



# City of Visalia AMCS Vehicle Technology (HaaS)

**Prepared for:**

**City of Visalia (“Customer”)**

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Proposal Ref: 03202023-03EC

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**ADVANCED MANUFACTURING CONTROL SYSTEMS LIMITED (“AMCS”)**  
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20<sup>th</sup> March 2023

Jason Serpa  
Public Works Manager  
707 W. Acequia  
Visalia, CA 93278

Proposal Reference: 03202023-03EC

Dear Jason,

On behalf of AMCS, thank you for your continued consideration and use of our Solutions as your operational platform.

Our company is excited about the upgrade to your Solid Waste systems and looks forward to helping support your Waste Diversion initiatives with an upgrade to your Fleet Hardware. We can address your immediate fleet needs by supplying replacements components. Looking ahead, we can offer a tailored service to the city, Hardware as a Service (HaaS), that provides stability and improved efficiencies for your Waste Stream fleet. We believe that our proposed solution will deliver the following benefits:

- Increase Vehicle Utilization: new hardware and routine preventative maintenance will reduce vehicle down-time from trucks not being able to operate because of broken components.
- Lower Overall Costs: eliminate purchase of replacement components as legacy hardware systems continue to deteriorate.
- Improve Productivity: reduce the burden on maintenance staff on repairing or replacing fleet hardware and maintaining spare parts inventory or issuing purchase orders.
- Predictable Costs: subscription model with fixed cost rate, warranting all components for entire year.

Please see the proposal below for the purchase of a HaaS, a service providing new components with warranty for the term length.

Best Regards,  
Eric Curatola  
*Eric Curatola*  
AMCS Group  
Enterprise Sales Manager  
714-401-4061: Mobile  
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# 1. Introduction

City of Visalia currently operates and maintains a fleet of vehicles for municipal and commercial waste collections. These vehicles are equipped with on-board equipment (Vehicle Technology) to streamline collections processes and help increase diversion rates. Equipment on these vehicles was installed five years ago and is no longer under warranty. Due to poor utilization and the rising costs to maintain existing Vehicle Technology systems, AMCS has recommended upgrading with some new components. New equipment will help reduce down-time and associated with procuring and installing replacements.

## 1.1. Critical Success Factors

AMCS will be partnering with Visalia to help it reach its diversion goals. Key success factors related to Fleet management include:

- Financial: cost management from improved fleet utilization operational efficiency
- Product: improved user experience and functionality to improve resource utilization
- Sustainability: providing an efficient scalable model for fleet maintenance as Visalia purchases additional vehicles and expands to the residential collection fleet
- Support: regularly scheduled support to drive adoption and promote best practices

## 1.2. Why AMCS?

In choosing to work with AMCS directly and remove the intermediary reseller parties, the City of Visalia is selecting a financially stable, low-risk provider who will safeguard and future-proof your product investment. We believe that we are uniquely positioned to help your organization achieve the desired business outcomes for the following reasons:

### Leading Global Solution Provider in the Waste and Recycling Space

- We are an independent dedicated global provider serving the Waste and Recycling industry with significant domain expertise across commercial, recycling, municipal, scrap-metal, specialist waste and advanced routing.
- We are a global company with 1200 + staff in 20 + offices, serving 3,500 customers in 29 countries with over 500,000 vehicles under management.
- We are financially stable with 25% year-on-year growth backed by Tier 1 private equity investors.
- We have dedicated regional delivery teams based in NA, EMEA and ANZ backed by operational centers of excellence (Product Development, DevOps and Integrations).

### End to End Solution

- We offer our customers a comprehensive, end-to-end, integrated, SaaS solution comprising of Enterprise Management, Intelligent Optimization, Vehicle Technology, Mobile Workforce, Digital Engagement and Analytics on one single platform.
- Our platform is architected for flexible and modular deployment.
- We enable rapid adaptability to ever-changing business needs.
- We can integrate with third-party solutions seamlessly.
- We offer our customers a single view of their business - customer, operations and financials.



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## 2. Solution Overview

This section details at a high level the proposed solution for City of Visalia.

The solution consists of the following elements.

- AMCS Vehicle Technology
- AMCS Professional Services

### 2.1. AMCS Vehicle Technology

AMCS Vehicle Technology (Vtech) is a key component of a digital workflow that improves operational efficiency. Vehicle Technology is integrated with Visalia's AMCS Billing System (Eremos) and provides an overview of collection data in real-time, enabling you to increase responsiveness and correct issues. Vtech in conjunction with our Platform and your existing cart management/RFID deployment allows you to easily monitor Recycling Participation and focus additional efforts on education and awareness for lower participation accounts.

