Exhibit to Agenda Item #1

Discuss authorizing the Chief Executive Officer and General Manager to negotiate and award a contract to **KPMG, LLP**, to provide Project Assurance/Quality Assurance Services for SAP S/4HANA Implementation during the period of December 1, 2026, through May 31, 2028, in an amount not to exceed $4,465,000 million.

Board Strategic Committee and Special SMUD Board of Directors Meeting

Tuesday, November 10, 2026, scheduled to begin at 6:00 p.m.

SMUD Headquarters Building, Auditorium

Engagement Objectives and Scope



Provide independent oversight and assurance across all phases of the SAP upgrade project.



Identify risks, issues, and gaps early to support successful and timely project delivery.



Review and evaluate technical and functional requirements, test plans and results, operational readiness, go-live readiness and cutover plans to confirm they are complete, accurate, and aligned with project objectives.



Verify adherence to fit-to-standard guiding principles and proper documentation of exceptions.

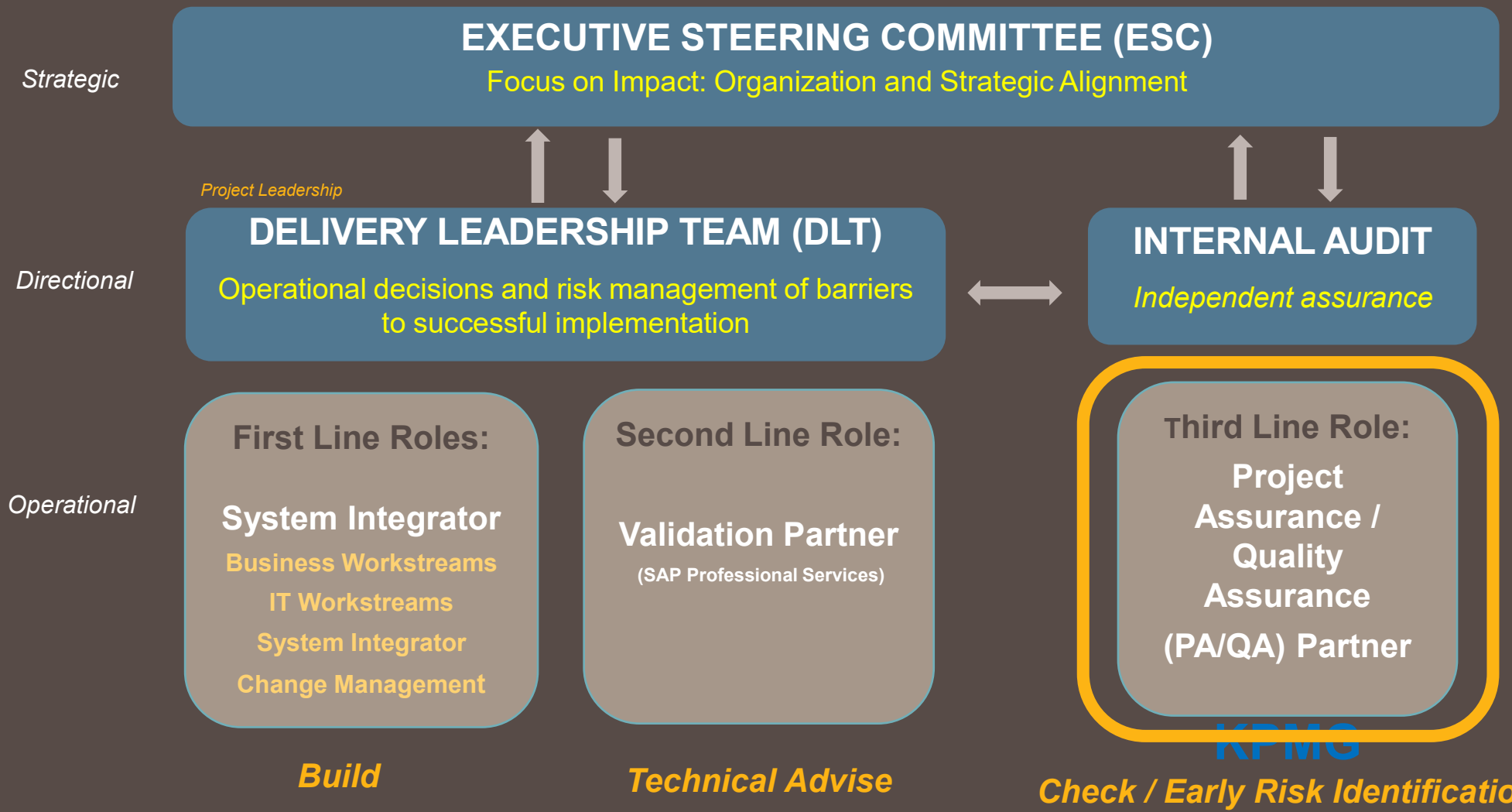


Evaluate the effectiveness of stakeholder engagement, training and change management activities, and user adoption initiatives.



Provide objective and transparent, executive-level reporting to enable informed decision-making.

Three Lines Model for S/4HANA



Vendor Selection Process & Timeline



Results without Minimum Score Threshold

Proposals Received	SEED Points	Technical Points	Price Points	Total Score	Rank	Proposal Amount	SEED Credit	Evaluated Proposal Amount	Proposed Award Amount
	10	70	20	100					
KPMG. LLP	10	63	4.34	77.34	1	$5,825,000	$62,580	$5,762,420	$5,825,000
TMG Consulting, Inc.	-	53.9	7.95	61.85	2	$3,150,000		$3,150,000	
ISG Information Services Group Americas, Inc.	9.80	36.87	13.53	60.20	3	$1,867,900	$18,305	$1,849,594	
Info-Tech Research Group, Inc.	10	33.67	15.64	59.31	4	$1,663,300	$62,580	$1,600,720	
Gartner, Inc.	-	41.17	8.01	49.18	5	$3,123,580		$3,123,580	
SAPSOL Technologies, LLC.	-	27.63	20	47.63	6	$1,251,600		$1,251,600	
Genesis Consulting Partners, LLC	-	35	8.55	43.55	7	$2,928,100		$2,928,100	

Award Negotiation and Outcome

Original Proposal Amount	Current Proposal Award	Change
$5,825,000	$4,465,000	-$1,360,000 -23%

Responsive Proposals	P/F	SEED	Technical	Price	Total	Rank	Proposal Amount	SEED Credit	Evaluated Proposal Amount	Proposed Award
		10	70	20	100					
KPMG, LLP	P	10	63	20	93	1	$4,465,000	$223,250	4,241,750	$4,465,000

Requested Action

Authorize the Chief Executive Officer and General Manager to negotiate and award a contract to KPMG, LLP, to provide Project Assurance/Quality Assurance Services for SAP S/4HANA Implementation during the period of December 1, 2026, through May 31, 2028, in an amount not to exceed $4,465,000 million.