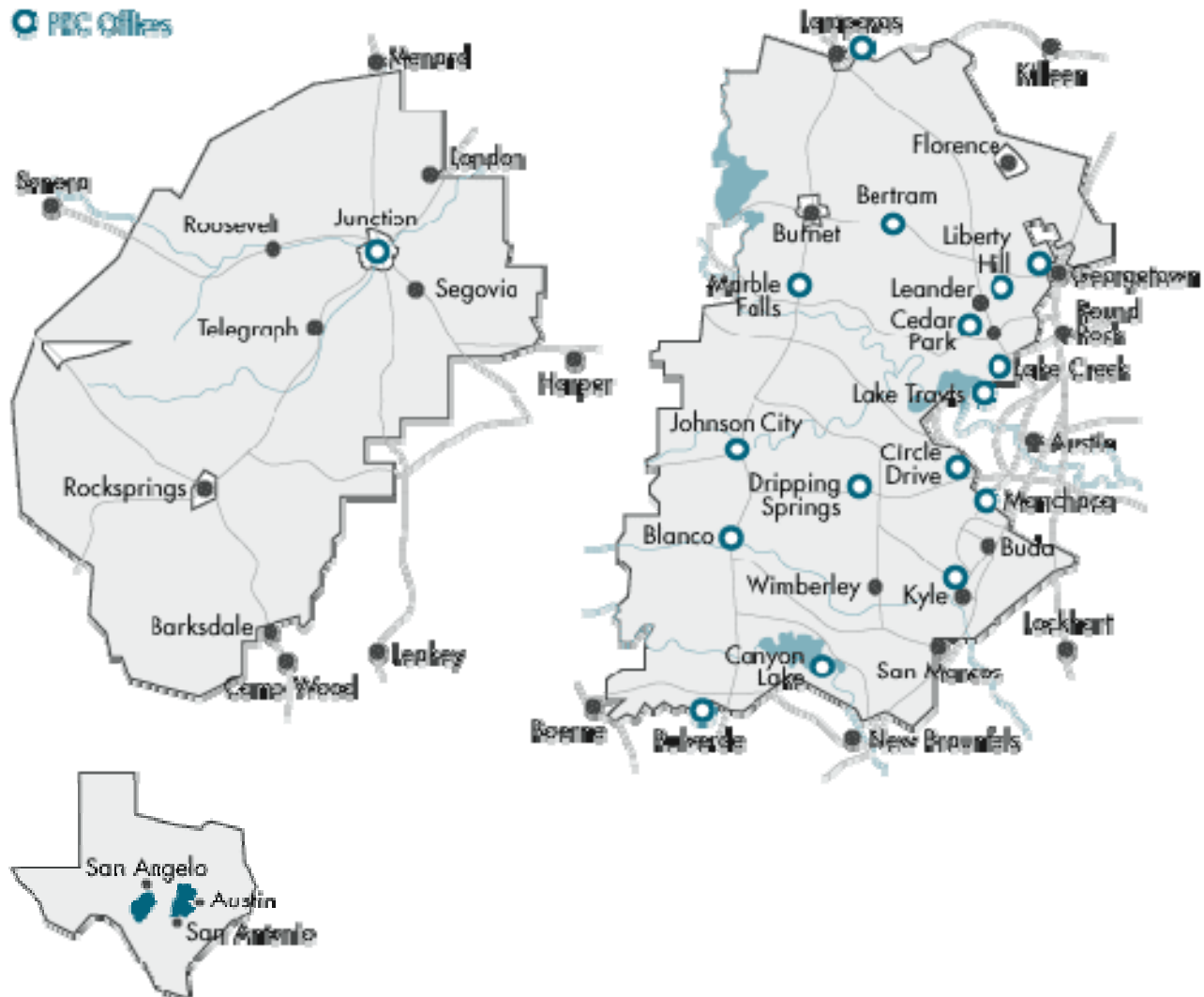
1.6. LINKS Stakeholders

The stakeholders who will be impacted by this project include, but are not necessarily limited to:

- ☐ Employees
- ☐ Members
- ☐ Board of Directors
- ☐ Legislative and/or Regulatory Bodies

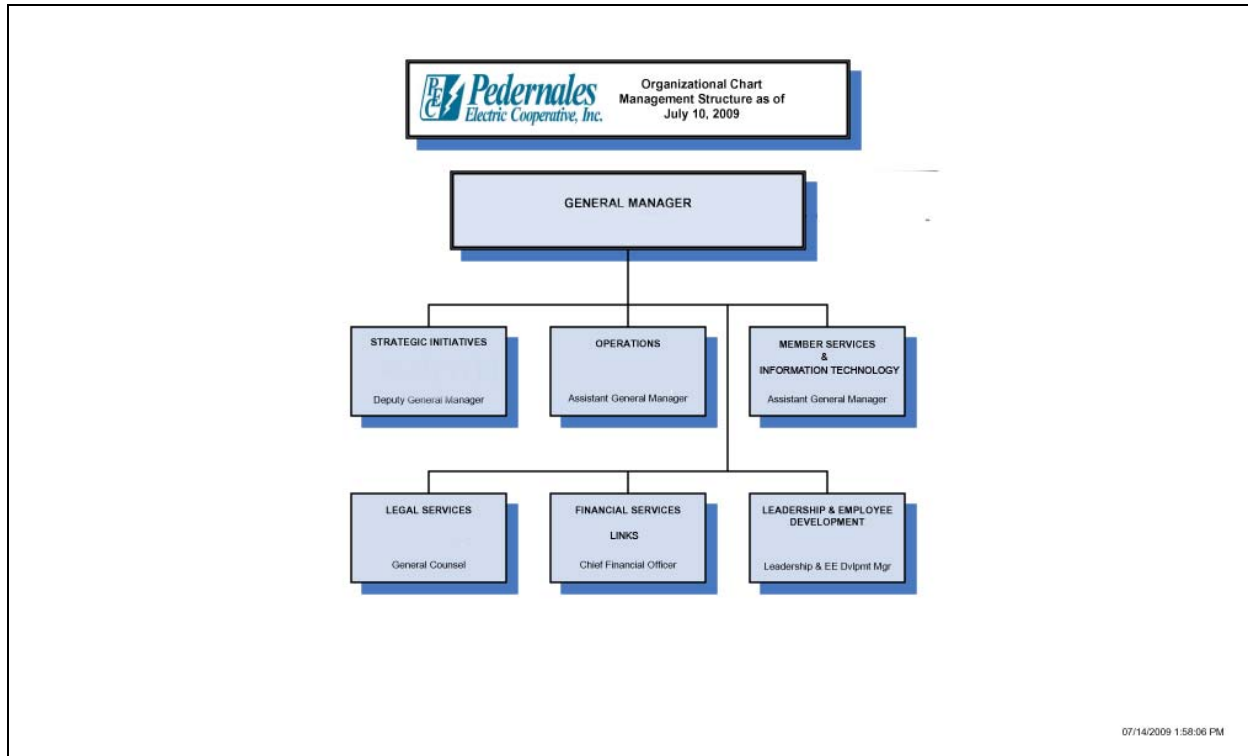
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1.7. Pedernales Electric Cooperative's Service Area Map



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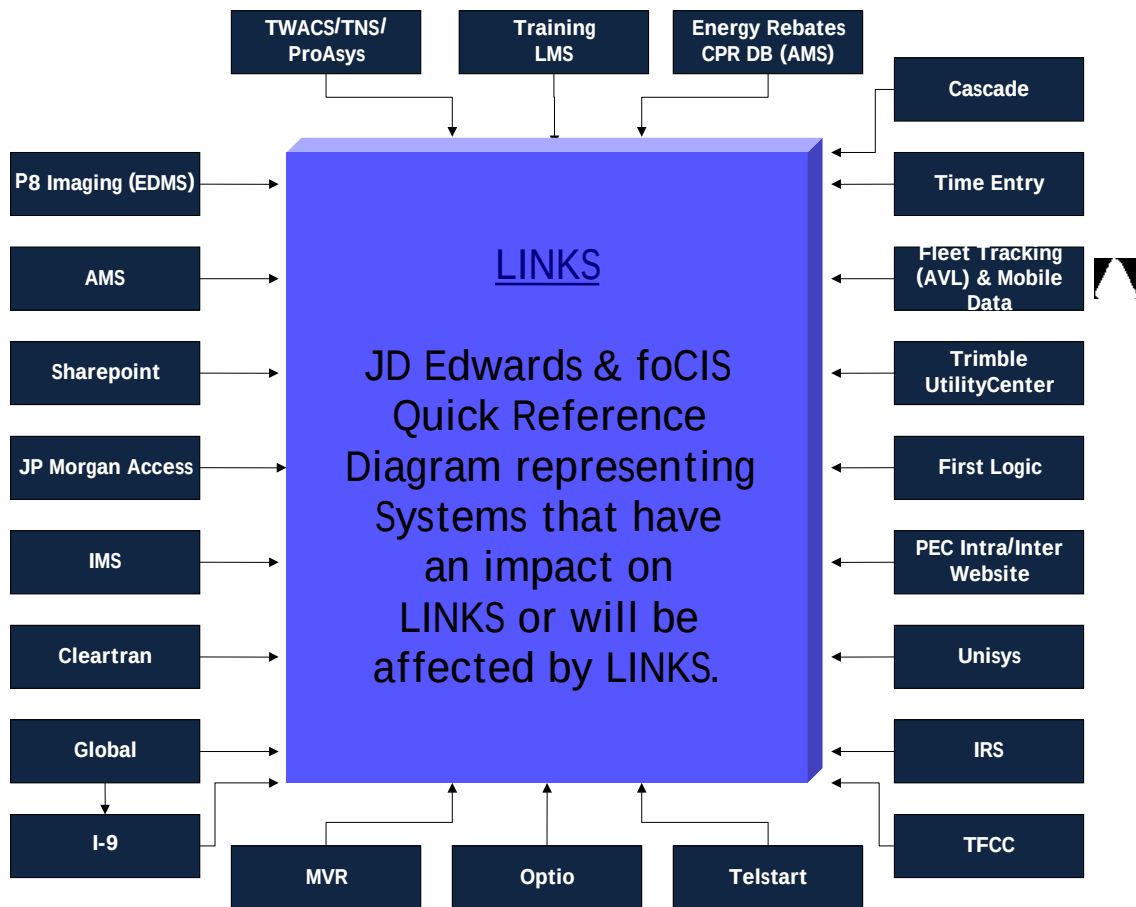
1.8. Pedernales Electric Cooperative's Organization Structure



1.9. PEC Impacted Systems

The chart below provides an overview of the systems within the PEC enterprise architecture which are impacted by the ERP/EAM/CIS solution. For details on interfaces please refer to Appendix D Interface Listing and Appendix E System Integration Map.

PEC LINKS System Impacts



Page 1

Fleet Tracking (AVL) and Mobile Data technology solutions are currently under evaluation.

TWACS	AMR Solution
Training LMS	Learning Management System (function - not software)
Energy Rebates	function
Cascade	Substation specific plant maintenance solution
Time Entry	proprietary PEC application for entry of time

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Trimble	Proposed system along with mobile data
Unisys	Remittance processing solution (hardware and software based solution)
First Logic	Software - addressing for postal rates
PEC Intra/Inter net	proprietary PEC application
Utility Center (UAI)	Geographic info system to include field staking and dispatch, outage management, and map viewing functions
IRS	TIN Matching and regulatory filings
TFCC	Twenty First Century Communications - IVR software
Telestart	Auto dialer software
Optio	Print design software for checks and documents
MVR	On-line third party service
I-9	On-line third party service
Global	Credit Card processing
Clear tran	Credit Card processing
IMS	Third party bill printing
JP Morgan Chase	Banking system
Sharepoint	Microsoft based portal solution
AMS	Application Menu System - program launch system for custom development of PEC applications
P8 -EDMS	Imaging system and dashboard
Crystal	Reporting system
Symposium	ACD

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1.10. Project Constraints and Assumptions

Proposers should carefully consider the following constraints and assumptions as they develop their proposal.

- ☐ The current ERP/EAM system (JD Edwards) has limited support, and top tier support will be discontinued at the end of 2012.
- ☐ PEC operates a very lean staffing model, and staff support will be difficult to obtain beyond:
 - 9 Project Management and Organizational Change
 - 8 ERP (Non-Technical) Core Team members.
 - CIS (Non-Technical)
 - o 7 – foCIS replaced
 - o 4 – foCIS integrated with new ERP
 - Technical Core Team
 - o 6 - ERP integrated with foCIS
 - o 10 – ERP and new CIS
- ☐ PEC is in a period of transition under new management.
- ☐ Knowledge transfer from the consultant implementation team to the Core Team members and Technical staff will occur during all phases of the implementation.
- ☐ Consultant implementation team members will work in a collaborative manner with the assigned PEC Core Team members and Technical staff throughout the course of the entire project.

1.11. Scope of Work

Pedernales Electric Cooperative seeks a prospective supplier to address the following requirements:

- ☐ The proposal must be for a license-based, PEC operated system and related implementation services.
- ☐ The software proposer must provide maintenance/support services, and these services must be included within the pricing section for software.
- ☐ The software solution encompasses ERP, Asset Management, and CIS.

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- ☐ The services proposer must include implementation services for ERP, Asset Management, and CIS.

1.12. Project Change Control/Governance

It is possible that during the implementation, additional work opportunities directly related to the LINKS project but not previously identified within the scope may arise for the selected proposer. In that event, a structured change-management process will be utilized. Proposers should include, within their implementation methodology, a section on their Change Management/Project Governance Approach.

