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October 11, 2019

JEA
21 West Church Street
Jacksonville, FL 32202

RE: LETTER OF ENGAGEMENT FOR ADP COMPREHENSIVE SERVICES

Dear Jonathan Kendrick:

This Letter of Engagement ("LOE") contains the terms of our agreement for ADP, LLC ("ADP") to commence certain implementation activities on behalf of JEA ("Client") and also sets forth the scope of our current understanding of the requested services.

The scope and pricing for the services that have been agreed to by ADP and Client are described in the Executive Pricing Summary attached as Exhibit A hereto (the "Services"). The pricing outlined in the proposal is based upon ADP's standard services and functionality. Any adjustments are subject to mutual agreement of the parties.

Client acknowledges that a detailed, definitive agreement is required to be executed by the parties prior to the commencement of live processing services. The parties agree to use commercially reasonable efforts to negotiate the terms of such agreement within 14 days from the execution of this LOE.

ADP will perform the implementation activities for the implementation fees set forth on the executive pricing summary. Fees for implementation activities will be invoiced to JEA on a monthly basis at a rate of twenty-five percent (25%) per month of the One-Time Implementation Fees listed on the executive pricing summary. Amounts incurred under this LOE are payable by Client within 30 days of invoice date. All fees paid under this LOE will be credited against the total implementation fees set forth under the definitive agreement entered into between the parties.

Implementation of any ADP application programs (the "ADP Application Program") under this LOE shall be subject to the terms and conditions of the definitive agreement.

ADP will solely own any and all tangible property and physical deliverables created by ADP on the Client's behalf in connection with the implementation of the Services and the ADP Application Program proposed under this LOE and Client shall have a non-exclusive license to use such Services and the ADP Application Program solely for its charter purposes in connection with the implementation of the services as described herein. Notwithstanding the foregoing, Client will own all information and materials provided by Client, its agents or employees to ADP regardless of form ("Client Content"). Further, Client will retain ownership of reports and other materials that include Client Content produced and delivered by ADP as part of the Services, provided that ADP will be the owner of the format of such reports.





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Each party shall treat as confidential and will not disclose or otherwise make available to a third party any information of the other party that is confidential or propriety in nature ("Confidential Information"). Each party will instruct its employees who have access to the Confidential Information of the other to keep the same confidential by using the same care and discretion that each party uses with respect to its own confidential information.

To the extent that Client is a "Public agency" as defined in 119.0701(1)(b) of the Florida Statutes, and ADP is a "Contractor" as defined in Section 119.0701(1)(a) of the Florida Statutes, ADP shall comply with Florida public records laws (as applicable), specifically to:

- (a) Keep and maintain documents which are required for ADP to perform the Services for Client under this Agreement, which are also Client's public records;
- (b) Upon request from the Client or its designee, provide the Client with a copy of the available requested records within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law.
- (c) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law.
- (d) Meet all requirements for retaining public records and transfer, at no cost, to the Client, all public records in possession of ADP upon expiration, or termination, of this Agreement and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the Client, upon request from the Client or its designee, in a format that is compatible with the information technology systems of the Client and such format shall be mutually agreed upon by ADP and Client.

Neither party shall be liable for indirect or consequential, exemplary, punitive, special, or other such damages (including, without limitation, lost profits), even if such party has been advised of the possibility of such damages in advance, nor shall either party's liability to the other for monetary damages hereunder exceed the total charges paid or payable by Client to ADP under this LOE.

This LOE shall be governed and construed in accordance with the laws of the State of Florida, without giving effect to the principles thereof relating to conflicts of laws. The limitations of liability and the obligations of confidentiality set forth herein shall survive the termination of this LOE.

Either party may terminate this LOE by providing 10 days prior written notice to the other party. Upon the termination of this LOE for any reason, Client shall pay ADP for all direct fees and expenses up through the date of termination, and each party shall return to the other or destroy any and all copies of the other's Confidential Information which are in its possession if permitted by law to do so.





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If this LOE is acceptable, please execute a copy of this LOE in the space provided below and return it to ADP. This LOE may be executed in one or more counterparts. Confirmation of execution by electronic email or facsimile signature page shall be binding upon any party so confirming.

ACCEPTED AND AGREED TO:

ADP, LLC

JEA

By: [Signature]
Name: Ed Fitzgerald
Title: Sr Director Finance
Date: 10/14/2019

By: [Signature]
Name: JA KENDRICK
Title: VP/CHRO
Date: 10/11/19



Executive Pricing Summary

US Comprehensive Services for JEA

The pricing below and associated assumptions outlined on the following pages are valid for 90 days from the date of this proposal, and assume a 2 Year contract term from the date on which live processing commences. After the first year of the Agreement, ADP reserves the right to increase ongoing fees on an annual basis. Any changes to the scope outlined below will require a new pricing estimate.

Ongoing Service Fees	Per Employee Per Month (AVG PEPM)	Estimated Annual Cost
Comp Payroll without WFN Technology ** 420 Employees Bi-Weekly (26) Monthly Minimum for Core Service Offering \$1650 Includes: ADP Analytics Includes: Document Cloud	\$ 31.35	\$ 158,004.00
ADP Enhanced Time / Qty - 420 Monthly Minimum for TLM Service Offering \$1400	\$ 5.23	\$ 26,334.00
Administrative Fees Monthly Administrative and Delivery Fees	\$275.00 (per month)	\$ 3,300.00
W-2 Year-end Processing Fees Year one W-2 estimated	\$2.50 (per form)	\$ 1,050.00
Non-Paid EEs / Qty - Postage, Shipping, Travel and other Out-of-Pocket Expenses: ADP will invoice Client for postage charges, delivery charges, other reasonable pre-approved third-party charges incurred on behalf of Client, and reasonable, pre-approved travel and reasonable, pre-approved out-of-pocket expenses.	\$ 10.40	\$ -
ADP Data Bridge	\$ 0.50	\$ 2,520.00
Total Estimated Annual Service Fees		\$ 191,208.00

Total Implementation Fees: \$52,500.00 24 monthly payments of \$2,187.50 Virtual Implementation Approach	\$ 52,500.00
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One-Time Implementation Fees	One-time Cost
ADP Comprehensive Services, Hosting, Payroll, Training, and Guided Implementation.	\$ 32,499.20
Implementation for ADP Data Bridge - (hourly rate* estimated hours)	\$ 17,392.00
Management Report (hourly rate *estimated hours)	\$ 2,608.80
Estimated One-Time Implementation Fees	\$ 52,500.00



Core Services Pricing Tiers (EE's) Before Discount	PEPM
1 - 500 Employees	\$ 33.00
501 - 1000 Employees	\$ 22.25
1001 -1750Employees	\$ 21.50
1751 - 2500 Employees	\$ 21.25
2501 - 3250 Employees	\$ 21.25
3251 - 5000 Employees	\$ 21.00
5001 - 7500 Employees	\$ 20.75
7501+ Employees	\$ 20.50

** PEPM subject to change based on pay frequency

