



**PROPOSAL FOR UTILITY AND
TELECOMMUNICATIONS
AUDIT SERVICES**

**TOWN OF COLUMBUS, NORTH
CAROLINA**

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SECTION I
QUALIFICATIONS

SECTION II
SERVICES

SECTION III
CONTRACT

SECTION IV
MAJOR CLIENTS

ATTACHMENT A
STATEMENTS OF WORK / SPECIFICATIONS

ATTACHMENT B
CONTRACT

QUALIFICATIONS

Profile:

Spiller Consulting, located in Greensboro, North Carolina, has been working with businesses to control their utility and telecommunications costs since 1997. We utilize a staff of experienced auditors and telecommunications specialists with a combined 30 plus years of experience having completed over 2,600 audits in 48 states. We work with our clients on an ongoing basis to keep their costs in line. There is no fee for our service. We are compensated solely on the basis of our performance by sharing in savings/refunds which we achieve for our clients. Additional information about Spiller Consulting can be found at: <http://www.spillerconsulting.com>

Auditing Staff:

Manager

Randy Lewis

Auditors

Nina Dickson

Toni Lewis

Penn Smith

Misty Holleman

Leslie Clayton

Rosalind Simpson

SERVICES

Spiller Consulting offers service in three areas relative to utility and telecommunications invoices. Those services are: Billing Audit, Applications Engineering, and Optimization Review. Below we explain the process by which we perform each key service.

1. Billing Audit: Spiller Consulting will research past and current billing to identify errors and overcharges with the objective of reducing costs in the form of refunds, credits, and future savings.

Below is the process by which we perform our billing audit.

- Review your prior billing and Customer Service Records (CSR) for the past 36 months.
- Identify errors and overcharges, and track them back to contractual, tariff, or effective date.
- Provide you with regular updates of our progress and success.
- Obtain any credit or refund.

The result of our services will:

- Remove redundant or outdated charges and forecast future savings
- Identify and verify all meter readings, tariff charges, taxes, and fees
- Identify and verify all charges for local lines, private lines, frame relay, OPX, Essx/Centrex services.
- Identify and verify all billed telephone numbers.
- Verify contractual charges to actual charges for accuracy

2. Applications Engineering: Spiller Consulting will identify and report any additional areas of savings through the application of different calling techniques, of enhanced network architecture, and of rate plan modifications.

Spiller Consulting will carry out the following processes for your business.

- Review current billing and service plans.
- Identify areas of future savings by detailing specific changes.
- Present our findings.
- Implement those findings which are authorized by the client. (No findings are implemented without written authorization by the client)

3. Optimization Review: Evaluate and report any area of savings on electric, natural gas, water, sewer, local, long distance, and data services by reviewing Term & Rate Plans, Tariff & Service Charges.

- First, we offer to enhance your current rate plans with your existing vendors. This is a service that will utilize your existing vendors to positively affect your bottom line by improving their pricing. Additionally we will negotiate with new or different vendors for their rate plans for your existing services and network.
- Implement those findings which are authorized by Client. (No findings are implemented without written authorization by Client)

The goal for our optimization service is to identify the plan(s) that would lower costs by introducing improved pricing, by consolidating services, and by evaluating available technologies.

All findings in each of the service areas are documented in a written final report prepared for Client.

(Detail provided in outline of Services to Be Performed section)

CONTRACT

Contract:

Please refer to Attachment B for our contract.

Term:

The term of the agreement is for a twelve month period to perform the Audit Service. The agreement renews automatically for additional monthly installments. The renewal may be terminated at any time with a written 30 day notice.

Refunds/Savings:

Our compensation is based on a percentage of actual refund/savings dollars received by the Client.

Implementation:

We will identify the areas of savings. We will only implement the items that are authorized by the Client.

Pricing:

Our pricing structure is contingent on our success at finding errors and overcharges. The premise is based on simplicity and ease of understanding.

Ethics:

We treat our clientele with the golden rule in mind. You will be treated as we wish to be treated. Our auditing service is based on ethics, integrity and fairness.

MAJOR CLIENTS

- A Watts
- Buckner Companies
- Burlington Chemical
- Capel Incorporated
- Carlyle & Company
- City of Greensboro
- City of Asheboro
- East Jefferson Memorial Hospital
- Elastic Therapy
- First Greensboro Home Equity
- Greensboro Chamber of Commerce
- Hunt Electric
- Hoots Memorial Hospital
- Guilford County
- Kayser-Roth Corporation
- Kindred hospital
- Leonard Companies
- Medi USA
- Palliative CareCenter & Hospice of Catawba Valley
- Southern Audio Services
- St Tammany Parish Hospital
- Stokes Reynolds Medical Center
- Trinity Insurance Services
- Venture Transport Logistics
- United Church Homes and Services
- Wake Forest University Baptist Memorial Hospital
- West Jefferson Memorial Hospital

SERVICES TO BE PERFORMED BY SPILLER CONSULTING (SC)

Utility Audit

Audit the past thirty-six months utility invoices (36 months) billed by each electric utility, gas utility, and water/sewer municipality. The purpose of the audit is to:

- Verify the accuracy of each invoice
- Evaluate the cost effectiveness of each account
- Identify unnecessary minimum billing charges
- Uncover redundant billing charges

Obtain from each utility company:

- Additional billing history information
- Service contracts
- Customer service records

Endeavor to correct any billing errors uncovered during the audit process. SC will also endeavor to obtain a refund/credit allowed by the statute of limitations.