1.13. Approach for Inclusion/Exclusion of foCIS

As described earlier in this document, part of this procurement effort includes a comparison of foCIS to other CIS solutions available today. Consequently, all proposals must include an option which includes foCIS as the CIS, and an option which excludes foCIS as a CIS, substituting whatever best-in-class CIS the proposer chooses. More detail regarding this approach is provided in Section 6 Pricing of this RFP.

1.14. Project Start

The project will start in January 2010, contingent upon PEC Board approval.

Pedernales Electric Cooperative's intent is to contact both successful and unsuccessful Proposers by December 22, 2009, contingent upon PEC Board approval, and the December Board meeting occurring as currently scheduled (December 21st, 2009).

1.15. Project Duration and Start Date

It is expected that the total duration of this project will be based upon the solution implementer's best practices. Duration is expected to vary based on the approach recommended to implement the solution set with foCIS and the approach recommended to replace foCIS with a new CIS solution. The project will start in January 2010, contingent upon PEC Board approval.

1.16. Mandatory Requirements

Proposers must demonstrate, within the required format as described in Section 4 of this RFP, the following:

- ☐ Solution (ERP, EAM, and CIS) has been successfully implemented in a cooperative environment, within the last five years.
- ☐ Solution currently supports at least three clients with over 100,000 customers, two of which must be electric.
- ☐ Most current two years' audited financial statements with an analysis demonstrating stability and solvency.
- ☐ Prime contractor has been in business for at least seven years

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- ☐ The Vendor must provide a commercial, off-the-shelf solution that will promote implementation of a functionally rich base product with minimal modifications. PEC will not consider custom development proposals or any solution which requires extensive customization in order to meet the functional requirements as set forth in Appendix C.
 - ☐ Proven expertise in the provision of personnel to meet the requirements.
 - ☐ If the proposal includes any partnerships, one referable engagement must be included with the proposal.
 - ☐ Available to provide the services required at the time required.
 - ☐ Sufficient staff with the relevant skills for this project.

Any respondent who does not meet or sufficiently demonstrate compliance with all the mandatory requirements listed in this section may not be considered for award of the work outlined in this Request for Proposal.

1.17. Contract Overview

Pedernales Electric Cooperative will use their own contract as a baseline for this agreement. A copy of the standard contract terms and conditions is included in Appendix A, of this document.

1.18. Prime Contractor Responsibility

It is mandatory that any and all proposals be submitted only from the entity which will act as the Prime Contractor throughout this project. PEC will negotiate with only one entity.

1.19. Project Timeframe

Proposers must demonstrate, within the required format as described in Section 4 of this RFP, the ability to meet the recommended timeframe as described in Section 1.15 of this RFP.

1.20. Closing Date for Receipt of Proposal

Proposals are due by Monday, August 11, 2009, at 5:00pm (Central Daylight Time).

Proposals must be delivered to Jackie Harding at the physical address listed in Section 1.4 no later than 5:00 pm (Central Daylight Time) on August 11, 2009. Any proposal received at the designated location after the required time and date specified for receipt shall be considered late and non-responsive. Any late proposals will not be evaluated for award.

1.21. Evaluation of proposal

The proposal will be evaluated in accordance with the criteria set forth in Section 5, Evaluation and Award Criteria.

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1.22. Contract Award

PEC plans to submit this contract to the Board of Directors for approval at the Board Meeting currently scheduled for December 21, 2009.

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1.23. Pre-Proposal Webinar

ATTENDANCE IS MANDATORY

A pre-proposal Webinar will be held on July 23, 2009, at 2:00pm, Central Daylight Time. Contact and e-mail information gathered during registration of the pre-proposal Webinar will be utilized as the distribution list for PEC responses to proposer's questions. Proposers are encouraged to prepare written questions in advance of this pre-proposal webinar, and submit them to the Procurement contact. All written questions received prior to July 21 will be answered at the pre-proposal webinar.

Pedernales Electric Cooperative has designated Jackie Harding as the Procurement contact. A record will be kept of the names of potential proposer's that attend this conference.

Webinar details:

You must register at least 30 minutes prior to the start of the Webinar.

You may register as early as you would like but no later than 2:30pm on July 23, 2009.

ACCESS the following URL to register:

<https://www2.gotomeeting.com/register/160150162>

This Webinar is intended for potential respondents/proposer's to the Pedernales Electric LINKS RFP.

Title: *Pedernales Electric - LINKS RFP Pre-Proposal Webinar*

Date: Thursday, July 23, 2009

Time: 2:00 PM - 3:15 PM CDT

After registering you will receive a confirmation email containing information about joining the Webinar.

System Requirements

PC-based attendees

Required: Windows® 2000, XP Home, XP Pro, 2003 Server, Vista

Macintosh®-based attendees

Required: Mac OS® X 10.4 (Tiger®) or newer

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1.24. Procurement Process/Demonstration Scheduling

PEC has established a schedule of events, described in the table below, for this procurement effort.

The five vendors who are chosen for inclusion on PEC's Round 2 Short-List Process will each be given three days to demonstrate their solution. This demonstration is to provide evaluators the opportunity to see the functional capabilities of the offering.

PEC will insist upon a structured demo, using, as a guide, the To-Be processes, which will be supplied to the vendors at the time of notification for successful inclusion in Round 2. The dates for demonstration are included in the Procurement Event Table, and each proposer agrees that if they are selected they can conduct a three-day demonstration at PEC's facilities in any of the time blocks listed in the table.

An e-mail will be sent simultaneously to each of the five selected Round 2 finalists. The time-blocks for demonstrations will be allocated on a first-come-first-served basis.

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Procurement Event	Date
RFP Released	July 16, 2009
Pre-Proposal Webinar	July 23, 2009
Last Day for Questions	July 28, 2009
PEC Releases Responses to Vendor Questions	August 1, 2009
Proposals Due	August 11, 2009
Vendors Notified of Inclusion on or Exclusion from Round 2 Short-List	August 24, 2009
Vendor 1 3-Day Solution Demonstration	September 1-3, 2009
Vendor 2 3-Day Solution Demonstration	September 8-10, 2009
Vendor 3 3-Day Solution Demonstration	September 15-17, 2009
Vendor 4 3-Day Solution Demonstration	September 22-24, 2009
Vendor 5 3-Day Solution Demonstration	September 29 – October 1, 2009
Vendors Notified of Inclusion on or Exclusion from Round 3 Finalists List	October 5, 2009
Finalist #1 Integration Approach Presentation (3-days)	October 13-15, 2009
Finalist #2 Integration Approach Presentation (3-days)	October 20-27, 2009
Contract Negotiation with Selected Vendor	November 11-20, 2009
Board Approval/Contract Signature	December 21, 2009

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2. Specification of Requirements

2.1. Functional Specifications

Detailed functional specifications for all in-scope components are included as Appendix C to the RFP.

2.2. Technical Specifications

Detailed technical specifications are included as Appendix B to this document.

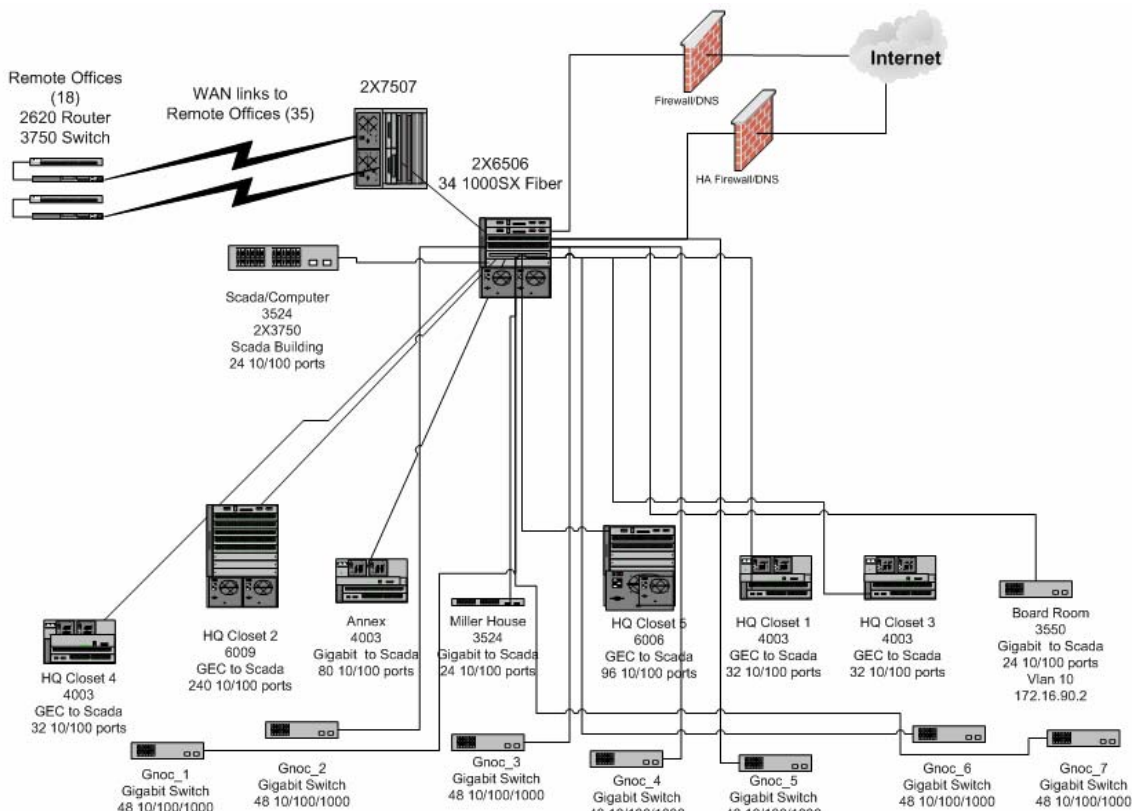
2.3. Interface Listing

Detailed technical specifications are included as Appendix D to this document.

2.4. PEC System Landscape and Technical Overview

2.5. Current Technical Environment

In this section you will find general information regarding the current PEC technical infrastructure.



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2.6. Current Applications

PEC maintains a centralized Information Technology (IT) Department that supports all hardware, software, and infrastructure for the organization. IT is responsible for custom application development, application interfaces (middleware), complex reporting, system modifications, operational and system integrity, database management, Help Desk, etc.

2.7. ERP Application Licensing

The JD Edwards system has unlimited licensing (site license). Oracle licenses the product based on annual revenues. There are currently 290 user profiles in this system.

The Oracle database for JD Edwards is also an unlimited license (processor based).

2.8. CIS Application Licensing

The foCIS system has unlimited licensing (site license). There are currently 679 profiles in this system.

The underlying Oracle database for foCIS is an unlimited (processor based) license.

2.9. Current Hardware and Architecture

Summary of current servers that execute foCIS and JD Edwards:

2.10. Hardware / Server / Application Environment

The server environment at PEC is an based HP environment running Windows Server. The current mix of servers utilized is as follows:

Application	Hardware	RDBMS
foCIS Database	HP Proliant DL580G5. 4 dual-core Processors Intel Xeon 2.93GHz 16GB of memory Windows Server 2003 R2 Standard Edition x64 Disk Drives: C: 40 GB D: 100 GB E: 140 GB F: 140 GB G: 140 GB	Oracle 10g Database Enterprise Edition Version 10.2.0.3 64 bit

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	H: 140 GB I: 570 GB	
foCIS Forms (Server at each PEC location)	One of three Virtual Servers Running on an HP DL360 G5 8 GB Memory Windows Server 2003 Standard Edition Disk Drives: 6x146 GB	None required.

JD Edwards Production Application Server	HP DL380 G5 4 – Intel E5345 processors 2.33GHz 4 GB Memory Windows 2000 SP4 Disk Drives: C: 10 GB D: 156 GB E: 117 GB F: 66 GB G: 70 GB	
JD Edwards Production Database Server	HP DL585 4 - Dual Core Opteron processors 8 GB Memory	Oracle 9i Version 9.2.04
JD Edwards Development/Test Application Server	HP DL380 G5 4 – Intel E5345 processors 2.33GHz 4 GB Memory Windows 2000 SP4 Disk Drives: C: 10 GB D: 156 GB E: 117 GB F: 66 GB G: 70 GB	
JD Edwards Development/Test Database Server	HP DL585 4 - Dual Core Opteron processors 8 GB Memory	Oracle 9i Version 9.2.04
JD Edwards	HP DL360 G5	Oracle 9i

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Deployment Server	4 – Intel E5345 processors 2.33GHz 4 GB Memory Windows 2000 SP4 C: 10 GB D: 136 GB E: 14 GB	Version 9.2.04
JD Edwards Citrix Server	HP DL360 2 Pentium III processors 2 GB Memory Windows Terminal Server SP6 Citrix Neighborhood Version 6.01.967 Citrix MetaFrame Version 1.80 SP3 C: 4 GB D: 4 GB E: 9 GB	None
Optio Servers (4)	HP 4 Intel 2.3 GHz processors 4 GB Memory C: 11 GB D: 273 GB E: 16 GB	

2.11. Database Environment

PEC applications utilize a mix of Oracle and Microsoft SQL databases.

Below is a summary of database owned and/or contract terms:

Oracle:

- 15 Oracle Database Servers
(including test and production environments)
- Versions range from 8i to 10

Microsoft SQL Server:

- 2 SQL Server Enterprise
- 24 SQL Server Standard

PEC has no preference to the proposed RDBMS environment between Oracle and Microsoft SQL Server.