Some Features for the AMCS Vtech Solution are:

- Expandable and modular design allows for future enhancements to customers' solutions
- High-quality components (e.g. connectors are IP69K-rated for maximum protection) which are suitable for the harsh working environment
- Available for all makes and models of bin lifts on the market
- Connection available for in-cab tablet devices opens a world of mobile working making use of intelligent data

The Solution provides the following key benefits:

- Reduced revenue leakage by addressing the problem of revenue lost through fraud/unauthorized lifts
- Proof of service – more effective dealing of customer queries and resolution of issues, including real-time performance management and a virtual audit trail
- Ability to offer varied and effective pricing plans targeted at your customer base; generate data to inform Community Policy setting

#### 2.1.1 Hardware as a Service (HaaS)

A key benefit to our HaaS Solutions is more predictable and potentially lower cost of ownership through new equipment under warranty. Additionally, AMCS believes that more scheduled and frequent preventative maintenance, along with time allotted to train and support Visalia's in-house fleet maintenance team, will result in improved utilization and less down-time spent repairing or replacing legacy components.

AMCS will be pro-actively servicing our Vtech Solution and maintaining Vtech Hardware on a regular basis in a Hardware as a Service (HaaS) Model. Hardware for the units Visalia upgrades/purchases under a HaaS Model are under warranty for the life of the contract and AMCS will replace parts at no cost to Visalia should parts fail.

The proposed HaaS Solution includes:

- Warranty – replace all defective parts, including full unit overhauls as needed
  - This warranty applies to all pre-existing components as well as the new hardware AMCS is installing
  - AMCS covers shipping fees for defective components
- Up to 10, eight hour days for a total of 80 man hours per calendar year of on-site Fleet Engineering/Technical Support to:
  - Replacement Equipment Commissioning
  - Perform Preventative Maintenance Inspection and Calibrate Equipment
  - Monitoring, Recording, and Reporting of Performance Data



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- Assess issues technical issues not being resolved by Fleet Staff e.g. drivers in field
  - Document Work Performed and Identify Potential Future Issues
  - Train Visalia Fleet Team on best practices for Vtech maintenance and operation
  - Assist with Repair/Installation/Swaps of Fleet Equipment
  - Recommend Legacy replacement items needed and help create maintenance schedules for these items

Onsite support time is intended to be delivered by one AMCS Technician, however, AMCS will coordinate with City of Visalia ahead of time to agree on site visits agenda and resources needed. Total non-billable or included on-site time is 10 days per year.

### **2.1.2 Support**

Visalia will also have unlimited phone and email access to AMCS Support for both legacy and HaaS Vtech Components. As defined by Visalia, users with appropriate privileges will have the ability to access AMCS NetSuite Case Management System. Case Management users can create cases, monitor response times and resolutions, and audit all system interactions.

AMCS Customer Success Team and/or AMCS Fleet Technicians can also assist Visalia in creating cases. Cases will initiate a support request, which will be replied to within 8 hours during normal business operation (Mon.-Fri.) to remotely diagnose issues or assist with vehicle repair.

## **2.2. AMCS Professional Services & Training**

AMCS has dedicated delivery teams to provide effective business consultancy, best-practice implementation leadership, project management, training and support. The North American Professional Services team has an excess of 300 years of industry experience. AMCS offers a dedicated service for our customers in all relevant markets.

Our Professional Services teams are dedicated to working closely with customers to understand the business needs and expectations as well as ensuring the customer leverages maximum value from the AMCS Platform. AMCS follows a proven project delivery structure and proven methodology to ensure successful execution of every project for our customers.

### **Project Workstreams with Deliverables**

- Vehicle hardware installation and configuration
  - Delivery of new vehicle hardware per contract
  - Hardware installed on vehicles
  - Hardware configured and tested with customer sign off

### 3. Pricing

The following section outlines AMCS' commercial approach for the Hardware as a Service (HaaS) licensing.

#### 3.1 HaaS Model and Fees

If this option is purchased by you the Hardware as a Service (HaaS) subscription is available at the pricing below.