Perform a thorough rate and meter analysis which will:

- Compare all available tariff programs to the account's usage
- Analyze past usage history for meter discrepancies
- Validate the meter constants used in the billing procedures

All savings recommendations will be in writing to Client carefully detailing the savings calculations. Savings are defined as:

- Removal of charge
- Reduction in usage unit cost
- Removal of monthly erroneous charge

If Client is required to interact with any utility company(s) due to savings recommendations, SC will prepare all documentation to be sent to the utility company(s)

SC will provide a detailed report to Client which will include:

- A description of all billing errors, overcharges and savings recommendations

Telephone Audit

Review Client's prior twelve month invoices and customer service records:

- Includes local and long distance telephone companies
- Verify all billed line and service charges
- Identify all billed telephone numbers
- Identify all OPX, data lines, and Essx/Centrex charges (if applicable)
- Compare contracted charges to actual charges.

Endeavor to collect all overcharges due to erroneous billings.

Evaluate the cost effectiveness of:

- Local line charges
- Mandated charges
- Feature packages

Evaluate Client's current long distance services by reviewing the following:

- Term Plan
- Rate Plans
- Tariffs
- Service Charges

Compare Client's current rate plan(s) with other applicable plans available within the industry.

Negotiate with the current provider(s) to reduce costs.

Summarize in an accurate and easy to compare format:

Current costs vs. Competitive pricing

Work with Client to facilitate any necessary changes to ensure proper implementation and accuracy.

Auditor will not have the authority to obligate Client to any term plans or change Client from their current carrier without expressed written authorization from Client.

SC will provide Client with a written report which will include:

A description of all billing errors, overcharges and savings recommendations

COMPENSATION SCHEDULE

The following compensation is based on Spiller Consulting providing one audit as described in the services to be performed section.

Spiller Consulting will receive a fifty percent (50%) share of any refunds/credits obtained by Client due to the results of the audit.

When any savings recommendations are implemented as a result of the audit, Spiller Consulting will receive a percentage share of the savings based on the following schedule:

Fifty percent (50%) of the first twenty four months of actual savings received by Client.

AGREEMENT

State of North Carolina County of Polk
This agreement is made this 19th day of March, 2009, by and between Town of Columbus
hereinafter referred to as Client, and Spiller Consulting hereinafter referred to as Auditor.

I. Purpose and Duration of Agreement

The purpose of Agreement is to state the terms and conditions under which Auditor is to provide Client with consulting services designed to obtain rebates and reductions in the areas of Utilities, and Telephone Expenses. The duration of this Agreement shall be for one year but will automatically renew on a month to month basis. After the initial 12 months either party may terminate this agreement with a 30 day written notice however, any fees due Auditor will continue to be paid after expiration of this period as stated below.

In consideration of the mutual promises contained within this Agreement, the parties agree to the following:

II. Services to be performed

Auditor will review the way that client purchases Utilities, and Telephone Expenses. Auditor will advise Client of any cost saving actions that may be implemented or any overcharges that may have been paid by Client. When an error has occurred on Clients invoices, the Auditor will endeavor to collect on behalf of the Client the amount of such overcharge. Auditor will summarize, in writing, all available cost saving actions. The method of measuring and/or calculating the savings will be clearly stated in the written summary. Should the implementation of any action require the client's participation, and that action is delayed for any reason, Auditor will receive compensation based on actual savings whenever that action is implemented.

III. Client agrees to compensate Auditor as follows:

A. Auditor will receive a fifty percent (50%) share of all the rebates/refunds received as a result of Auditor's efforts.

B. Auditor will receive a percentage share of all the savings which are created by Auditor efforts based on the following schedule:

50% of the first twenty-four months of actual savings payable monthly

C. Auditor will access implemented accounts via the Internet portal for the applicable vendor. If the bills are not available on line, each month Client will mail or fax copies of its utility bills that pertain to Auditor actions implemented within 10 days of the receipt of the bill. Auditor will calculate what the costs would have been without Auditor's efforts and compare them to the actual costs. The difference is defined as the savings for that month. A statement will be presented for verification to client and payable upon receipt.

IV. Miscellaneous

A. Nothing in the Agreement shall be deemed to limit or abridge the right of Client to change its business operations in such a manner as it shall, in its sole discretion, deem necessary or appropriate to the conduct of its business, regardless of the effect such change shall have on its consumption or cost of operations.

B. Parties to be bound: This Agreement shall be binding upon the parties hereto and their respective heirs, successors and assigns.

C. Amendments and Modifications: Modification of or amendment of this Agreement shall be in writing and signed by both parties hereto.

D. Auditor is hereby authorized to act as Client's agent in obtaining billing information from Utility Companies, Taxing Agencies, and other sources as required.

Client: Town of Columbus, NC

Auditor: Spiller Consulting

By: Kathleen L. McMillian

By: Callie Spiller

Title: Mayor

Title: President