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2.12. Network Environment

PEC's network is comprised primarily of CISCO switches and routers including:

Product Name	Quantity
Catalyst 2924 Switch	26
Catalyst 2950 Switch	1
Catalyst 3524 Switch	3
Catalyst 3548 Switch	1
Catalyst 3550 Switch	12
Catalyst 3750 Switch	66
Catalyst 4003 Switch	4
Catalyst 6006 Switch	1
Catalyst 6009 Switch	1
Catalyst 6506 Switch	2
Catalyst 6509 Switch	1
Cisco 2620 Router	18
Cisco 2811 Router	1
Cisco 3825 Router	1
Cisco 7507 Router	2
Net Screen Firewall	2
PIX Firewall	4
Sidewinder Firewall	2

2.13. Backup Environment

Architecture

Server: PECNBU01 – HP ProLiant DL380 G5, Windows 2003 R2 SP2

Application: Symantec's Veritas NetBackup 6.5.3

Library: Overland (HP) Neo 4100 series (4 LTO 3 tape drives)

Backup Policies

Daily - Incrementals

Weekly – Incrementals / Full

Monthly – Full

Annual - Full

2.14. Backup Software

PEC uses WhatsUpGold for monitoring a variety of server events and network connectivity.
(See <http://www.whatsupgold.com> for more information on this product.)

PEC utilizes PRTG grapher for network bandwidth monitoring.

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3. Terms and Conditions

It is the responsibility of the proposer to thoroughly acquaint himself/herself with all the terms and conditions that are listed in this section. These terms and conditions will form the basis of the understanding and eventual agreement between PEC and the selected vendor.

3.1. Exceptions to Terms and Conditions

If the Proposer takes exception to any of the terms and conditions as set forth in this RFP or the contract in Appendix A, the Proposer must identify such exceptions in their response in the manner as described in Section 4 of the RFP to be open for further discussion during contract negotiations. Continued inclusion of a particular vendor in this procurement process in no way implies that PEC has accepted any vendor's exceptions to terms and conditions.

3.2. Confidentiality

Upon submission, proposals and other materials submitted by proposer's may become records subject to PEC's Open Records Policy. A web link to the published policy is included, please refer to Appendix I. PEC may deny the public access to such records or applicable portions thereof, which are trade secrets or proprietary information in accordance with its policy or other relevant law. Any list of members of PEC and related account information is also subject to PEC's Open Records Policy and may not be sold or offered to be sold. Cost and price data are not to be considered as confidential or trade secrets once an award is made; however, any research, recommendations, and reports resulting from the activities outlined in this RFP will be considered confidential and trade secrets.

3.3. Information Required to Submit Proposal

This RFP is the primary document for providing information to vendors. In the event that additional information is offered by PEC, it will be distributed to all vendors equally in writing, following a structured process. Vendors are cautioned to use only official information in preparing their response.

3.4. Cost of Proposal

This Request for Proposal (RFP) does not commit PEC to pay any costs incurred by any vendor in preparation and/or submission of a proposal or for procuring or contracting for the items to be furnished under the RFP. All costs directly or indirectly related to responding to this RFP (including all costs incurred in supplementary documentation) will be borne by the vendor. Each vendor will be responsible for all costs incurred in preparing or responding to this RFP. The vendor agrees to bear all risks for loss, injury, or destruction of goods and materials (ordered or supplied as the result of the eventual contract) that might occur prior to delivery to PEC. Such loss, injury, or destruction shall not release the vendor from any obligations under this RFP or any resulting contract.

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3.5. Conflict of Interest

This RFP is specifically intended to facilitate the evaluation and selection of a business-to-business partnership. All proposers shall disclose any potential conflict of interest that a proposer may have due to ownership, other clients, contracts, PEC employees, PEC Board Members, or interests associated with this RFP.

3.6. Ownership of Proposals

All documents submitted in response to this RFP will become the property of PEC.

3.7. Disqualification or Rejection of Proposals

Vendors may be disqualified or a proposal rejected for any of the following reasons:

- ✓ There is reason to believe that collusion exists among the Proposer's
- ✓ The Proposer is in arrears on an existing PEC contract or has defaulted on a PEC contract.
- ✓ The Proposer lacks financial stability.
- ✓ The Proposer has failed to perform under a previous or present PEC contract.
- ✓ The Proposer has failed to adhere to one or more of the provisions established in this RFP.
- ✓ The Proposer has failed to submit its Proposal in the format specified herein.
- ✓ The Proposer has failed to submit its Proposal on or before the deadline established herein.
- ✓ The Proposer has failed to meet or sufficiently demonstrate compliance with all the mandatory requirements set out in Section 1.16.
- ✓ During the proposal/procurement process, the Proposer or its representative contacted a Board member or a PEC employee not designated as a contact in Section 1.3 of this RFP.
- ✓ Consideration or inclusion of the proposal would place, in our sole opinion, PEC in a position of ethical compromise or undue distress.
- ✓ The Proposer has failed to adhere to generally accepted ethical and professional principles during the Proposal process.

PEC retains sole discretion to determine whether grounds for disqualification or rejection exist. In addition, any proposal is subject to rejection based on PEC's discretionary qualitative analysis of the proposal.

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3.8. Right to Waive Irregularities

Proposals shall be considered "irregular" if they show any omission, alteration of form, additions or condition prescribed by this RFP, inconsistency, or other failure to comply with the provisions of this RFP. PEC reserves the right to waive irregularities at its sole discretion, provided that the irregularity is corrected promptly or is deemed immaterial by PEC and is waived for all other similarly-situated proposals.

3.9. PEC's Rights in Process

Pedernales Electric Cooperative, Inc. reserves the right to:

- Reject any or all offers and discontinue this RFP process without obligation or liability to any proposer.
- Accept other than the lowest priced offer.
- Award a contract on the basis of initial offers received, without discussions or requests for best and final offers.
- Award more than one contract.

3.10. Withdrawal of Proposals

Proposals may be withdrawn by written notice given to the PEC contact specified in Section 1.3. There will be no further consideration of a withdrawn proposal.

3.11. Amending of Proposals

Any amended proposal must be received before the deadline for receipt of proposals, which is 5pm (Central Daylight Time) on August 11, 2009. Amended proposals must be complete replacements of a previously submitted proposal and must be clearly identified as such in the transmittal letter. PEC will not merge, collate, or assemble proposal materials.

3.12. Proposal Offer Firm

Responses to this RFP, or receipt of the last best and final offer, will be considered firm until January 20, 2010. All proposals must include a statement to that effect.

3.13. Termination

PEC reserves the right to cancel this RFP at any time. PEC reserves the right to reject any or all proposals submitted in response to this RFP, at its discretion.

3.14. Governing Law

This RFP and the contract(s) to be awarded by PEC will be governed by and construed according to the laws of the State of Texas. The applicable law for any legal dispute arising out of this RFP or

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any resultant contract shall be the law of the State of Texas and the parties agree to venue in Blanco County District Court of the State of Texas.

3.15. No Obligation

This RFP in no manner obligates PEC to the eventual rental, lease, or purchase of any software or services offered until confirmed by an executed written contract.

3.16. Execution of Contract

PEC and the selected Vendor(s) must sign the final contract and the Vendor must provide evidence of required insurance prior to commencement of work. No contract for this project may be signed by PEC without the authorization of its management. No contract shall be binding on PEC until it has been approved as to form and legality by the PEC Attorney, approved by the PEC Board of Directors, and executed by one or more authorized members of PEC management.

3.17. Proposal and Performance Bonds

As a condition of proposal acceptance, a proposal surety of \$100,000.00 (one hundred thousand dollars) will be required and must be submitted with the proposal packet by 5pm (Central Daylight Time) on August 11 as set out in Section 1.20. The proposal surety may be submitted in the form of either a certified check payable to Pedernales Electric or a performance bond. All proposal sureties will be returned to proposer's who are not selected to continue in the process as soon as practicable. Precedent to PEC's execution of a final contract, the successful Vendor may be required to provide PEC with various bonds including payment and performance bonds whose penal amount equals the total installed purchase price of the hardware, software, and services under contract. Bonding companies must be listed in the latest U.S. Treasury Department, Circular 570, be licensed in the State of Texas, and have an underwriting limitation equal to or greater than a penal sum of each bond.

3.18. Insurance

The Vendor shall maintain the following commercial insurance policies for the period of time and limits specified:

- **Commercial General Liability Insurance.** A combined bodily injury and property damage per occurrence limit of not less than \$2,000,000. The policy shall contain blanket contractual liability, products, and completed operations coverage, and independent Vendor's coverage.
- **Automobile Insurance Policy.** The policy shall be maintained for the duration of this Agreement and shall, at a minimum consist of \$2,000,000 combined single limit, per accident.
- **Employer's Liability Insurance.** \$1,000,000 per occurrence.
- **Workers' Compensation and Employers' Liability (EL) Insurance.**
- **Professional Liability Coverage.** Coverage of no less than \$1,000,000 per claim to cover errors in programs or in systems design and consulting operations.

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Coverage shall be continuous for not less than twenty-four (24) months following completion of services under this Agreement. Coverage, including any renewals, shall contain a retroactive date coincident with or prior to the date of this Agreement and the certificate of insurance shall state the coverage for claims made and indicate the retroactive date.

Prior to commencing any work under this Agreement, the Vendor shall deliver to PEC an insurance certificate confirming the existence of the insurance required by this Agreement. Insurance policies shall contain a provision that the insurer waives any and all rights to subrogation it may have against PEC or Vendor because of any payment made under any such policy of insurance. The Vendor shall include PEC as an additional insured on the coverage and limits described above.

All of the aforesaid insurance shall be written by insurance companies that are (a) licensed and authorized to do business in the State of Texas; (b) rated by A. M. Best Company with a rating of A or better. Said certificates shall provide that no such insurance shall be cancelled prior to thirty days prior written notice of cancellation having first been delivered to Company by the insurance companies that have issued the insurance.

3.19. Taxes

Vendors will include in the proposal all applicable local, city, state, and federal taxes. It is the Vendor's obligation to state on the Pricing Sheets the correct percentage and total applicable tax amounts to be paid by PEC.

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4. Instructions for Proposers – Required Format

In order to facilitate the evaluation process, Proposers are required to structure their response as set forth in this Section 4. Failure to follow the format as described in this section will result in the offending proposal being eliminated from further consideration.

4.1. Proposal Section 1: Transmittal Letter and Signature

The transmittal letter will indicate the intention of the Vendor to adhere to the provisions described in the RFP without modification. The letter of transmittal will:

1. Identify the company submitting the proposal.
2. Identify the contact person responsible for the contents of the proposal. Please include phone, fax, email address, and legal mailing address.
3. Identify the person, by name and title, authorized to contractually bind the organization.
4. Indicate that the company has reviewed and accepts the Terms and Conditions and identify any exceptions.
5. Indicate that the company has reviewed the mandatory requirements for qualification and by submitting a proposal deems itself to have satisfied the requirements for submission.
6. Affirm that the proposal and pricing are effective through January 20th, 2010.
7. Ensure that the proposal is signed by the person named as authorized to bind the company contractually, as described in point 3 of this section.

4.2. Proposal Section 2: Executive Summary

Provide an Executive Summary that describes, at a summary level, the contents of the proposal. Include a brief description of the solution approach. The Executive Summary must not exceed five pages in length.

4.3. Proposal Section 3: Mandatory Requirements

Indicate compliance with each of the mandatory requirements as set forth in Section 1.16 of this RFP:

- ✓ Solution (ERP, EAM, and CIS) has been successfully implemented in a cooperative environment, within the last five years.
- ✓ Solution currently supports at least three clients with over 100,000 customers, two of which must be electric.

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- ✓ Most current two years' audited financial statements with an analysis demonstrating stability and solvency.
 - ✓ Prime contractor has been in business for at least seven years
 - ✓ The Vendor must provide a commercial, off-the-shelf solution that will promote implementation of a functionally rich base product with minimal modifications. PEC will not consider custom development proposals or any solution which requires extensive customization in order to meet the functional requirements as set forth in Appendix C.
 - ✓ Proven expertise in the provision of personnel to meet the requirements.
 - ✓ If the proposal includes any partnerships, one referable engagement must be included with the proposal.
 - ✓ Available to provide the services required at the time required.
 - ✓ Sufficient staff with the relevant skills for this project.

4.4. Proposal Section 4: Vendor Profile, Product History & Strategy

The Vendor will provide a profile of its organization and a separate profile for each additional company that will be providing products or services either through a subcontracting arrangement with the Vendor or through a separate contract to be negotiated with the primary vendor. At a minimum the Vendor will provide the following information for each profile:

- ✓ Year established.
- ✓ Business organization.
- ✓ Parent company.
- ✓ Subsidiary offering product.
- ✓ Office locations.
- ✓ Serving office for this project.
- ✓ Products available.
- ✓ Total number of employees.
- ✓ Current product release number and date of release.
- ✓ Product history.
- ✓ Years in the CIS, EAM & ERP marketplaces.
- ✓ Number of employees focused on the product offering.
- ✓ Number of client installations and number using current release.

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- ✓ Describe any litigation involving any piece of the proposed solution or the utility industry that the firm has been involved in within the last (5) five years.
 - ✓ Number of CIS, EAM, ERP implementation projects completed jointly by the System Integrator and Vendor's proposed solution, including client names and project start and completion dates (if applicable).

4.5. Proposal Section 5: Proposer Qualifications

The Proposer must demonstrate experience in providing their product software solutions across a series of successful project installation efforts.

