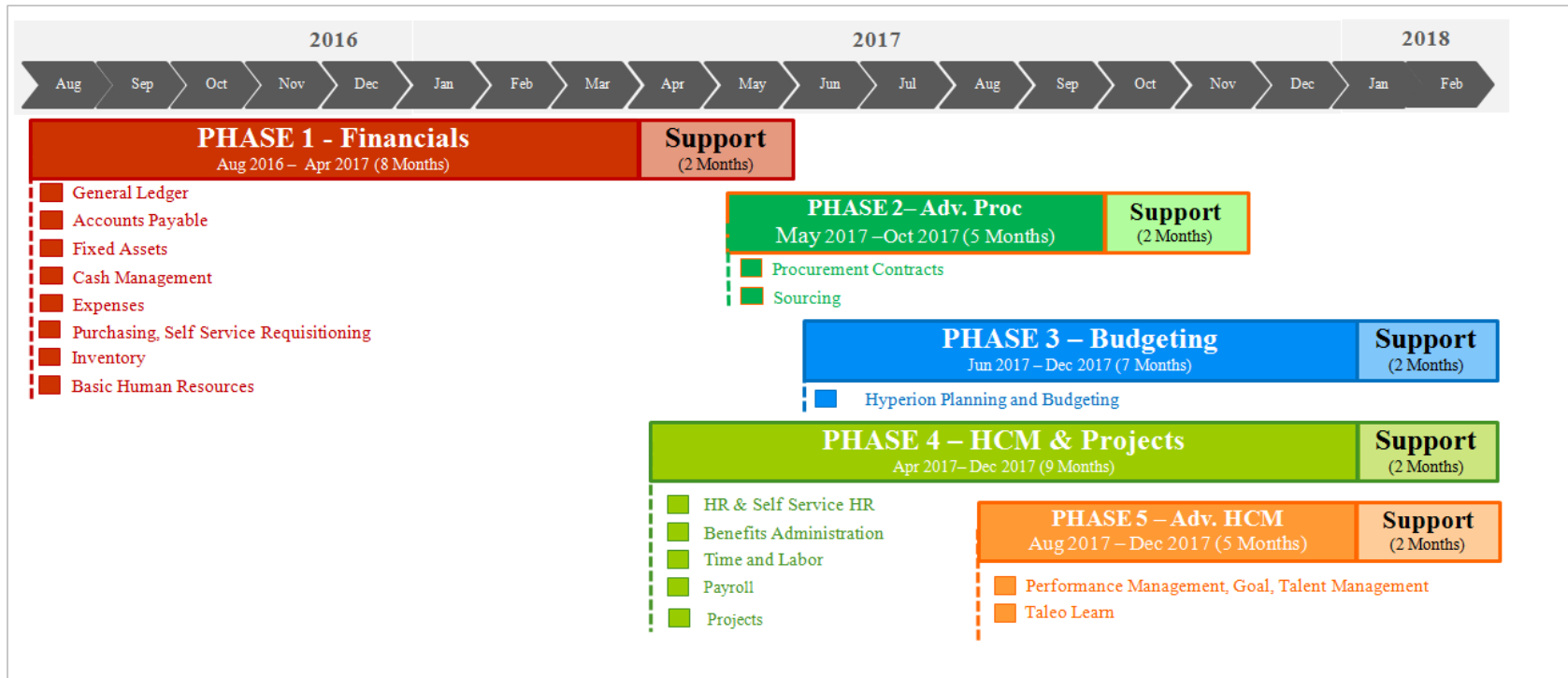


Enterprise Resource Planning (ERP) Update

Integrated ERP Solution: Program Update

- **PHASED IMPLEMENTATION – PHASE 1 FINANCIALS, PROCUREMENT**
 - UAT (USER ACCEPTANCE TESTING) ON TRACK TO COMPLETE IN EARLY MARCH
 - PRODUCTION CUTOVER PLAN DEFINED AND COMMUNICATED
 - ORGANIZATIONAL CHANGE MANAGEMENT
 - CONDUCTED SYSTEM DEMOS FOR EMPLOYEES, MANAGERS, CHANGE AGENTS, AND SPONSORS
 - DEVELOPMENT OF TRAINING MODULES IS NEARING COMPLETION
 - TRAINING PLAN AND DELIVERY SCHEDULE HAS BEEN DEVELOPED
 - READINESS SURVEY DISTRIBUTED
 - PHASE 1 KEY MILESTONES WITH TARGET COMPLETION DATES
 - **COMPLETE** DISCOVERY/PROCESS MODELING WORKSHOPS – SEPTEMBER
 - **COMPLETE** SPRINT 1 – EARLY OCTOBER 2016
 - **COMPLETE** SPRINT 2 – LATE NOVEMBER 2016
 - **COMPLETE** INTEGRATION TESTING – EARLY JANUARY 2017
 - USER ACCEPTANCE TESTING – ~~MID FEBRUARY 2017~~ EARLY MARCH 2017
 - TRAINING DELIVERY – MARCH 2017
 - GO LIVE – APRIL 2017
 - CELEBRATION FOR PHASE 1 - APRIL 2017
 - SUPPORT PERIOD – APRIL - MAY 2017
- PHASES 2 – 5 NOT ACTIVE
 - FACILITIES PLANNING UNDERWAY
 - INITIATED RESOURCE PLAN VALIDATION

