

# Exhibit E

## Performance Acceptance and Payment Criteria

The Acceptance Criteria herein will be used by City (Utility) to structure project progression--to provide phasing on the scope of goods, services, and other work to be rendered, and to establish quality criteria for each of those phases.

For clarity, the follow definitions apply to this Exhibit:

- Register Read: an electronic reading from a meter that measures the reading as shown on the meter face that can be validated by visual inspection.
- Interval Read: the consumption through a meter over some defined period of time, normally 60 minutes, 30 minutes, 15 minutes, or 5 minutes; for example, an hourly interval read is the consumption through the meter over the previous hour.
- Billing Read: the register read that can be used for the purpose of billing customer in the billing system; the billing read is commonly a register reading at midnight of each day or otherwise a demand reading.
- Available Meter: a meter is available if it is properly functional and not damaged (beyond incidental wear), is installed in compliance to specifications and has properly registered in the headend system, and whose communications has not been otherwise interfered with.

### **1 Professional Services**

The project at the City of Hickory is composed of three phases that require acceptance that include: Project Planning, Design/Build/Test (DBT), and Full Deployment. This section is read in conjunction with and is supplemental to the {Vendor} Statement/Scope of Work (SOW).

Successful completion will occur upon confirmation of meeting the Acceptance Criteria outlined for each phase. Acceptance Criteria are outlined through a linear responsibility chart for each phase. Responsibilities are outlined in the following table:

<b>Responsibility</b>	<b>Description</b>
<b>R (Responsible)</b>	Designates the entity is responsible for the completion of or adherence to the acceptance criteria
<b>A (Accountable)</b>	Designates the entity is responsible for approval
<b>C (Consulted)</b>	Designates the entity is responsible for providing resources and input to the Responsible entity
<b>I (Informed)</b>	Designates the entity is kept up-to-date on the status of the acceptance criteria

Completion of all Acceptance Criteria does not absolve {Vendor} from the responsibility of carrying out additional services associated with SOW delivery.

{Vendor} is not authorized to proceed with a subsequent project phase until client fully accepts the previous phase's work, or City authorizes {Vendor} in writing that work may proceed with a subsequent phase prior to acceptance of the previous project phase. Exhibit X-1 will be completed to memorialize this acceptance.

{Vendor} will invoice monthly and City will authorize payment for professional services work, in arrears, based on percentage associated with given criteria as stated in the tables in Sections 1.1 through 1.3 (collectively, the “Billing Milestone Schedule”), in accordance to the net payment terms outlined in the governing {Vendor} agreement and/or the {Vendor} SOW. Note that these terms do not apply to any annual fees, nor to any recurring monthly fees, nor to line items for installation/construction work or materials/supplies. In addition, please note the percentages in the Billing Milestone Schedule are calculated out of 100% of the total professional services fees owed to {Vendor}, subject to any changes as outlined in a change order between {Vendor} and City.

## 1.1 Planning

### **Description**

This phase is used to provide definition and discovery to {Vendor} and any subcontractors to work with City and any other vendors whose work is a dependency for the completion of the project. Project plans will be documented, and deliverables and requirements will be further defined, as necessary.

### **Acceptance Criteria**

To be deemed accepted, the following criteria must be met:

Criteria	{AMI Vendor}	{Meter Vendor}	{Meter Installation Vendor}	{MDMS Vendor}	{Customer Portal Vendor}	City
Provide Notice to Proceed	A (10%)		A (10%)	A (10%)	A (10%)	R
Approve a project charter	C		C	C	C	R/A
Define a project team	R/C/I (2%)		R/C/I (2%)	R/C/I (2%)	R/C/I (2%)	R/A/C
Produce a project communication plan	C		C	C	C	R/A
Coordinate, schedule, and attend a kickoff meeting	R (5%)		R (5%)	R (5%)	R (5%)	R/A
Produce a Project Execution Plan	C		C	C	C	R/A
Produce a project schedule	R/C (3%)		R/C (3%)	R/C (3%)	R/C (3%)	R/A
Produce an inventory forecast	R	R	C			A/C

Criteria	{AMI Vendor}	{Meter Vendor}	{Meter Installation Vendor}	{MDMS Vendor}	{Customer Portal Vendor}	City
Document and formalize standard operating procedures for installation, including communications processes and procedures	C	C	R			A/C

Upon meeting all criteria outlined above, Planning phase will have been met and will serve as entrance criteria to Design/Build/Test phase.