Proposer's qualifications should include projects with similar scope and requirements to LINKS. Proposers are highly encouraged to make any and all listed references directly relevant to PEC needs.

The software provider and **each** provider partner/subcontractor must provide a minimum of three (3) customer references and related contact information, including: customer name, site location, industry, customer base, user base, implementation date, product name/version number, and brief description of the engagement.

The implementation services provider and each provider partner/subcontractor must provide a minimum of three (3) customer references and related contact information including: customer name, site location, industry, customer base, user base, implementation date, product name/version number, and brief description of the engagement.

PEC would also like to verify integration experience between systems similar to LINKS and other utility systems. Software and services providers must incorporate a minimum of (1) one reference where the core components (ERP/EAM/CIS) have been integrated to other utility critical systems (GIS, AMR, AMI, IVR, OMS).

4.6. Proposal Section 6: LINKS Solution

The proposer will segment its response by the solution components being proposed, which includes:

- ✓ Enterprise Resource Planning Solution, including HR and Payroll
- ✓ Enterprise Asset Management Solution
- ✓ Customer Information System Solution

For each solution component, the proposer will provide the following information as it pertains to the proposed solution:

- ✓ Description of Product Software Solution and all associated modules
- ✓ Product Architecture
- ✓ Virtualization Capabilities Supported
- ✓ Hardware & Operating System Software Solution

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- ✓ Database Software Solution
- ✓ Network / Communication Environment
- ✓ Client Environment

4.7. Proposal Section 7: Implementation Services

The Vendor will present an installation plan addressing five major components of the proposed solution: the **project timeline**, **project approach and methodology**, and **project organization and staffing**.

Proposal Section 7.1: Project Timeline

In utilizing the PEC considerations outlined in Section 1.15, Project Duration and Start Date, the Vendor will include a high-level timeline and implementation schedule associated with the proposed solution. Vendors are asked to propose optimal scenarios based on industry expertise and understanding of PEC's objectives as stated in this RFP.

If the Vendor is recommending a phased approach, all phases should be reflected in the timeline.

Please address the proposed project timeline, as indicated above, in standard paragraphs and diagrams as required. Project timelines will be accepted in Microsoft Project.

Proposal Section 7.2: Project Approach and Methodology

The proposed solution must include a comprehensive description of the Vendor's implementation strategy, including the description of the use of outside resources, if applicable. The Vendor must include an overall project plan complete with all activities and resources required for successful product implementation.

PEC will provide management, technical, and user resources to be involved in the project effort based on the successful vendor's project management approach and associated activities. PEC is requiring that the Vendor assume primary responsibility for the implementation effort. The Vendor must address how it will utilize PEC personnel and ensure comprehensive knowledge transfer. In the following staffing tables, the Vendor must indicate the necessary PEC skill/position levels for each full-time employee.

While the Vendor may submit a proposal that utilizes products and/or services from several vendors, PEC is requiring that the Prime Contractor act as the single point of responsibility regarding the successful completion of this installation effort.

The Vendor must provide the following service components:

- ✓ Project Management – For vendor resources. The overall project will be managed through PEC's PMO structure.
- ✓ Change Management and Communication Plan
- ✓ Product and Environment Configuration

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- ✓ Solution Architecture
 - ✓ Product Conversion
 - ✓ Data Conversion – Based on an extract generated by PEC IT staff
 - ✓ Product Reporting
 - ✓ Product Data Access
 - ✓ Product Interfaces
 - ✓ Product Documentation
 - ✓ Product Training – PEC has a training department but limited capacity to develop curriculum or conduct training.
 - ✓ Product Testing
 - ✓ Product Roll-out (Go-live)
 - ✓ Post Installation Support
 - ✓ Project Closeout and Solution Acceptance

Proposal Section 7.3 Project Organization & Staffing

The Vendor will present a project organization chart outlining the reporting structure and primary responsibilities of each position, including projected PEC management, user, and technical staffing levels. The Vendor will provide all personnel (System Integrator, Vendor, and PEC) required to successfully complete proposed solution activities and will identify specific individuals for those key positions identified within the organization chart.

Any proposed resources contained within the FTE estimates as set forth by the proposer must be skilled and experienced resources with a 1 to 1 ratio between FTE and actual headcount.

The Vendor should recognize that discretionary changes in key project personnel will not be allowed subsequent to award of contract without written consent by PEC. Additionally, PEC reserves the right to approve any and all personnel changes or to request personnel changes as PEC deems appropriate during the course of the project.

Proposal Section 7.4: Ongoing Support

At a minimum, the solution must include information associated with all aspects of ongoing support and maintenance activities. This support will include: hardware maintenance, software maintenance, product help desk, product fixes, product enhancements, and regular product releases based on a defined on-going maintenance fee. The Vendor will describe the process for PEC to request future product enhancements. Any fees referred to in this section must be put into the Pricing Sheets in Section 6.

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Proposal Section 7.5: Pricing

The Vendor will provide a detailed breakdown of all costs required for the successful implementation and ongoing operation of the proposed solution. PEC encourages the Vendor to fully identify costs associated with the proposed solution. Minimizing or hedging on product costs will only serve to place PEC and the Vendor at a disadvantage.

PEC recognizes that the implementation of an Enterprise Wide Systems Solution is a complex effort and that not all possible variables are provided for within this RFP document. Therefore, it is acknowledged that the Vendor may be required to make some assumptions about PEC's environment or about specific requirements. Any assumptions made by the vendor in regard to this RFP shall be documented in this section.

Additionally, any oversight or unintentional omission by PEC in regards to the required systems, database, application, or other components required for a successful implementation should be addressed and included in your proposal.

PEC is requesting the vendor provide specific cost information as outlined within the attached Pricing Sheets (see Section 6). The Pricing Sheets must be completed and are mandatory to be considered responsive to the RFP. Vendors should provide fixed prices in all areas where directed in the pricing sheet (see section 6.0) and give their best estimates on all others. The Vendor must identify those costs that are not fixed and define why they are not fixed. Proposed pricing shall be F.O.B. destination.

The Vendor must include the pricing methodology (i.e. CPU based, tier based, named user, concurrent user, number of meters, number of accounts, site license, etc.) for all software proposed.

The Vendor must include reasonable travel and living expenses to be paid as incurred on a monthly basis. PEC reserves the right to question all travel expenses and reject those not deemed reasonable by PEC. In addition, PEC reserves the right to stipulate the format for submission of the expenses to facilitate review expediency.

All vendors will be expected to conform and comply with the PEC Travel and Expense Policy included with this RFP. Although the PEC policy stipulates a 'per diem' option for employees, all vendor expenses related to work outlined in this RFP shall be reimbursed based upon actual expenses and substantiated with actual receipts. PEC reserves the right to make transportation and lodging arrangements (with direct billing to PEC) for any and all travel related expenses for which PEC will bear the cost.

This section should be left blank in all hard copies of the proposal. PEC is requesting all pricing sheets, which are described in this section, to be placed in a separate sealed envelope clearly identified as solution pricing. Pricing should only be referenced in Section 6 - Pricing Sheets.

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4.8. Proposal Section 8: Functions & Features Checklist

Each vendor will be required to accurately complete and electronically submit the Functions & Features Checklists as a part of its response to this RFP. These checklists provide an outline of the functional and technical requirements for the new ERP, EAM, CIS, MWM, OMS, Staking and Design package which PEC considered in preparation of this RFP.

These checklists will be utilized to ensure the proposed solution meets PEC's requirements as stated herein and will be considered an integral part of the Vendor's proposal.

4.9. Proposal Section 10: Appendix

The vendor may include product and company brochures and any other additional information related to this proposal. Appendix should not exceed 25 pages.

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5. Evaluation & Award Criteria

5.1. Qualification Process

Proposals which do not satisfy ALL qualification criteria will be excluded from this proposal process, including:

- ☐ Late submissions.
- ☐ Incomplete submissions.

Proposer's should note that only those tenders that meet all of the qualifying criteria will be eligible for inclusion in the award process.

5.2. Evaluation Criteria

The contract may be awarded to the Vendor whose proposal is determined to be the most advantageous to PEC. PEC reserves the right to disqualify a solution during any point of the evaluation process. In rendering this decision, the following evaluation criteria for the **Core Components of LINKS** will be utilized as a general guideline:

- ✓ Product's ability to meet PEC's Functional Requirements.
- ✓ Product's ability to meet PEC's Technical Requirements.
- ✓ Completeness of Solution.
- ✓ Quality of Proposal.
- ✓ Vendor strength and stability.
- ✓ Vendor experience.
- ✓ Installation Approach, Timeframe, Organization & Staffing.
- ✓ Installation Pricing and Ongoing Cost.
- ✓ Terms and Conditions.

PEC will utilize its business judgment in identifying the Solution Finalist(s). Award points are used to assist PEC in rendering a decision through empirical analysis; however, PEC reserves the right to conduct other evaluations and measurements of solution responses as it determines in its discretion may be required in order to render an informed and optimum decision.

5.3. Confidentiality of Evaluation

Information relating to the examination, clarification, evaluation, and comparison of proposals will not be disclosed to Proposer's or other external individuals.

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Confidential information shall not be disclosed at any time unless required under open records standards.

5.4. Determination of Responsiveness

After the official opening of the proposal, the Evaluation Team will determine whether each proposal is substantially responsive to the Request for Proposal's requirements.

5.5. Correction of Errors

Those proposer's determined to be substantially responsive will be checked for any material errors in computation such as:

- ☐ Discrepancy between fixed cost price in figure and words. In this case the amount in words will govern.
- ☐ The amount stated will be adjusted by the Evaluation Team in accordance with the above procedure for the correction of errors and, with the proposer's agreement, shall be considered as binding.

Bidders who do not accept the correction or errors will have their proposal rejected.

5.6. Clarification of Proposals

To assist in the examination process, Pedernales Electric Cooperative may request points of clarification in regards to proposals, e.g. details of the proposed solution.

5.7. Interference

Any effort by the proposer to influence the Evaluation Team during the examination, clarification, evaluation of proposals, and during the award of contract, shall result in disqualification.

If any proposer attempts give gifts, inducements or rewards to secure the contract, Pedernales Electric Cooperative shall be entitled to reject the proposal or cancel the contract.

5.8. Most Economically Advantageous Proposal

Pedernales Electric Cooperative reserves the right to reject any proposal. The lowest proposal will not necessarily be accepted.

Proposer's may quote for all or part of this proposal; however preference may be given a single source solution.

The contract will NOT be awarded solely on the basis of the most economically advantageous proposal.

5.9. Split Contracts

Pedernales Electric Cooperative reserves the right to divide (i.e. split) the contract between several Proposer's.

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5.10. Request for Additional Information from Proposer's

Pedernales Electric Cooperative reserves the right to request additional information from the Bidders after the closing date.

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6. Pricing Worksheets

Pricing sheets are included the excel workbook as separate tabs labeled; Option 1 (CIS-ERP-EAM-BI) and Option 2 (foCIS-ERP-EAM-BI). Complete these worksheets and as directed in Section 4.7; only provide information with regard to pricing in these worksheets.

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7. Appendix A –Contract

AGREEMENT

MASTER SERVICES AGREEMENT GENERAL CONDITIONS

This is a Master Services Agreement dated as of _____ (“Effective Date”), between PEDERNALES ELECTRIC COOPERATIVE, INC. (“PEC”) an electric cooperative with principal offices at P.O. Box 1, Johnson City, Texas 78636, and _____ (“Service Provider”), a Texas corporation with principal offices at _____.

GC1. PERFORMANCE OF THE WORK

GC1.1 TERM This Master Agreement shall be effective as of the Reference Date and shall continue in effect for a period of three (3) years after the Effective Date (the “Initial Term”), unless earlier terminated as provided herein. As used herein, the word “Term” shall include the Initial Term and any Extended Terms.

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GC1.1 SCHEDULING THE WORK Service Provider shall begin performance of the work when notified by Pedernales Electric Cooperative, Inc. ("PEC") to proceed, and shall abide by each schedule as established by PEC. Service Provider shall cooperate with PEC in scheduling and performing Service Provider's Work to avoid conflict, delay in or interference with the work of PEC or other subcontractors. Service Provider shall coordinate its activities with PEC and other subcontractors so as to promote the general progress of the entire Project. Service Provider shall adhere to PEC's work week, and designated work hours unless otherwise approved by PEC.

GC1.2 TIMELINESS Service Provider shall perform the Work in accordance with the Exhibits amended to this agreement in a prompt, efficient, safe, and diligent manner.

GC1.3 REPORTING Service Provider will submit a monthly progress report to PEC in a form and covering information as required by PEC. In addition to any requested interim reports.

GC1.4 SUBCONTRACTS Service Provider shall not subcontract any Work or use a third party or broker to furnish any labor for the Work without the prior written consent of PEC, which consent shall not be unreasonably withheld or delayed. Service Provider shall be solely responsible for the engagement and management of its subcontractors in the performance of the Work, for the performance of Work by its subcontractors and for all acts or omissions of subcontractors.

GC1.5 SITE CONDITIONS Service Provider shall have the sole responsibility to satisfy itself concerning the nature and location of the Work, the Site and the general and local conditions. The failure of Service Provider to acquaint itself with any applicable conditions will not relieve Service Provider of the responsibility for properly estimating either the difficulties or the cost of successfully performing Service Provider's obligations in the time and manner provided under this Agreement.

