

File No. 230405

Committee Item No. 2

Board Item No. 18

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date May 3, 2023

Board of Supervisors Meeting Date May 9, 2023

#### Cmte Board

<input type="checkbox"/>	<input type="checkbox"/>	Motion
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Resolution
<input type="checkbox"/>	<input type="checkbox"/>	Ordinance
<input type="checkbox"/>	<input type="checkbox"/>	Legislative Digest
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Budget and Legislative Analyst Report
<input type="checkbox"/>	<input type="checkbox"/>	Youth Commission Report
<input type="checkbox"/>	<input type="checkbox"/>	Introduction Form
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Department/Agency Cover Letter and/or Report
<input type="checkbox"/>	<input type="checkbox"/>	MOU
<input type="checkbox"/>	<input type="checkbox"/>	Grant Information Form
<input type="checkbox"/>	<input type="checkbox"/>	Grant Budget
<input type="checkbox"/>	<input type="checkbox"/>	Subcontract Budget
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Contract/Agreement
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Form 126 – Ethics Commission
<input type="checkbox"/>	<input type="checkbox"/>	Award Letter
<input type="checkbox"/>	<input type="checkbox"/>	Application
<input type="checkbox"/>	<input type="checkbox"/>	Public Correspondence

#### OTHER (Use back side if additional space is needed)

<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Original Agreement 6/18/2013</u>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Agreement Amendment No. 1 3/3/2014</u>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Agreement Amendment No. 2 3/1/2015</u>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Agreement Amendment No. 3 7/28/2015</u>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Agreement Amendment No. 4 8/15/2016</u>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Agreement Amendment No. 5 3/20/2017</u>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Agreement Amendment No. 6 5/15/2018</u>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Agreement Amendment No. 7 11/1/2018</u>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Agreement Amendment No. 8 12/2/2019</u>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Agreement Amendment No. 9 10/15/2020</u>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Agreement Amendment No. 10 8/18/2021</u>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Agreement Amendment No. 11 10/3/2022</u>
<input type="checkbox"/>	<input type="checkbox"/>	<u></u>

Completed by: Brent Jalipa Date April 27, 2023

Completed by: Brent Jalipa Date May 3, 2023

1 [Contract Amendment - 21 Tech, LLC - Service and Support Agreement - Not to Exceed  
2 \$18,150,173]

3 **Resolution authorizing the Office of the Treasurer & Tax Collector to amend a**  
4 **service and support agreement with 21 Tech, LLC which enables the City and**  
5 **County of San Francisco to accept online tax filings, to extend the contract term for**  
6 **an additional 10 years, increasing the contract amount by \$9,950,173 for a total**  
7 **amount not to exceed \$18,150,173 to commence upon Board of Supervisors and**  
8 **Mayoral approval for the period of May 31, 2023, through May 31, 2033.**  
9

10 WHEREAS, Charter, Section 9.118(b), requires the Board of Supervisors to approve  
11 by Resolution contracts estimated to exceed \$10,000,000 or with a term exceeding 10  
12 years; and

13 WHEREAS, Since 2013, 21 Tech, LLC has built and supported online tax filing and  
14 payment forms for the City and County of San Francisco (CCSF) including the Business  
15 Tax Payment Portal and filing forms for New Business Registration, Business Registration  
16 Renewal, Gross Receipts Tax, Homelessness Gross Receipts Tax, Commercial Rents Tax,  
17 Commercial Vacancy Tax, Overpaid Executive Tax, Administrative Office Tax, Transient  
18 Occupancy Tax, Parking Tax, and Cigarette Litter Abatement Fee; and

19 WHEREAS, Over the last three years, online tax forms built and supported by 21  
20 Tech, LLC have enabled over 350,000 tax filings, resulting in more than \$2.4 billion in tax  
21 revenue; and

22 WHEREAS, 21 Tech, LLC has been instrumental in meeting the challenges of  
23 rapidly changing requirements by partnering with the Office of the Treasurer & Tax  
24 Collector (TTX) to implement and support multiple COVID-related changes and relief  
25



1 programs, such as the deferral of tax and fee due dates, Business Registration fee relief,  
2 and First Year Free; and

3 WHEREAS, Partnership between TTX and 21 Tech, LLC has increased automation  
4 and efficiency including implementation of automatic and immediate identification of eligible  
5 new businesses and new locations for First Year Free, reducing staff review and refund  
6 work, and integrations with our existing systems that results in less than one percent of  
7 online filings requiring manual intervention; and

8 WHEREAS, 21 Tech, LLC has also demonstrated a strong commitment to customer  
9 service and collaboration by working closely with TTX to understand specific needs of  
10 CCSF taxpayers and have provided customized solutions; and

11 WHEREAS, All online applications must integrate with TTX's proprietary software  
12 system, Aumentum, that houses all of CCSF Business Taxes and 21 Tech, LLC is the only  
13 company provisioned with the source code to integrate with the application outside of the  
14 Aumentum's owning company, Harris Technology; and

15 WHEREAS, TTX has previously contracted with 21 Tech, LLC to provide online tax  
16 form services; and

17 WHEREAS, TTX wishes to extend the contract for 10 years and increase the  
18 contract amount by \$9,950,173; and

19 WHEREAS, The contract in substantially final form is on file with the Clerk of the  
20 Board of Supervisors in File No. 230405; now, therefore, be it

21 RESOLVED, That the Board of Supervisors authorizes the Office of the Treasurer &  
22 Tax Collector and 21 Tech, LLC to execute an amended service and support contract, to  
23 extend the contract term for an additional 10 years, increasing the contract amount by  
24 \$9,950,173 for a total amount not to exceed \$18,150,173 to commence upon Board of  
25

Supervisors and Mayoral approval for the period of May 31, 2023, through May 31, 2033;  
and, be it

FURTHER RESOLVED, That within 30 days of the contract being fully executed by  
all parties, the Purchaser, the Office of the Treasurer & Tax Collector shall provide the final  
contracts to the Clerk of the Board for inclusion into the official file.