## 1.2 Design/Build/Test

### ***Description***

The intent of this phase is to prove out basic network connectivity and system functionality, providing a meter read to the HEADEND software that will generate data in a test environment to be used to verify meter read accuracy, simulate alerts, verify systems' configurations, and supply data for training City staff.

IDA will begin with the installation and testing of equipment in a controlled test environment (i.e., at a City meter test bench) and/or using a small number (up to three of each meter configuration identified in the Planning phase) of test locations. Using this small sample size, the integration of meter data from the headend system to the meter data management system (MDMS) will take place. To accomplish these tasks, {Vendor} will install, with oversight and agreement by City personnel, the necessary AMI infrastructure (if any) to capture endpoint readings. City will install the initial batch of meters and/or endpoints. {Vendor} will assist City in the execution of test cases and system acceptance testing via simulated meter event scenarios on test bench or controlled environment, and update meter and system configurations, as required for issue resolution.

After the initial proof of concept is proven out, the remaining balance of infrastructure to test the AMI network (if any) at a larger scale will be deployed. As the Initial Deployment Area scales up, the intent becomes to provide billing reads and data in accordance to more diverse, actual field conditions through a limited Initial Deployment Area (IDA). The MDMS is expected to be able to provide functional billing reads to the utility billing system by the end of the IDA, with integration to the billing system and the customer portal. Prior to acceptance, all integrations and functions (unless otherwise deferred) should be completed prior to entry to Full Deployment.

The meter installation vendor will install meters at customer premises by, not-to-exceed more than 1% of the total meter population overall. These meters are expected to be geographically dispersed and incorporate all configurations across multiple routes and cycles.

## Acceptance Criteria

To be deemed accepted, the following criteria must be met:

Criteria	{AMI Vendor}	{Meter Vendor}	{Meter Installation Vendor}	{MDMS Vendor}	{Customer Portal Vendor}	City
Perform studies and validation on AMI coverage and performance	R		I			A/C
Prepare document and attain approvals for any site plans	C		I			R/A/C
Design meter rate configurations	R	C	I	C	I	A/C
Perform a contract requirements analysis based on Exhibit X-2 and any subsequent design workshops, and produce a requirements traceability matrix and test plans	R/C		R/C	R/C	R/C	R/A/C
Approve test cases for future implementation testing	C		C	C	C	R/C
Configure system to meet design specifications and requirements in Exhibit X-2 or otherwise documented from design workshops	R/C		R/C	R/C	R/C	A/C
Provision system access	R (10%)		R (10%)	R (10%)	R (15%)	A

Criteria	{AMI Vendor}	{Meter Vendor}	{Meter Installation Vendor}	{MDMS Vendor}	{Customer Portal Vendor}	City
Install network infrastructure and perform tuning, as applicable	R					A/C
Identify IDA meter installation locations and provision data to support work orders for deployment	C		C	C		R/A
Verify all test meter and endpoint register and interval reads are accurately transmitting to the headend and displayed in the headend appropriately with the desired resolution	R					A
Integrate the installation work order management system to/from the utility billing/asset system to transfer customer and meter information			R/C (20%)			R/A
Provide work order data from all successful installations, including any to be accepted by the utility billing system			R (20%)			A

Criteria	{AMI Vendor}	{Meter Vendor}	{Meter Installation Vendor}	{MDMS Vendor}	{Customer Portal Vendor}	City
Integrate the headend to/from the MDMS to exchange all meter event data, reads, and initiation of remote commands	R/C (15%)			R/C (10%)		A
Integrate the headend to/from the utility billing system to transfer customer and meter information	R/C (10%)					R/A
Integrate the customer portal to/from the MDMS to exchange all consumption data				R/C (10%)	R/C (25%)	R/A
Integrate the MDMS to/from the billing system for the delivery of billing determinants and for process automation				R/C (10%)		R/A
Integrate the MDMS to/from the billing system for account/meter synchronization				R/C (10%)		R/A
Perform training	R (10%)		R (10%)	R (15%)	R (20%)	A