GC1.6 COMPLIANCE WITH LAWS Service Provider shall fully comply with all Laws of the State of Texas as applicable to Service Provider and the Work.

GC1.7 INSPECTION OF THE WORK Service Provider alone is responsible for the quality of its Work and for the proper inspection of its Work. PEC has the right to inspect all or any portion of the Work designated by PEC.

GC1.8 TAXES, PERMITS AND LICENSES Service Provider shall obtain and pay for all required licenses, permits, fees, and inspections necessary to perform the Work. The Agreement Price includes all taxes, licenses, permits, inspections and fees of every nature which may be imposed on Service Provider or on the materials, labor, construction equipment, tools or other goods or services used or consumed in the performance of the Work or upon the transaction between PEC and Service Provider.

GC1.9 FURNISHED MATERIAL If PEC furnishes material to Service Provider in connection with the Work, then the cost of handling, storing and installing of such material shall be considered as included in the Agreement Price. Service Provider shall be responsible for and shall bear the risk of loss or damage to all such materials upon delivery to Service Provider. Furnished material lost or damaged after delivery, from any cause whatsoever, shall be replaced by or at the expense of Service Provider. Service Provider shall, upon delivery, inspect furnished materials and immediately notify PEC of any shortages, damages or defects therein reasonably discoverable by proper inspection. Failure to inspect and report as specified shall be treated as an unqualified acceptance by Service Provider of the material involved.

GC1.10 REPRESENTATIVES Service Provider shall appoint a representative who shall supervise performance of the Work at the Site, who shall be authorized to act on behalf of Service Provider, who shall be reasonably acceptable to PEC, with whom PEC may consult at reasonable times and whose instructions, request and decisions will be binding upon Service Provider as to matters pertaining to the Agreement and the Work.

GC2. PAYMENT

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GC2.1 PAYMENT NOT ACCEPTANCE No payment made to Service Provider shall be construed as an acceptance or approval of any of Service Provider's Work or construed a waiver of any claim or right that PEC may then or thereafter have against Service Provider.

GC2.2 PAYMENTS WITHHELD PEC may withhold payment on an invoice or a portion thereof as may be reasonably necessary to protect PEC from loss because of: (a) Service Provider's failure to perform the Work in accordance with the Agreement; (b) third-party claims, suits or liens arising out of or relating to Service Provider's Work; or (c) Service Provider's failure to pay money to PEC when due. Such withheld payments shall not accrue or be subject to finance charges, late fees or penalties by the Service Provider. Additionally, non-payment of an invoice(s) for reason(s) outlined above will not cause PEC's account to be deemed in "default" nor will it preclude the Service Provider from engaging in other contracted work with PEC, upon PEC's approval.

GC3 CHANGES Service Provider agrees to accept any change PEC may make to the terms of this Agreement. If any such changes cause an increase or decrease in the cost or the time required for performances, an equitable adjustment shall be made and this Agreement shall be modified in writing accordingly. Service Provider hereby waives all rights to and releases PEC from any claim of additional compensation or any extension of time to the Schedule and all other changes to the Agreement Documents.

GC4 WARRANTY Service Provider shall perform the Work:
(a) using the high care, skill, and diligence normally applied by service providers in the performance of work similar to that contemplated hereunder; (b) in compliance with Laws; (c) in accordance with all applicable standard and codes and in accordance with the provisions of this Agreement.

GC5. INDEMNIFICATION

GC5.1 INDEMNIFICATION In consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the amount of which is included herein, Service Provider agrees to the following indemnification obligations, to the fullest extent permitted by Laws:

GC5.2 Service Provider shall defend, indemnify, and hold PEC harmless from and against all damages, claims, suits, actions, liabilities and expenses (including attorneys fees) ("Claims") arising out of or relating to the Work to the extent caused by the fault or negligent acts or omissions of Service Provider, any subcontractor, any person directly or indirectly employed by any of them to perform or furnish any of the Work or any person for whose acts any of them may be liable, or the failure of any of them to observe any laws or the failure of any of them to comply with Service Provider's obligations under this Agreement. Further, this indemnification and defense obligation shall apply to each claim for which indemnification is or may be available under this Section and shall continue until the claim is established by final judgement to have been caused, in whole or in part, by the negligent acts or omissions or willful misconduct of PEC, in which event PEC shall either pay the claimant directly in satisfaction of PEC's share of liability or reimburse Service Provider the amounts so paid by Service Provider to the claimant in satisfaction of PEC's liability. PEC shall have no other obligation to reimburse Service Provider in connection with Claims.

In any and all Claims against PEC, its agents, employees, subcontractors or suppliers by any employee of Service Provider, any subcontractor, any person or organization directly or indirectly employed by any of them to perform or furnish any of the Work or anyone for whose acts any of them may be liable, this indemnification obligation shall not be omitted in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for Service Provider or any such subcontractor or other person or organization under worker's compensation acts, disability benefits acts or other employee benefit acts, nor shall this indemnification obligation be limited in any way by any limitation on the amount or type of insurance coverage, if any, provided by Owner, PEC, Service Provider, or any subcontractor.

GC6. TITLE TO WORK; RISK OF LOSS

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GC6.1 PASSAGE OF TITLE TO THE WORK Title to the Work, and any portion thereof, shall pass to PEC at the time of payment or delivery, whichever is earlier. At any time after transfer of title to PEC, Service Provider shall, upon the written request of PEC, execute and deliver to PEC good and sufficient instruments of conveyance, assignment and transfer, which shall be effective to vest in PEC good and marketable title to the Work, free and clear of all liens, claims, security interests, encumbrances or other defects of title.

GC6.2 RISK OF LOSS OF THE WORK Irrespective of the passage of title, Service Provider shall bear the risk of loss and shall repair or replace, at Service Provider's cost, any portion or all of the Work which is lost, damaged or destroyed prior to the earlier of (i) final acceptance of the Work by PEC and (ii) substantial completion of the Project by PEC, irrespective of how such loss or damage shall have occurred, including the fault or negligence of PEC. Upon final acceptance of the Work by PEC, risk of loss of the Work shall pass to PEC and PEC shall be responsible for loss or damage to the Work.

GC6.4 RISK OF LOSS FOR SERVICE PROVIDER'S EQUIPMENT Service Provider shall bear the risk of loss and shall repair or replace, at Service Provider's cost, any portion or all of Service Provider's Equipment which is lost, damaged or destroyed, irrespective of how such loss or damage shall have occurred, including the negligence, strict liability, statutory liability or fault of PEC. "Service Provider's Equipment" shall include, without limitation, all tools, supplies, or other personal property owned, leased, borrowed or used by Service Provider, any of its subcontractors or any of their respective agents or employees.

GC7. LIENS Service Provider shall not permit or suffer to exist any lien or other encumbrance upon the Site or any Work or other property of PEC or Owner by any person claiming by, through or under Service Provider, its subcontractors or any Affiliates of either. If any such lien or encumbrance is imposed, Service Provider shall immediately cause such lien to be discharged or provision therefor to be made by a bond or other security acceptable to PEC.

GC8. CONFIDENTIALITY Service Provider shall not disclose to any third party any proprietary or confidential information regarding the Work, the Project or PEC's business affairs, finances, technology or processes without PEC's prior written consent. The existence of this Agreement, as well as its terms and conditions, are proprietary and confidential. If disclosure is required by law, then Service Provider shall use its best efforts to obtain proprietary or confidential treatment of the information by the third party to whom the information is disclosed, and will, to the extent such remedies are available, seek protective orders limiting the dissemination and use of the information. Nothing herein diminishes PEC's right to challenge any law or legal proceeding requiring the disclosure. Service Provider shall not, without PEC's prior written consent, advertise, publish or communicate in or to the public media any information concerning the Project, the Work, Owner, PEC or the fact that Service Provider has entered into this Agreement with PEC or agreed to provide the Work required hereunder.

GC9. **TERMINATION**

GC9.1 TERMINATION FOR CAUSE If Service Provider refuses or fails to: furnish and deliver the Work in accordance with the requirements of the Agreement; provide adequate assurance satisfactory to PEC of Service Provider's present and future ability to perform its obligations under the Agreement when due; or if Service Provider otherwise is in material default of its obligations under this Agreement; then, without prejudice to any other rights or remedies available under this Agreement or at law or in equity, PEC may terminate for cause Service Provider's right to provide all or any part of the Work. If PEC elects to terminate Service Provider's right to perform for cause, then, Service Provider shall deliver or make available to PEC all or any part of the Work as PEC may request. PEC may determine the total expense incurred by PEC in completing the Work, including, without limitation, additional overhead incurred and accrued by PEC to cause the Work to be completed. If the expenses exceed the balance of the Agreement unpaid at the time of termination, Service Provider shall pay to PEC the amount of such excess within ten (10) days following receipt of PEC's notice. If it is determined or agreed that such termination was improper or wrongful, then the parties agree that such termination shall be deemed termination for convenience.

GC9.2 TERMINATION FOR CONVENIENCE PEC may terminate this Agreement in whole or in part at any time without cause and Service Provider shall terminate the Work as instructed by PEC. Upon termination for

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convenience, PEC shall pay to Service Provider, in full satisfaction and discharge of all liabilities and obligations owed to Service Provider with respect to the Work so terminated, an amount equal to the sum of (s) all amounts due pursuant to the Agreement to the termination date; and (2) all Service Provider's actual, verifiable reasonable and necessary costs of such termination, but not any amounts for unabsorbed overhead, anticipated profits or lost opportunity, nor shall liability for termination expenses exceed the remaining unpaid Agreement Price.

GC9.3 SUSPENSION PEC may direct Service Provider to suspend performance of the Work in whole or in part, at any time and from time to time, by PEC's notice of suspension. Service Provider shall suspend the Work as instructed by PEC and shall resume the suspended Work as promptly as practicable following PEC's notice of resumption. In the event of a suspension pursuant to the Section, the Agreement Price shall be increased by the amount of increase, if any, in the substantiated direct costs actually incurred by Service Provider and demonstrated by Service Provider to be over and above those in the Agreement Price, but only to the extent such costs are reasonable and necessary and result directly from PEC's suspensions of Work; provided however, the Agreement Price shall not be increased if the suspension is determined by PEC to be necessary due to Service Provider's failure to perform the Work as required under the Agreement.

GC10. SAFETY Service Provider shall perform the Work at all times in a safe and prudent manner, and shall seek to avoid bodily injury as well as loss or damage to property, by taking reasonable steps to protect: (a) Service Provider's employees, PEC employees, other persons at the Site and PEC assets; (b) Materials stored at the Site or at off-site locations; and (c) All property and structures located at the Site, whether or not involved in the Work. Service Provider shall continuously and diligently inspect all Work to discover any conditions which might involve such risks and shall be solely responsible for discovery and correction of any such conditions. Service Provider shall develop, adopt, implement and enforce, with respect to Service Provider's Work at the Site, comprehensive safety policies and programs which at a minimum, comply with all laws

GC11. DRUG AND ALCOHOL POLICY Service Provider shall develop, adopt, implement and enforce, with respect to Service Provider's Work at the Site, comprehensive drug and alcohol policies and programs.

GC12. MISCELLANEOUS PROVISIONS

GC12.1 INDEPENDENT CONTRACTOR Service Provider and its subcontractors shall be independent contractors with respect to the Work, and neither Service Provider nor its subcontractors, nor any person employed by any of them shall be deemed to be PEC's employees, servants, or agents in any respect. Nothing in this Agreement shall be construed as creating a joint venture or partnership between PEC and Service Provider.

GC12.2 ASSIGNMENT Service Provider may neither assign this Agreement, in whole or in part, nor any money payable under this Agreement without PEC's prior written consent. PEC reserves the right to assign this Agreement at any time at its sole discretion. This Agreement constitutes a personal service agreement and any unauthorized assignment is void and unenforceable.

GC12.3 GOVERNING LAW AND VENUE This Agreement shall be governed by, and construed and enforced in accordance with, the laws in effect in the State of Texas applicable to contracts made and to be performed in that state. This Agreement is performable in Blanco, County, Texas and venue for enforcement of this Agreement shall be in Blanco County, Texas.

GC12.4 SEVERABILITY If any provision, or any part thereof, of this Agreement is found by any court of governmental agency of competent jurisdiction to be invalid or unenforceable for any reason whatsoever, such invalidity or unenforceability shall not affect the remainder of such provision or any other provision hereof which shall remain in full force and effect.

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GC12.5 NO WAIVER OF PERFORMANCE The failure of either party hereto to insist, in any one or more instances, upon the performance of any of the terms, covenants or conditions of this Agreement, or to exercise any right herein, shall not be construed as a waiver or relinquishment of such term, covenant or right as to further performance. Any waiver by either party of any breach of any provision of this Agreement shall be in writing signed by the waiving party; provided, however, no such waiver shall be construed as a waiver of any continuing or succeeding breach of such provisions, a waiver or modification of the provision itself, or a waiver or modification of any right under this Agreement, unless the instrument constituting the waiver so states.

GC12.6 AMENDMENTS No amendment, modification, limitation or supplement of or to this Agreement or any provision hereof shall bind either Party unless it is in writing and signed by an officer or authorized agent of Service Provider and PEC.

GC13 RIGHT TO AUDIT

PEC shall, at its own expense, have the right at all reasonable times during normal business hours and upon at least twenty-four (24) hours advance notice to audit, examine, and to make copies of or extracts from all books, records and project plan documentation (in whatever form they may be kept, whether written, electronic or other) relating or pertaining to this contract or agreement (including any and all documents and other materials, in whatever form they may be kept and at any location they may be kept, which support or underlie those books and records), kept by or under the control of the Service Provider, including but not limited to, those kept by the Contractor, its employees, agents, assigns, successors and subcontractors.

