

Attachment 8

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Exhibit B-1 Payment Arrangements

EXHIBIT B-1

PAYMENT ARRANGEMENTS

Periodic Compensation at Selected Milestones (with attached Schedule of Fees)

- A. For CONTRACTOR services to be rendered under this Agreement, CONTRACTOR shall be paid a total contract amount, including cost reimbursements, not to exceed \$ **30,239,809, which includes \$4,330,557 for estimated sales tax and contingencies.**
- B. Payment for services and /or reimbursement of costs shall be made upon CONTRACTOR's satisfactory performance, based upon the scope and methodology contained in **Exhibit A** as determined by COUNTY. Payment for services and/or reimbursement of costs shall be based upon the costs, expenses, overhead charges and hourly rates for personnel, as defined in **Exhibit B-2 Pricing Workbook**. Invoices submitted for payment that are based upon **Exhibit B-2** must contain sufficient detail to enable an audit of the charges and provide supporting documentation if so specified in **Exhibit A**.
- C. Upon completion of the work for each milestone and/or delivery to COUNTY of item(s) specified below, CONTRACTOR shall submit to the COUNTY DESIGNATED REPRESENTATIVE an invoice or certified claim on the County Treasury for the service performed in accomplishing each milestone. These invoices or certified claims must cite the assigned Board Contract Number. COUNTY DESIGNATED REPRESENTATIVE shall evaluate the quality of the service performed and/or item(s) delivered and if found to be satisfactory and within the cost basis of **Exhibit B-2**, shall initiate payment processing. COUNTY shall pay invoices or claims for satisfactory work within 30 days of receipt of correct and complete invoices or claims from CONTRACTOR.

Percentage of Total Contract Amount OR Maximum Amount Chargeable		Milestone Description
5.30%	\$1,370,085	Phase 1 Detailed Design Review – Estimated 5 Months
0.41%	\$105,988	Technical Site Survey Reports for Existing Sites (%)
1.10%	\$284,357	Microwave Path Survey Reports (%)
1.12%	\$289,527	Tower Profile Drawings (%)
0.41%	\$105,988	Tower Structural Analysis Reports for Existing Towers (%)
0.50%	\$129,253	Geotechnical Survey Reports for Greenfield Sites (%)
1.76%	\$454,972	Detailed Design Review Approval (%)
5.00%	\$1,292,533	Phase 2A Site Readiness – Estimated 5 Months
		Completion of Site Remediation Work (%)
30.00%	\$7,755,200	Phase 2B, 3A & 4 – Estimated 14 Months
		Phase 2B Equipment Staging (%)
25.00%	\$6,462,666	Material Procurement
5.00%	\$1,292,533	Staging Acceptance
28.86%	\$7,519,089	Phase 3A Installation and Verification – Estimated 14 Months
		Installation and Verification Prorated per Site (%) Payment to be distributed equally over about 24 sites.
15.84%	\$4,094,745	Phase 3B Subscribers (%)– Estimated 2 Months

Percentage of Total Contract Amount OR Maximum Amount Chargeable		Milestone Description
15.00%	\$3,877,600	Phase 4 Cutover and Acceptance – Estimated 14 Months
2.00%	\$517,013	Radio System Final Acceptance (%)
1.00%	\$258,507	Coverage Acceptance (%)
1.00%	\$258,507	Completion of System Cutover (%)
1.00%	\$258,507	Successful Completion of the 30-Day Testing (%)
10.00%	\$2,585,067	Final System Acceptance (%)
100.00%	\$25,909,252	Total without Sales Tax and Contingency
	\$1,739,632	Estimated Sales Tax
	\$2,590,925	Contingency*

*Any use of Contingency dollars will be documented via the Change Order process and shall be paid with the final payment of the given Phase in which the Change Order was processed.

The final milestone payment above shall not be made until all services have been completed and item(s) as specified in **Exhibit A** have been delivered and found to be satisfactory.

- D. COUNTY's failure to discover or object to any unsatisfactory work or billings prior to payment will not constitute a waiver of COUNTY's right to require CONTRACTOR to correct such work or billings or seek any other legal remedy.