Criteria	{AMI Vendor}	{Meter Vendor}	{Meter Installation Vendor}	{MDMS Vendor}	{Customer Portal Vendor}	City
Verify a 99% success rate or greater of daily register reads transmitted from available meters within 72 hours of read timestamp, processed at the AMI headend and available for other systems	R (5%)					A
Verify a 98% success rate or greater of daily register reads transmitted from available meters within 24 hours of read timestamp, processed at the AMI headend and available for other systems	R (5%)					A
Verify a 95% success rate or greater of all interval reads transmitted from available meters within 24 hours of read timestamp, processed at the AMI headend and available for other systems	R (5%)					A
Verify all expected alerts and alarms are registering the headend	R (5%)					A

Criteria	{AMI Vendor}	{Meter Vendor}	{Meter Installation Vendor}	{MDMS Vendor}	{Customer Portal Vendor}	City
Validate meter status end-to-end to ensure alignment with utility billing system	C					R/A
Provide deliverables as applicable, including: product specification documents, user application manuals, training materials, standard reporting manuals, integration architecture diagrams, and system installation and troubleshooting documentation	R	R	R	R	R	A
Provide confirmation of system configuration compliance to design requirements, and that System Acceptance Testing (SAT) and User Acceptance Testing (UAT) has passed	R/C (5%)		R/C (10%)	R/C (15%)	R/C (20%)	R/A/C

Upon meeting all criteria outlined above, IDA phase will have been met and will serve as entrance criteria to Full Deployment phase.



### 1.3 Full Deployment

#### **Description**

The goal of full deployment is to build out the system with the intent to provide all remaining meters in the City service territory with communication through the AMI network.

Upon completion of DBT and IDA, City intends to proceed with installation of remaining hardware components. {Vendor} will install all communications assets (collectors and repeaters), with required communications configuration for backhaul (if any, in the case that all these assets were installed in DBT and IDA). {Vendor} will also install 100% of meters and ENDPOINTS from the meter listing provided during project planning, except in instances of Return To Utility (RTU) or where City elects to otherwise perform installation themselves.

#### **Acceptance Criteria**

To be deemed Accepted, the following criteria must be met:

Criteria	{AMI Vendor}	{Meter Vendor}	{Meter Installation Vendor}	{MDMS Vendor}	{Customer Portal Vendor}	City
Provide work order data from all successful installations, including any to be accepted by the utility billing system			R			A
Verify a 99% success rate or greater of daily register reads transmitted from available meters within 72 hours of read timestamp, processed at the AMI headend and available for other systems	R					A

Criteria	{AMI Vendor}	{Meter Vendor}	{Meter Installation Vendor}	{MDMS Vendor}	{Customer Portal Vendor}	City
Verify a 98% success rate or greater of daily register reads transmitted from available meters within 24 hours of read timestamp, processed at the AMI headend and available for other systems	R					A
Verify a 95% success rate or greater of all interval reads transmitted from available meters within 24 hours of read timestamp, processed at the AMI headend and available for other systems	R					A
Hold project close-out meeting	R (10%)		R (10%)	R	R	A

Upon meeting the criteria outlined, and after receiving written acceptance from City, the project will close.

## **2 Meter Installation and Construction Work**

### **2.1 Description**

Installation is expected to be performed throughout the duration of the IDA and Full Deployment phases, and individual installations will be accepted prior to payment.

### **2.2 Acceptance Criteria**

City will verify the following:

- {Vendor} has completed the individual meter and/or endpoint installation in a workmanlike manner in accordance with **Exhibit X-2** and the SOW, including that the

correct information from the work order is reflected in the AMI headend and utility billing system

- {Vendor} has provided proof of quality assurance check on the work order
- Meter and/or endpoint is properly communicating and delivering correct reads

## **2.3 Payment**

Invoices will be paid under the net payment terms as defined in the governing agreement.

Notwithstanding these terms, City shall retain the right to inspect all or a portion of the work completed by {Vendor} after payment. City shall promptly notify {Vendor} of any incomplete, non-conforming, defective, or otherwise substandard work. {Vendor} will assess and perform any rework of these installations, per applicable warranty terms as defined in the governing agreement.