The Service Provider shall maintain such books and records, together with such supporting or underlying documents and materials, for the duration of this and for at least 1 year following the completion of this contract or agreement, including any and all renewals thereof. The books and records, together with the supporting or underlying documents and materials shall be made available, upon request, to PEC, through its employees, agents, representatives, contractors or other designees, during normal business hours at the Contractor's office or place of business. In the event that no such location is available, then the books and records, together with the supporting or underlying documents and records, shall be made available for audit at a time and location at 201 South Avenue F, Johnson City, Texas 78636, which is convenient for PEC.

IN WITNESS WHEREOF, the parties have executed this Master Agreement to become effective as the Effective Date.

Pedernales Electric Cooperative, INC.

By: _____

Title: _____

Date: _____

Service Provider

By: _____

Title: _____

Date: _____

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8. Appendix B –Technical Specifications

See Excel worksheets

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9. Appendix C –Functional Requirements

See Excel Worksheets

10. Appendix D –Interface Listing

Name	Description	Custom	From System	To System	Medium	Frequency	Type	Direction
Customer Address Updates (ADR)	Corrects Mailing Addresses to Postal standards	Y	CIS	FirstLogic	Files	Ad-hoc		Two-way
Mass Readings for Billing	Mass read meters by cycle	Y	CIS	AMR	Databases	Weekly	Batch	Two-way
Get Individual Readings	CSRs can randomly read any meter	Y	CIS	AMR	Databases	Ad-hoc	Batch/Interactive	Two-way
Reading Submitter/Listener	Submits readings and Listens for recently read meters	Y	AMR	TWACS	Databases	Daily	Batch	Two-way
Ping Meter(s)	PEC Outage Detector	Y	TWACS	AMR		Ad-hoc	Batch	Two-way
CT PT Meter Tracking	Tracks installation of CT meters (Current Transformer) and PT Meters (Potential Transformer)	Y	TWACS	PEC AMR DB	Databases	Ad-hoc	Interactive	Two-way
Bill Print Data	Compiles formatted data file to bill print vendor and store PDFs in PEC database	Y	CIS	BIL	Databases	Weekly	Batch	One-way
Transmit Bill Print data	Transmits data file to bill print vendor	Y	BIL	IMS (vendor)	FTP	Weekly	Batch	One-way
Retrieve bill PDFs	Allows CSRs to view bills	Y	BIL	CWI	Database	Daily	Interactive	One-way
Retrieve bill PDFs	Allows Members to view bills via Internet	Y	BIL	CWI	Web Service	Daily	Interactive	One-way

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Name	Description	Custom	From System	To System	Medium	Frequency	Type	Direction
Sort Group 102 Maintenance	Groups special bill print handling together	Y	CIS	CIS	Databases	Weekly	Interactive	One-way
Post Customer Paymnets	Posts customer payment records to CIS	Y	CWI	CIS	Databases	Daily	Interactive	Two-way
Process Electronic Payment	Submits credit card/check data for clearing	Y	CWI	ClearTran	Web Services	Daily	Batch/Interactive	Two-way
Submits Payment for Approval	Submits Credit card/check data to clearing house	N	ClearTran	Global Payments	Web Service	Daily	Batch	Two-way
Process Mailed Payments	Payments made by mail are batched on a machine	N	Unisys	CIS	Data files	Daily	Interactive	One-way
Payment Images	Images of payments with checks are stored	N	Unisys	FileNet	Data files	Daily	Batch	One-way
Correspondence Images	Correspondence Letters and reports sent to imaging	Y	CIS	FileNet	Data files	Daily	Batch	One-way
Archive Account/EOY History	Account data is archived	Y	CIS	FileNet	Data files	Ad-hoc	Interactive	One-way
Collection Order Tracking	Districts track individual collections	Y	CIS	PECCIS	Databases	Weekly	Interactive	
Mass Mailing	Generate Mass-mailing letters to members	Y	CIS	PECCIS	Databases	Ad-hoc	Interactive	Two-way
Billing/Escrow Refunds	Members who have a credit/disconnect balance receive checks	Y	CIS	JDE	Database	Weekly	Interactive	Two-way
New Member Packages	New members receive welcome info	Y	CIS	TX Coops	File	Weekly	Interactive	One-way

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Name	Description	Custom	From System	To System	Medium	Frequency	Type	Direction
Meter Load	Loads newly purchased meters into CIS	N	Vendor	CIS	File	Ad-hoc	Interactive	One-way
Meter Test Load	Loads meter test data into CIS	N	WECO	CIS	File	Daily	Interactive	One-way
Process ACH Files	Billing Automatic Drafts	N	CIS	Chase	SFTP	Daily	Batch	One-way
Update CIS Subdivisions	Loads defined subdivisions into CIS locations	Y	UAI	CIS	File	Ad-hoc	Interactive	One-way
Membership Applications	Generates official membership paper form	Y	CIS	Paper	Paper	Daily	Interactive	One-way
WECO Interface	Meter Shop system loads test results to meter test history (PECCISU013)	N	WECO	CIS	File	Daily	Interactive	One-way
Consumer Alerts	Maintain consumer pop-up alerts	Y	PECCIS	CIS	Database	Ad-hoc	Interactive	One-way
Load UAI Member Info	Loads consumer name, addr, etc into UAI	Y	CIS	UAI	Database	Daily	Batch	One-way
Update Feeders in CIS	Updates CIS feeder and phase info with data from UAI	Y	UAI	CIS	Database	Bi-monthly	Batch	One-way
Load High Volume Member Info	Loads consumer info into TFCC	Y	CIS	TFCC	File	FTP	Bi-Monthly	One-way
Receive TFCC Outage Calls	As consumers call into High-volume phone system, outage is recorded in UAI	Y	TFCC	UAI	File	FTP	Batch	One-way
PEC Outage Detector (POD)	Allows CSRs to ping members' meters. Identifies outages using UAI and AMR	Y	UAI	AMR	Databases	Ad-hoc	Interactive	Two-way

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Name	Description	Custom	From System	To System	Medium	Frequency	Type	Direction
UAI Trace to POD	Allows CSRs to trace an area in UAI for and paste locations into POD for outage detection	Y	UAI	POD	DDE	Ad-hoc	Interactive	One-way
Load Outage Detector Member Data	Loads consumer info into POD, when CSR initiates ping.	Y	CIS	AMR	Databases	Ad-hoc	Interactive	One-way
Billing to General Ledger	Loads CIS sales and revenues into G/L	Y	CIS	JDE	Databases (Z-files)	Daily	Interactive	One-way
Load Capital Credits	Loads CIS sales used to allocate capital credits	Y	CIS	CAP	Databases	Yearly	Interactive	One-way
Capital Credit Allocation Data	Data used by finance to compute allocation factor	Y	JDE	CAP	Databases	Yearly	Interactive	Two-way
Patronage Capital Mass Mail Checks	PDFs of checks sent to IMS for mass mailing	Y	CAP	IMS vendor	File	FTP	Interactive	One-way
Work Order Interface	Interface that transmits Work Order data between JDE and UAI	Y	JDE	UAI	Databases	Daily	Batch	Two-way
Time Entry	Employee information is retrieved and PEC timesheets data entry is transmitted to JDE for Payroll calculation	Y	PRH	JDE	Databases (Z-File)	Bi-weekly	Interactive	Two-way
Employee Directory	Employee information for company-wide employee lookup.	Y	JDE	EDR	Databases	Daily	Interactive	One-way
Phone Directory	Employee information is used	Y	JDE	PDR	Databases	Daily	Interactive	One-way

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Name	Description	Custom	From System	To System	Medium	Frequency	Type	Direction
	by PEC phone directory							
Personal Development Plan (PDP)	Employee data is used for performance reveiws	Y	JDE	PDP	Databases	Ad-hoc	Interactive	One-way
Employee Change Request	Employee information is used in filling out form for job/salary changes	Y	JDE	JHR	Databases	Ad-hoc	Interactive	One-way
Image JDE data	Images of checks, invoices, vendor info, time cards, HR applicants, 1099s	Y	JDE	FileNet	Files	Daily	Interactive	One-way
Election Ballot/Annual Meeting System	Transfers member data to the annual meeting system.	Y	CIS	PRX	Databases	Seasonal	Interactive	One-way
Election Services	Transfer member data to Election Services for member voting.	Y	PRX	Election Services	File	Seasonal	Automated	One-way
Gift Checks	Consumers can purchase gift checks (like a gift certificate)	Y	CWI	Paper	Paper	Ad-hoc	Interactive	One-way
Optio AP Checks	Formats and prints AP checks, and creates FileNet Image files and bank positive pay files	Y	JDE	Paper,File net,Bank	Paper and Files	Daily	Batch	One-way
Optio Invoices	Formats and prints invoices for misc receiveables	Y	JDE	Paper	Paper	Ad-hoc	Batch	One-way
Optio Purchase Orders	Formats and prints, emails, faxes Pos	Y	JDE	Paper,Fax ,Email	Paper,Fax, Email	Daily	Batch	One-way
Optio RFPs and	Formats and prints,	Y	JDE	Paper,Fax	Paper,Fax,	Ad-hoc	Batch	One-way

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Name	Description	Custom	From System	To System	Medium	Frequency	Type	Direction
RFQs	emails or faxes			,Email	Email			
Optio Service Orders	Formats and prints, emails or faxes	Y	JDE	Paper,Fax ,Email	Paper,Fax, Email	Ad-hoc	Batch	One-way
E-Stubs online paychecks	Generates data file for National Payment Service	Y	JDE	National Payment Service	File	Daily	Interactive	One-way
AR Bank files	AR imports cleared bank checks from JPMorgan	N	JPMorgan	JDE	File FTP	Daily	Interactive	One-way
AP Positive Pay files	When checks are printed in Optio, postive pay files generate	Y	Optio	AP file	File	Daily	Batch	One-way
AP Wires EFT payments	AP Manually processes EFT payables on-line.	N	JDE	AP attachment	Internet	Daily	Interactive	One-way
AP Billing Refunds	Refunds due to billing customers (CIS) who disconnect with a credit balance.	Y	CIS	JDE	Databases (Z-File)	Daily	Interactive	One-way
AP Billing Refund Check Numbers	When billing refund checks are generated and cashed in check numbers and check status are sent to CIS for member CSR inquiry purposes.	Y	JDE	CIS	Databaes	Daily	Interactive	One-way
AP Billing Escrow	Refunds due to billing customers (CIS) who renew payment plans with a credit balance	Y	CIS	JDE	Databases (Z-File)	Daily	Interactive	One-way

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Name	Description	Custom	From System	To System	Medium	Frequency	Type	Direction
AP/CWI Gift Checks	Checks purchased by billing customers (CIS) as gifts of electricity purchases payable to PEC.	Y	CWI	JDE	Databases (Z-File)	Daily	Interactive	One-way
Patronage Capital Checks	Checks mailed when PEC pays out capital credits (profits) to billing customers/members in CIS.	Y	CAP	JDE	Databases (Z-File)	Daily	Interactive	One-way
Energy Rebates	Checks mailed to billing customers (CIS) that qualify for energy rebates buy installing energy efficient equipment. Similar to billing refund process.	Y	CIS	JDE	Databases (Z-File)	Daily	Interactive	One-way
Proxy Checks	Checks mailed to approximately 50 billing customers/members (CIS) who are randomly selected for mailing in their proxies.	Y	PRX	JDE	Databases (Z-File)	Daily	Interactive	One-way
Patronage Check Numbers to CAP	As checks are printed in AP, check numbers are then loaded in Capital Credits system	Y	JDE	CAP	Databases (Z-File)	Daily	Interactive	One-way
Reconcile cashed checks	AR downloads file from JPMorgan Access, and imports into JDE	Y	JPMorgan Access	JDE	File/Download	Daily	Interactive	One-way

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Name	Description	Custom	From System	To System	Medium	Frequency	Type	Direction
Patronage Capital Voids	Mass-void system needed to void thousands of checks written to prior members who cannot be contacted via mail.	Y	CAP	JDE	Databases	Daily	Interactive	One-way
JDE Work Order Creation	Newly created work orders with status 20 are transmitted to UAI for staking.	Y	JDE	UAI	Database	Daily	Batch	One-way
UAI Work Order Staked	After work orders are staked, parts lists are sent to JDE for storekeepers	Y	UAI	JDE	Databases	Daily	Batch	One-way
UAI Work Order Completion	After work orders are built, they are closed	Y	UAI	JDE	Databases	Daily	Batch	One-way
Crystal Reports	A number of secure and unsecure views are available for end-users to write reports on.	Y	JDE	Crystal	Databases	Ad-hoc	Interactive	One-way
ENTRPT Enterprise database copy	ENTRPT is a day-old copy of JDE database intended for Crystal Reporting only. A number of secure and unsecure views are available for end-users to write reports on.	Y	JDE	ENTRPT	Databases	Daily	Batch	One-way
RPT CIS database copy	RPT is a day-old copy of the CIS database and is intended for Crystal	Y	CIS	RPT/CIS	Databases	Daily	Batch	One-way