Integrated ERP Solution: Projected Milestones*



* Projected dates are preliminary and will be firmed up at the start of each phase

Integrated ERP Solution: Approved Action Item

Software Subscription Contract

- Subscription Services \$4,528,865
- Software Licenses 195,682
- Contingency for additional subscriptions 452,887

Total Costs for 10 years

\$5,177,434

Implementation Services Contract

- Implementation Services \$6,586,200
- Training Credits 40,320
- Contingency for change orders 1,656,630

Total Costs for 10 years

\$8,283,150

Legacy Systems Consulting Services

\$150,000

Total Expenditures for 10 Years

\$13,610,584

Integrated ERP Solution: Action Item Projected Spend, Implementation

Software Subscription Contract	Approved Spend	as of 12.31.16 Invoiced YTD	as of 01.31.17 Invoiced YTD	Projections by Quarter thru Implementation								
				Q3 '16	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q3 '18	
Subscription Services	\$ 4,528,865	321,384	0	321,335	0	0	0	446,989	0	0	448,059	
Software Licenses	\$ 195,682	68,747	0	68,747	0	0	0	13,637	0	0	13,637	
Contingency: add'l subscriptions	\$ 452,887	0	50,400	49 *								
Total Costs for 10 years	\$ 5,177,434	390,131	50,400	390,131	0	0	0	460,626	0	0	461,696	
Implementation Services Contract												
Implementation Services	\$ 6,586,200	1,709,000	0	733,300	1,081,200	628,200	1,341,000	1,151,400	920,700	730,400	0	
Training Credits	\$ 40,320	40,320	0				20,160	20,160				
Contingency: change orders ¹	\$ 1,656,630	0	0		552,210		552,210		552,210			
Total Costs for 10 years	\$ 8,283,150	1,749,320	0	733,300	1,633,410	628,200	1,913,370	1,171,560	1,472,910	730,400	0	
Legacy Systems Consulting Svcs	\$ 150,000	0			60,000		90,000					
Total Expenditure for 10 Years	\$ 13,610,584	2,139,451	50,400	1,123,431	1,693,410	628,200	2,003,370	1,632,186	1,472,910	730,400	461,696	

* Contract Ordering Document detail is \$49 greater than approved spend.

¹ Approved change orders not yet invoiced = \$106,350

Comments:

- **Teal** updates are invoices received thru 01.31.17
- Four (4) approved Change Orders for Phase 1 Contingency Spend
 - Additional integrations, custom reports, additional test environments (funded via *Contingency: change orders*)
 - Two additional Oracle services for data encryption (funded via *Contingency: additional subscriptions*)

Integrated ERP Solution: Action Item Projected Spend , Post Implementation

Software Subscription Contract	Approved Spend	as of 12.31.16 Invoiced YTD	as of 01.31.17 Invoiced YTD	Projections by Quarter Post Implementation								
				Total for Years 4-10	Q3 '19	Q3 '20	Q3 '21	Q3 '22	Q3 '23	Q3 '24	Q3 '25	
Subscription Services	\$ 4,528,865	321,384	0	3,312,482	449,229	450,519	461,966	471,173	481,921	493,075	504,599	
Software Licenses	\$ 195,682	68,747	0	99,661	\$13,637	\$13,637	\$13,910	\$14,188	\$14,472	\$14,761	\$15,056	
Contingency: add'l subscriptions	\$ 452,887	0	50,400		64,698	64,698	64,698	64,698	64,698	64,698	64,649	
Total Costs for 10 years	\$ 5,177,434	390,131	50,400	3,864,981	527,564	528,854	540,574	550,059	561,091	572,534	584,304	
Implementation Services Contract												
Implementation Services	\$ 6,586,200	1,709,000	0									
Training Credits	\$ 40,320	40,320	0									
Contingency: change orders ¹	\$ 1,656,630	0	0									
Total Costs for 10 years	\$ 8,283,150	1,749,320	0		0	0	0	0	0	0	0	
Legacy Systems Consulting Svcs	\$ 150,000	0			-	-	-	-	-	-	-	
Total Expenditure for 10 Years	\$ 13,610,584	2,139,451	50,400	3,864,981	527,564	528,854	540,574	550,059	561,091	572,534	584,304	

* Contract Ordering Document detail is \$49 greater than approved spend.

¹ Approved change orders not yet invoiced = \$106,350