## **3 Materials and Supplies**

### **3.1 Description**

Materials and supplies are expected to be provided throughout the duration of the IDA and Full Deployment phases, and individual items will be accepted prior to payment. Invoices will be issued along with each shipment of materials.

### **3.2 Acceptance Criteria**

City will verify the following:

- Materials and supplies provided or installed conform to those items identified in the fee structure and are generally free of defects in manufacturing and functionality.
- An electronic meter manufacturer file is delivered, if applicable

### **3.3 Payment**

Invoices will be paid under the net payment terms as defined in the governing agreement.

Notwithstanding these terms, the materials and supplies provider will provide any replacements of substandard items, per applicable warranty terms and return merchandise authorization (RMA) process as defined in the governing agreement. If the substandard item is deemed to be in good working order, the original item will be returned to City.

### **3.4 Risk Management**

If, for any given installation route (where adequate network connectivity has been achieved), more than 1% of installations must be revisited or are otherwise not working as reasonably expected (whether by metrology or communication with the network) as a suspected result of material-, supply-, or network-related defect and confirmed by {Vendor} after the materials have been returned and tested pursuant to the prescribed RMA process (if applicable), Client may opt to pause shipments of outstanding materials and equipment, and this pause shall not constitute a delay on the part of City. Notwithstanding, this pause will not absolve City responsibility to pay

any outstanding invoices for materials that have already been shipped. If a pause occurs, {Vendor} providing materials will perform a risk assessment and mitigation process, whereby {Vendor} will conduct a root cause investigation to determine the cause and potential extent of these defects. Activities may include meetings or working sessions with City or other project staff, network tuning, or audit of inventoried materials and supplies. Based on the results of these activities, {Vendor} will propose a mitigation strategy to minimize revisit of future installation sites and/or to correct materials and/or network, or will provide other commercially reasonable resolution.

**Exhibit X-1**  
**Acceptance Certificate**

Project Phase / Invoice # / Other \_\_\_\_\_

City, under the {Master Project Agreement} with {Vendor}, hereby certifies:

This Acceptance Certificate is a Project **Planning / DBT and IDA / Full Deployment** (*circle one*) Acceptance Certificate.

1. The Project Materials and Supplies inclusive of this phase have been delivered to City.
2. City has conducted such inspection and/or testing of the Project Materials and Supplies as it deems necessary and appropriate and hereby acknowledges that it accepts the Project Materials and Supplies for all purposes on the date indicated below. The Project Materials and Supplies have been examined and/or tested and are in good operating order and condition and is in all respects satisfactory to the undersigned and complies with the terms of **Exhibit X**, subject to the warranty provided. City does not waive any other rights to which it would otherwise be entitled under **Exhibit X**.
3. City has examined all Services and/or Work performed by {Vendor} and covered by the related invoices or draw requests and finds such Services and/or Work were performed in a professional or workmanlike manner and in accordance with all applicable requirements in **Exhibit X-2**.
4. The following is a list of items left to be completed, deferred for **DBT and IDA / Full Deployment** (*circle one*):

• Insert Punch List, if any
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Agreed to and Accepted as of \_\_\_\_\_, 20\_\_\_\_ by:

**“City”**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Title \_\_\_\_\_

## **Exhibit X-2**

### **Requirements**

This exhibit provides requirements and responses from each party regarding the system design and services. These requirements will serve as the basis for requirements traceability and developing Client's System Acceptance Testing ("SAT") and User Acceptance Testing ("UAT"). Notwithstanding, the requirements herein may be reasonably changed or modified by the parties and without formal Change Order unless such change contains a material impact to the project cost or timelines. For avoidance of doubt, the final documentation prepared for Client SAT and UAT, including but not limited to any changes as discovered and documented during the Planning or DBT phases of the Project, shall prevail.

#### **1 AMI Vendor**

PLACEHOLDER

#### **2 Meter Vendor**

PLACEHOLDER

#### **3 Meter Installation Vendor**

PLACEHOLDER

#### **4 MDMS Vendor**

PLACEHOLDER

#### **5 Customer Portal Vendor**

PLACEHOLDER