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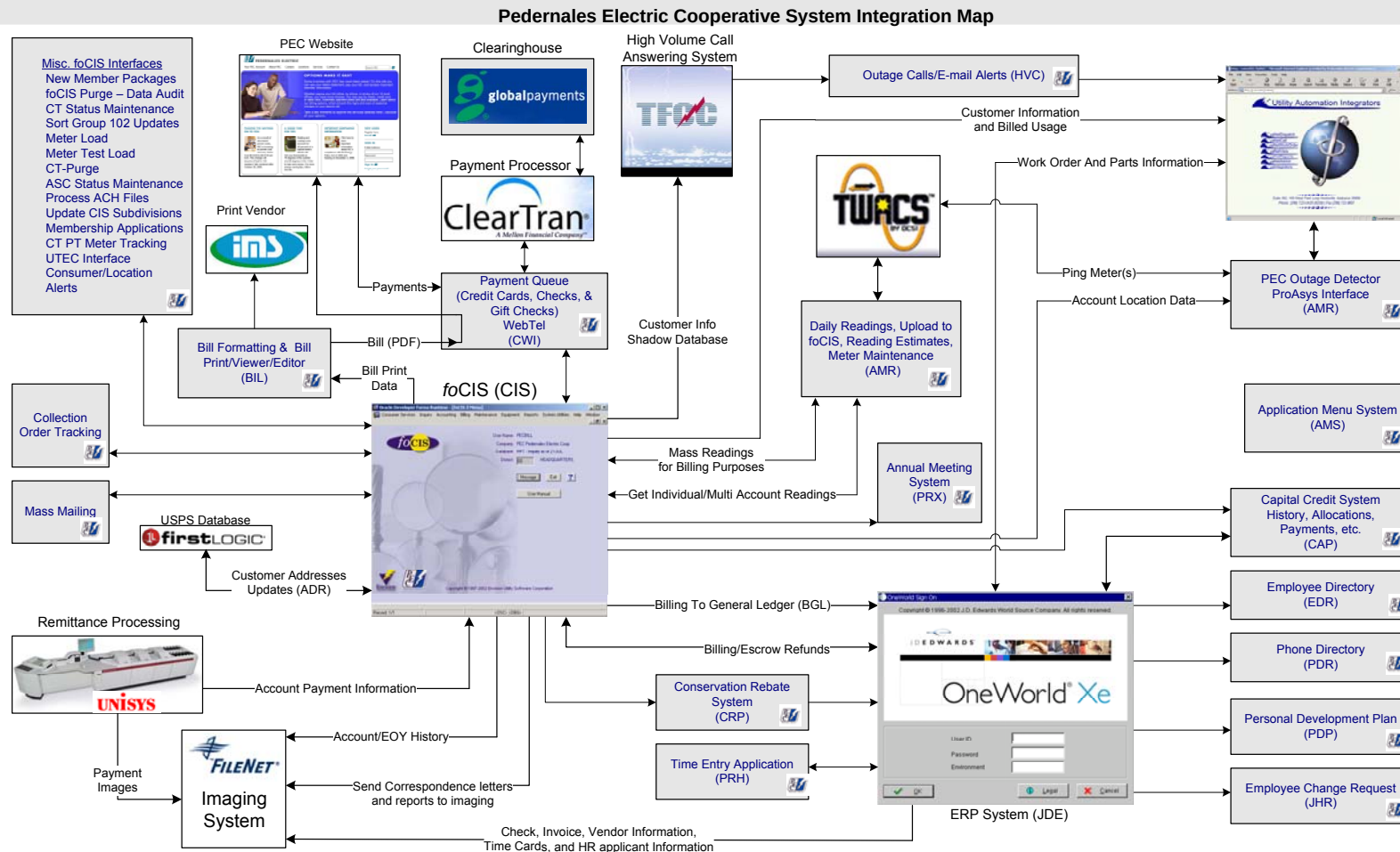
Name	Description	Custom	From System	To System	Medium	Frequency	Type	Direction
	reporting and CSR inquiry during times of Billcalc (weekly)							
JDE Reports Archival	A process in which specified reports are automatically archived in FileNet	Y	JDE	FileNet	Databases	Daily	Batch	One-way
Active Directory Import	A process which pulls Employee information into Active Directory	Y	JDE	Active Directory	Database	Monthly	Interactive	One-way
W2 imaging	Images of printed W2s are made before mailing them to employees	N	JDE	FileNet	Files	Yearly/Ad-hoc	Interactive	One-way
W4 imaging	Employees fill out forms. Data is entered into JDE.	N	JDE	FileNet	Files	Yearly	Interactive	One-way
1099 Tax Reporting	AP files 1099s electronically	N	JDE	IRS	File	Yearly	Interactive	One-way
W2 Tax Reporting	HR files W2 electronically	N	JDE	IRS	File	Yearly	Interactive	One-way
EEOC Reporting	HR reports EEOC data	N	JDE	IRS	File	Yearly	Interactive	One-way
Federal Tax Reporting	Payroll reports payroll taxes	N	JDE	IRS	File	Bi-weekly	Interactive	One-way
State Tax Reporting	Payroll reports payroll taxes	N	JDE	State	File	Bi-weekly	Interactive	One-way
Misc AP Voucher Load	Load miscellaneous vouchers into JDE/AP. This is needed for various	Y	Excel	JDE	File	Ad-hoc	Interactive	One-way

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Name	Description	Custom	From System	To System	Medium	Frequency	Type	Direction
	charitable check writing PEC does.							
E-Bill	New system to send an email as members bills are generated and available for on-line viewing.	Y	CIS	Email	Email	Weekly	Interactive	One-way
Mobile Data		TBD	TBD Mobile Solution	Work Mgmt Solution TBD	TBD	TBD		
Fleet Tracking (AVL)		TBD	AVL	UtilityCenter	TBD	TBD		

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11. Appendix E – System Integration Map



Proprietary and Confidential Information of Pedernales Electric Cooperative, Inc.

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12. Appendix F – Finance and Regulatory Reports

<u>CFC Form 7</u>	
Excel	formatted form provided by CFC annually
<u>Cost of Power</u>	
Excel	COP Price vs. Quantity Analysis, to CFO monthly (excel report)
<u>Damage Claim Reports</u>	
crystal inquiry	reformatted in excel for district managers monthly
<u>Financial Statements</u>	
R10111B	JDE Balance Sheet (summary and detail)
R55094CS	JDE 4 column Statement of Revenues and Expenses (summary and detail)
R5509SCFS	JDE Statement of Cash Flows (indirect method used; direct method is desirable)
R550910	JDE Compliance with Debt Covenants
R550913C	JDE 13 column Statement of Revenues and Expenses (summary and detail)
R550902TB	JDE Trial Balance (used to download to excel)
<u>Forecast Needs</u>	
PECCISR074	Billed Customer Count (member count) by revenue/rate class by month (METER COUNT)
	Forecast to Actual comparison:
EXCEL	MTD and YTD Income Statements
EXCEL	MTD and YTD Price vs. Quantity Analysis for SOE and COP
PECBGLR015	billed kWh by revenue class by month (summary)
PECBGLR025	billed kWh by rate by month (detail)
<u>Government Reports</u>	
Form 1099	IRS
Census Survey	Federal govt., annually
Capital Expenditures	Federal govt., annually
Software Expenditures	Federal govt., annually

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	Telecom Expenditures	Federal govt., annually
	EIA - 861	submit to DOE, Electric Industry Annual (EIA) Report
	state form	Fuels Tax Refund Request, to the State Comptroller of Public Accounts, annually, work-up in excel
	state form	Gross Receipts Assessment, to State of Texas annually, work-up in excel
	Property Tax Rendition Form	to county Tax Assessors
	PECBGLR024 and PECBGLR023	Sales Tax Return, submitted to the State Comptroller on-line, quarterly
	Underground Storage Tank Registration & Self-certification	submitted annually to the Texas Commission on Environmental Quality (TECQ)
	<u>Management Expense Reports</u>	
	R550902E	Budget Reports (target summary), expect to have managers generate on demand
	R550902X	Budget Comparison Reports (target to actual), expect to have managers generate on demand
	in development	Cost Detail
	in development	Summary of Capital Costs
	<u>Monthly FOCIS recon</u>	
	BLAAGE	AR Aging (or Budget Aging), FoCIS report for aging on receivables, monthly
	crystal report on FOCIS data	Escrow Refunds - TRX 117
	crystal report on FOCIS data	Escrow Balance Refund Cancellation Agreement
	crystal report on FOCIS data	PEC membership Audit
	<u>Proration Factors</u>	
	crystal report on JDE data	A & G allocation for voucher logging, annual
	crystal report provided by HR	Wages and Hours Schedule (including OT), annual
	<u>Ratio Analysis</u>	
	Excel	Financial & Operating Ratios (Quarterly)
	PECBGLR026	Electric Sales Ratio (quarterly)
	<u>Revenue</u>	
	Excel	Gross Margin Analysis, monthly to CFO
	Excel	SOE Price vs. Quantity Analysis, to CFO monthly (excel report)

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	PECAMRR015	metered kWh by calendar month (AMR used for unbilled revenue calculation) monthly
	<u>Billing to General Ledger (Revenue)</u>	
	PECBGLR002	Billing Recap Reports
	PECBGLR016	Sales and Revenue - Monthly / YTD Compare
	PECBGLR018	Sales and Revenue - Rolling 12 months
	PECBGLR021	Accrual Report
	PECBGLR027	BGL Payments Report
	<u>Statistics</u>	
	? See Tonya	write off of member's (FOCIS) account
	? See Tonya	franchise fees paid to municipalities (FOCIS data)
	<u>Transmission</u>	
	PUC form (excel)	Transmission Cost of Service (TCOS) - file with PUC
	excel	Transmission Lease payment calculation
	<u>UNITED CHARITIES (UC)</u>	
	Excel	Donations to Charity
	Excel	UC Officers for Form 990
	Excel	UC Summary of Activity

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13. Appendix G – RFP Glossary of Terms

Term or Acronym	Description
ACD	Automatic Call Distributor – a system that uses a rule based algorithm to distribute incoming calls to the appropriate person.
AEP	American Electric Power – one of the sources from whom PEC purchases power.
AFUDC	Allowance for Funds Used During Construction – an accounting treatment for utilities allowing them to calculate interest on the amount spent before the construction is finished.
AMI	Advanced Metering Infrastructure
AMR	Automated Meter Reading. System developed by DCSI Company (aka TWACS). A module is installed in meters which transmits meter readings through the electrical grid and are stored on what PEC calls the AMR server, a dedicated server running DCSI software. The meter shop maintains these readings. All meter readings are captured in this system. As readings are requested by CIS for billing and random inquiry, readings are retrieved from that server. The processes which retrieve readings from AMR to CIS are handled by a PEC-written application.
AMS	Application Menu System - Report generation tool used by foCIS users to create certain standard predefined reports.
Attacher	A cable or phone vendor that attaches line or other devices to a PEC pole. This typically relates to pole contacts.
AVL	Automatic Vehicle Locator – a GPS tracking system located on a vehicle.

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Term or Acronym	Description
BPL	Broadband Over Power Line
C&I	Commercial and Industrial
Capital Credits	Capital credits are margins (the difference between what comes in and what goes out) allocated to members of PEC, and reflect each member's investment in the Cooperative.
CAP	Capital Credits - PEC written program which tracks co-op members' capital credits. Credits are co-op profits and are allocated to members as a basis of electric revenue they pay in. Credits are calculated each year.
Cascade	An asset management software package that interfaces with other enterprise software for monitoring asset risks, conditions, required work inspections, and maintenance.
CFC	National Rural Utilities Cooperative Finance Corporation (CFC) is a non-bank financial institution exclusively serving rural electric, service, and telecommunication utilities. CFC was organized in 1969 by rural electric cooperatives (RECs) as a not-for-profit, tax exempt association that would provide an economical alternative to federally subsidized funds from the Rural Utilities Service (RUS) of the U.S. Department of Agriculture. CFC is based in Herndon, Virginia.
CIAC	Contribution in Aid to Construction – an outside party's dollars paid to PEC that go toward to facilities that PEC is building.
CIS	Customer Information System
Co-op	An acronym for Cooperative
CRP	Conservation Rebate Program - PEC Conservation section uses this to generate rebate checks to energy efficient consumers.

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Term or Acronym	Description
CRU	Control and Receiving Unit - Process that communicates with TWACS server to send readings back and forth.
CSR	Customer Service Representative
CT	Correspondence Tracking component of the current foCIS system.
CT	Current Transformer meter - a type of meter.
DGA	Dissolved Gas Analysis – an equipment monitoring system.
Doble	Complex engineering test equipment that assesses condition of electrical apparatus.
EDMS	Electronic Document Management Software - automates the process of managing documents from creation to storage to distribution throughout an enterprise.
EOP	Emergency Operating Plan (pertinent to outages)
ERP	Enterprise Resource Planning system
FileNET	A document imaging system (see EDMS below)
foCIS	PEC's internal CIS system for customer service related information. Data in this system is interfaced/integrated into several other internal and external systems. A map of the integrating systems is included in Appendix E.
GIS	Geographic Information System - Utilities use GIS to manage meter reading routes. GIS can be used to dynamically readjust routes for new situations, such as when someone builds a new house in the middle of an existing neighborhood, or to analyze where billing issues most commonly occur. If access is an issue, GIS can determine where to strategically place automated systems in problem areas. GIS can help highlight patterns for meter readers.