No	Item	Quantity	Type	Total (USD)
1	FEL Vehicle Upgrade	Up to 20 Systems	HaaS	\$32,000
2	Hardware Installation & Training	Up to 20 Systems	Services	\$0
Estimated Sales Tax (8.5%)				\$2,720
Total with Tax				<b>\$34,720</b>

HaaS FEL Vehicle Upgrade – New Component Prices (included with HaaS Subscription) for reference only			
No	Item (each a “Component”)	Type	List Price per Unit (USD)
1	Replacement Wiring (VDH-OBC, VDH to Tilt Sensor, VDH to Antenna)	Part	2,200
2	On Board Computer (OBC) inc SSD drive, GSM & GPS Antennas	Part	5,750
3	VDH for OBC	Part	2,500
4	Ancillary Items (Nuts, Bolts, Cables ties etc)	Part	700
5	Camera of exceptions	Part	575

#### Notes:

- HaaS pricing as set out above is available if the HaaS option is accepted on or before 04/30/2023.
- HaaS Subscription includes brand new parts (five separate line items at quantity of 20 for each) listed in HaaS FEL Vehicle Upgrade table.
- HaaS subscription includes installation & training fees for initial purchase.
- During the Contract Term (initial term or subsequent terms), additional HaaS Subscription(s) for FEL Vehicles can be added at the current subscription per unit rate. Additional Subscriptions will be invoiced at the date of purchase Net 30 and pro-rated to the renewal period.
  - Visalia can purchase additional FEL Vehicle Upgrades under a HaaS subscription for \$1600/year per vehicle during the initial five-year term.
- HaaS subscription provides a warranty on all new components provided as well as pre-existing components, regardless of their condition.
- For HaaS warranty:
  - Normal “wear and tear” and defective parts are warrantied.
  - These warrantied parts must be returned to AMCS within 14 days of discovery of defect
  - Shipping fees for all warrantied parts will be covered by AMCS
  - Items broken due to accident or non-standard “wear and tear” are not covered under warranty.

7. Actual travel expenses will be separately.
  - a. Travel is estimated to be one week per year at an approximate cost of up to \$3k/per year.
  - b. All travel by AMCS is subject to written approval by City of Visalia.

**Year 1 Annual Subscription Payment Overview (in USD \$)**

	Month	Subscription	Payment
1	March	\$16,000	\$16,000
6	August	\$16,000	\$9,333
	<b>12-month Totals</b>	<b>\$32,000</b>	<b>\$25,333</b>

1. On the Effective Date 50% of Year 1 subscription rate of \$32,000, equating to \$16,000 shall become due.
2. In the 6<sup>th</sup> month after the Effective Date, the remaining 50% of the Year 1 subscription fee of \$32,000 will become due. This will be pro-rated to the anniversary date (seven months remaining), for a payment of \$9,333.
3. Total subscription fees to be paid in Year 1 will be \$25,333, plus sales tax.
4. On the first anniversary of the Effective Date (Year 2, 2023), the annual subscription amount of \$32,000 plus tax will be billed and due annually in advance.

## 3.2 General Terms

The following terms apply to this proposal:

1. This Proposal is valid until April 30<sup>th</sup>, 2023, after which it shall be deemed rescinded.
2. The Initial Term shall be five (5) years, with five (5) subsequent optional 1- year renewals.
3. Any subsequent terms will be invoiced annually at the current subscription rate plus annual adjustment capped at 3%, per #1. in Section 4 under Acceptance.
4. All amounts will be invoiced in USD.
5. Subscription Fees will be invoiced from the “Effective Date” of this Agreement and annually thereafter on the anniversary of the Effective Date.
6. Payment terms, net 30 days from date of invoice.





## 4. Acceptance

Should you choose the AMCS solution for your business, and accept the terms of this proposal, please take the following steps to initiate your order and schedule your project:

Please review this document in its entirety, including the pricing sections and the Terms section.

- Hardware: hardware shall be provided on the hardware terms which can be found at:

[https://www.amcsgroup.com/media/f2cfvsj/220511\\_amcs\\_haas\\_usa-canada.pdf](https://www.amcsgroup.com/media/f2cfvsj/220511_amcs_haas_usa-canada.pdf)

Complete the Effective Date below, which should be the date of Customer signature.

Sign this proposal in the signature block below and print the signatory's name underneath.

**Modification to the Agreement.** Solely in relation to this Proposal the Parties agree to modify AMCS' General Terms of Service as set out below. For the avoidance of doubt, if there is any conflict between the terms of AMCS' General Terms of Service and the terms of this Proposal, the terms of this Proposal shall prevail:

1. The HaaS Subscription Fee is fixed for the initial 5 year term and any subsequent annual adjustment shall be the then applicable consumer price index (CPI) or three percent, whichever is less, in accordance with Section 6.4 of the Hardware Agreement.

ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2023 ("Effective Date")

Read and agreed:

AMCS GROUP INC.

CITY OF VISALIA

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

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