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Term or Acronym	Description
JD Edwards	PEC's third-party ERP system
JDE	An acronym for JD Edwards
LCRA	Lower Colorado River Authority – one of the sources from whom PEC purchases power. LCRA also leases transmission assets from PEC.
LIDAR	Light Detection and Ranging - an optical remote sensing technology that measures properties of scattered light to find range and/or other information of a distant target. This is a method of taking aerial photo's to document asset and inspection details that is becoming less expensive and more common.
MCC	Merchant Category Codes – a four code to classify merchants / vendors by market segment.
MDM	Meter Data Management
MEC	Month end close
MWFM	Mobile Work Force Management
OCR	Oil Circuit Reclosers. At PEC the OCR department is really an organizational area that takes care of distribution line equipment including Oil Circuit Reclosers, Regulators, Switch gear, Arrestors, and Capacitors etc. In other words, all major equipment on distribution lines.
OMS	Outage Management System
P8	IBM FileNet system that stores, displays, and maintains the disposition of electronically held records.
PCRF	Power Cost Recovery Factor – used as a part of the billing rate to adjust for the cost of purchased power.

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Term or Acronym	Description
PEC	An acronym for Pedernales Electric Cooperative
PLC	Power Line Carrier
ProAsys	Outage detection system - Allows utilities to quickly assess system status and identify outages, helping them to complete repairs faster. The system monitors power reliability and remotely verifies customer-reported outages.
Prikey	Primary key – created in the current GIS system when adding an asset to the system.
PRX	Proxy System. A PEC-written system which handles member voting by proxy at the annual meeting.
PT	Potential Transformer meter - a type of meter
PTO	Power Take Off – an engagement of a hydraulic pump related to vehicles.
RCC	Remote Connect/Disconnect Meter Collar – smart meters that allow remote connects and disconnects.
REA	Rural Electric Association – an organization that defines categories for tariffs.
REC	Rural Electric Cooperatives
Redline	Term used by PEC to denote corrections made by field personnel on the fly to construction units of work that have already been charged out.
RUS	Rural Utilities Service – a department within the U.S. Department of Agriculture.
SCADA	An industry acronym referring to ‘Supervisory Control and Data Acquisition’ – used for monitoring and managing a power grid.

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Term or Acronym	Description
SCE	Substation Communication Equipment
TEC	Texas Electronic Cooperatives – an alliance vendor with PEC for purchasing conductors and transformers.
TFCC	Twenty First Century Communication – a high volume answering service used by the call centers to keep track of calls and allow members to report outages without needing to speak with a Service Representative.
TNS	TWACS (see below) Net Server – the TWACS database.
Trimble	PEC’s mobile workforce management software.
Trouble calls	Also referred to in the industry as member or external party outages.
TCOS	LCRA Billing - Transmission Cost of Service
TSIP	Transmission System Improvements Plan – a written plan for what projects are approved for PEC by LCRA.
TWACS	Two-Way Automatic Communication System – used by PEC for automatic meter reading and transmission.
UAI	An outage management system that enables utilities to automate trouble calls, outage management, and dispatch response.
UAI Dimension	Field services and mapping services composed of three subprograms: UA Netcall, US Dispatch, and UA Field.
UC	Utility Center - upgraded UAI GIS replacement from Trimble.

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Term or Acronym	Description
Unisys	Hardware and software system used for remittance processing.
URD	Underground Residential Distribution – represents underground electric service.
USS	Utility Structural Systems - vendor performing inspection and maintenance work for PEC for transmission and distribution system.
VMRS	Vehicle Maintenance Recording Standards – a universal translator for shop activity and parts numbering systems.
WECO	Watthour Engineering Company - vendor that sells equipment.
Webtel	A point-of-sale purchase system used by PEC for check and credit card payments taken over the phone.

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14. Appendix H – Employee Expense Reimbursement Policy

EMPLOYEE EXPENSE REIMBURSEMENT AND TRAVEL POLICY

PEDERNALES ELECTRIC COOPERATIVE, INC.

BOARD ADOPTED: March 17, 2008

AMENDMENTS: May 19, 2008, April 20, 2009

This policy addresses:

- All business expenses that may be reimbursable to an employee
- All travel expenses that may be reimbursable to an employee and/or paid directly by the Company

As this policy meets the Internal Revenue Service (IRS) definition of an accountable plan, failure of an employee to document expenses may result in denial of the request for reimbursement or, if reimbursed, the employee will incur a federal income tax liability.

Pedernales Electric is exempt from sales and use tax on goods and services. The employee should provide the vendor with the Pedernales Electric Sales/Use Exemption form or tax identification number.

BUSINESS EXPENSES

Preferred purchasing methods at the Company include purchase orders and direct billing (invoices) from the supplier to Pedernales Electric in accordance with the PEC Procurement Policy and Procedures. JPMorgan Chase corporate card usage is permissible in accordance with the PEC Corporate Card Guidelines.

The Company will reimburse reasonable and necessary expenses incurred in the conduct of official company business or activities in accordance with this policy and in conjunction with the Procurement Policy and Procedures.

Any funds received by an employee from the Company prior to a purchase are considered an 'advance' and will follow the guidelines contained in the "Advances" section of this policy.

Both the person who incurs the expense and the authorized approver are responsible for ensuring the expenditure amount does not exceed what the Company would have paid if the purchase had been made directly by the Company in a similar situation.

Please see the "Meals and Incidentals" section for guidelines on business meals.

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TRAVEL EXPENSES

Travel expenses are separated into two categories and defined as follows:

- Day Travel - Does not involve an overnight stay and/or airline flight
- Overnight Travel - Requires at least one night away from home and/or an airline flight.

The distinction between Day and Overnight travel is made to conform to IRS guidelines of an accountable plan for meal and incidental expenses. For more information, refer to the "Meals and Incidentals" section of this policy.

EXCEPTIONS

Reimbursement of reasonable and necessary expenses not otherwise described by this policy may be allowed when fully documented and explained. The Chief Financial Officer (CFO) or his/her designee has the authority to approve any such reimbursement that is deemed necessary.

RESPONSIBILITIES OF THE EMPLOYEE – Forms and Receipts

Employees who have been issued a JPMorganChase Corporate Card are encouraged to use the card for all lodging, meals and other travel expenses for themselves and their employees who travel.

Forms

The employee is responsible for submitting all forms and required receipts to the appropriate authorized approver within 10 business days of incurring the expense.

Receipts

Receipts are required for all business and travel expenses for which reimbursement is requested.

Receipts must include a detail of each charge and the related amounts. A summary receipt or credit card receipt showing only the total amount of the entire purchase is not acceptable documentation for a reimbursement of expenses if a detailed receipt is available.

Meal receipts should show the amount of gratuity paid and the name of all meal recipients.

Lost Receipts

If a receipt is not issued or is lost, a detailed explanation signed by the traveler and authorized approver must be submitted on a Supplemental Approval Form. The explanation should also contain the same detail outlined previously under "Responsibility of the Employee". The CFO or his/her designee has the authority to approve any such reimbursement that is deemed necessary and appropriate.

AUTHORIZED APPROVERS

All business and travel expenses submitted for reimbursement should be approved in accordance with the Approval Hierarchy contained in the Delegation of Authority.

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Except for the General Manager, travel requests must be approved in advance. After the travel has been completed, the actual expenses should be documented, reviewed and approved by the authorized approver. The General Manager's travel expenses will be reviewed and approved by the Board of Directors Audit Expense Committee.

The authorized approver is responsible for verifying the following:

- Business purpose of the expense is valid and directly related to official company business.
- Expenses are in accordance with this policy, charged to the proper accounts, and conform to any requirement imposed by the IRS and other regulatory agencies as applicable.
- All required accompanying documents are complete and accurate.

The Finance Department will review expenses for conformance with this policy.

ADVANCES

Except for amounts received as per diem, funds received by an employee from the Company prior to incurring an expense (including travel) are considered an advance. Advances should be used only when absolutely necessary for business expenses and travel.

If the employee does not properly account for the entire advance, they must reimburse the Company for the unaccounted portion. If the traveler does not reimburse the Company **within 30 days**, the un-reimbursed amount will be deducted from the employee's pay.

MEALS AND INCIDENTALS

Non-Travel Meal Expenses

Purchase of all meals (individual or group) paid by the Cooperative are, in general, limited to those that serve a valid business purpose. Employees are expected to exercise good judgment on expending Cooperative funds for meals especially when it involves employees who are not traveling. It is not a valid expense to purchase a meal simply because an employee from another location is present. The traveling employee would receive qualifying meal compensation under this policy. The non-traveling employee should incur their own meal expense unless he/she receives or attends a business meal under the supervision of PEC.

Day Travel

All day travel will be reimbursed on a receipt basis only. There is no per diem allowance for day travel. Approval limits for meals (including tax and tips) are not to exceed:

Meal	Amount
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Breakfast	\$12.00
Lunch	\$18.00
Dinner	\$30.00

If the expense exceeds the specified amount, it must be documented with an explanation on the Supplemental Approval Form and approved by the CFO or his/her designee. This includes qualified business meals paid by a PEC employee for non-PEC individuals.

If a group of PEC employees attends a company paid meal, the most senior level employee should pay for the meal i.e. Manager pays for Coordinators/Supervisors/Staff.

Overnight Travel

The daily meal and incidental (M&I) costs are limited to \$60 per day (per diem). A cash payment is available prior to travel for those employees who choose a per diem. On the days of travel to or from the destination, per diems should be adjusted according to the following table for the individual's departure and return times. The 10% incidental rate should always be included in the per diem calculation. **If the employee received a cash payment (per diem) prior to travel then meals may not be charged to a JPMorganChase Corporate Card.**

Meal	Amount
Breakfast	20%
Lunch	20%
Dinner	50%
Incidental	10%

Incidental expenses include fees and tips for persons providing services, such as food servers, hotel housekeeping and luggage handlers. Incidental expenses do not include ground transportation, telephone calls, or laundry, which are reimbursed based on actual costs.

If a per diem was issued:

- Receipts are not required if the M&I charges do not exceed \$60 per day or reimbursement is not requested for excess M&I expenses.
- Receipts are required for all M&I expenses in a single day if reimbursement is requested for charges in excess of \$60 in which case a Supplemental Approval Form must be submitted and approved by the CFO or his/her designee.
- When the cost of a group meal results in meal expenses exceeding \$60 for the day, receipts are required for all of the M&I expenses on that day if reimbursement is requested for charges in excess of \$60. A Supplemental Approval Form must be submitted and approved by the CFO or his/her designee.

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If a Credit card is used for M&I expenses then all gratuities should be shown on the credit card receipt or restaurant receipt.

LODGING AND TRANSPORTATION

Lodging

Employees should seek reasonable lodging based on the location to which they are traveling. As a baseline, lodging per night should normally not exceed \$250 per night (before taxes). Employees should use the Sales/Use Exemption form for lodging and other expenses within the State of Texas.

When traveling to a conference, employees are encouraged to stay at the hotel hosting the conference. Exceptions may be necessary for the following and should be noted on the expense report documentation:

- Location (regional rates)
- Lack of available rooms
- Seasonal rates
- Last minute reservations

A lodging receipt must include the name and location of the lodging establishment, dates of stay, and separate amounts for charges such as lodging, meals and telephone calls. Meals and incidentals on lodging receipts must be itemized (See section on "Meals and Incidentals"). Employees will be reimbursed for reasonable and actual expenses for laundry services that are necessary due to an absence from home for four or more days or when unforeseen circumstances occur. These circumstances should be included on the expense report.

Employees will be reimbursed for telephone, fax and computer connection costs that are reasonable and necessary for conducting company business.

Rental Cars

Vehicle rental is authorized when it is more practical and/or less expensive than the use of other transportation. Mileage is not reimbursable. The cost of gas for the rental car is reimbursable.

If the car rental expense was charged to a JPMorganChase Corporate Card, the traveler should decline the insurance coverage as the traveler is covered under the Corporate Card's travel insurance. Otherwise, he/she should accept the insurance coverage offered by the rental company. If the rental is direct billed to the Company, the insurance coverage should already be included in the reservation charge.

The employee should follow the accident notification requirements of the rental car company. If an accident occurs, the PEC legal services department should be notified no later than the following business day.

Private Automobiles

Pedernales Electric will pay a standard rate per mile for travel by private automobile based on the actual driving distance by the most direct route. The standard mileage allowance, defined by the IRS, is in lieu of all actual automobile expenses, including gas. Recipients of a car allowance are ineligible for mileage reimbursement.

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To calculate the total reimbursable miles, begin with the total round trip miles and subtract the roundtrip miles commuted on a normal workday. The result is the reimbursable miles. The traveler must show this calculation on the required form submitted for reimbursement.

Air Travel

Employees must purchase reasonably priced tickets available using a commercial discount airfare or customary standard (coach or equivalent) airfare. Employees should make reservations as soon as travel plans are finalized to obtain advance purchase discounts. If a coach or equivalent fare is unavailable, the fare must be approved in advance by the CFO or his/her designee. Upgrades are not reimbursable.

COMBINING COMPANY AND PERSONAL TRAVEL

Indirect Routes

If the employee takes an indirect route or interrupts a direct route for other than company business, the Company will pay for the portion required for business purposes. If the Company prepaid the airfare and/or rental car, the employee will reimburse the Company for the personal portion of the expense. Weekends, holidays or other necessary layovers will be reimbursed when they are required for business and/or the travel is at a lower total cost.

Travel Expenses of Spouse and Others

Expenses of a spouse, family member, or other non-business related personnel accompanying the business traveler are not reimbursable.

15. Appendix I – Open Records Policy

<http://www.pec.coop/Documents/OpenRecordsPolicy.pdf>

It is the responsibility of each vendor to be aware of and knowledgeable that submission of a proposal indicates agreement and acceptance of the policy.