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<b>Item 2</b> <b>File 23-0405</b>	<b>Department:</b> Office of the Treasurer-Tax Collector (TTX)
<b>EXECUTIVE SUMMARY</b>	
<p style="text-align: center;"><b>Legislative Objectives</b></p> <ul style="list-style-type: none"> <li>The proposed resolution would approve the 12<sup>th</sup> Amendment to the online tax filing system contract between the Office of the Treasurer and Tax Collector (TTX) and 21 Tech, LLC, extending the term by 10 years through May 2033, and increasing the not-to-exceed amount by \$10,000,000, for a total not to exceed \$18,200,000.</li> </ul> <p style="text-align: center;"><b>Key Points</b></p> <ul style="list-style-type: none"> <li>In 2011, TTX issued a Request for Proposals (RFP) to replace its business tax system. TTX selected a joint proposal between XTech JV, a joint venture between 21 Tech LLC and Eaton and Associates, and Manatron, Inc. After the business tax system was implemented, Manatron provided 21 Tech the source code to its proprietary software. In 2013, TTX received a sole-source waiver from the Office of Contract Administration (OCA) to award a contract to 21 Tech to continue supporting the system and build online tax filing and payment portals. 21 Tech's contract has been amended 11 times, with the term extended through May 2023 for a total amount not to exceed \$8,150,713. TTX has requested a sole-source waiver from the OCA to extend the contract for an additional 10 years.</li> <li>Under the contract, 21 Tech develops and supports online tax filing and payment forms it has built for TTX, including the Business Tax Payment Portal and filing forms for New Business Registration, Business Registration Renewal, Gross Receipts Tax, Homelessness Gross Receipts Tax, Commercial Rents Tax, Commercial Vacancy Tax, Overpaid Executive Tax, and Administrative Office Tax.</li> <li>The proposed contract has a not to exceed amount of \$18,150,173, which is less than the \$18,200,000 in the proposed resolution.</li> </ul> <p style="text-align: center;"><b>Fiscal Impact</b></p> <ul style="list-style-type: none"> <li>Over the 10-year extension term, TTX projects annual expenditures of \$1,000,000. Average actual expenditures on the existing contract have been approximately \$815,000, however the proposed not to exceed amount assumes \$250,000 in annual spending for tax modifications and new taxes.</li> <li>The contract is primarily funded by revenues from the various taxes collected, as well as through interdepartmental workorders.</li> </ul> <p style="text-align: center;"><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>Amend the resolution to correct the not-to-exceed amount of the contract to \$18,150,173.</li> <li>Approve the resolution, as amended.</li> </ul>	

**MANDATE STATEMENT**

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of \$10 million or more, or (3) requires a modification of more than \$500,000 is subject to Board of Supervisors approval.

**BACKGROUND**

In 2011, the Office of the Treasurer-Tax Collector (TTX) issued a Request for Proposals (RFP) to replace its business tax system, which was at the end of its useful life. TTX selected a joint proposal between XTech JV, a joint venture between 21 Tech LLC and Eaton and Associates, and Manatron, Inc. After the business tax system was implemented, Manatron provided 21 Tech the source code to its proprietary software. TTX received a sole-source waiver from the Office of Contract Administration (OCA) to award a contract to 21 Tech to continue supporting the system. In 2013, TTX executed a contract with 21 Tech to develop online tax filing portals, which integrate with the business tax system. The contract had a term of five years and one month, from June 2013 through June 2018, and an amount not to exceed \$1,787,120. The contract has been amended 11 times, with the term extended by five years through May 2023, and the not-to-exceed amount increased by \$6,363,593, for a total not to exceed \$8,150,713.<sup>1</sup> According to Amanda Kahn Fried, TTX Chief of Policy and Communications, the Department has expended or encumbered the full \$8,150,173 current contract not-to-exceed amount.

TTX and 21 Tech have agreed to extend the contract for an additional 10 years. According to Eric Manke, TTX Policy and Communications Manager, TTX has requested a sole-source waiver from the OCA to extend the contract beyond the current 10-year term to align with the approved contract extension with Manatron, Inc. for the Aumentum software.<sup>2</sup>

**DETAILS OF PROPOSED LEGISLATION**

The proposed resolution would approve the 12<sup>th</sup> Amendment to the contract between TTX and 21 Tech, extending the term by 10 years through May 2033, and increasing the not-to-exceed amount by \$10,000,000, for a total not to exceed \$18,200,000. However, the proposed contract has a not-to-exceed amount of \$18,150,173, which is less than the \$18,200,000 in the proposed resolution. The Budget and Legislative Analyst recommends amending the resolution to correct the not-to-exceed amount from \$18,200,000, as stated in the resolution, to \$18,150,173, consistent with the proposed 12<sup>th</sup> Amendment.

**Services**

Under the contract, 21 Tech supports online tax filing and payment forms it has built for TTX, including the Business Tax Payment Portal and filing forms for New Business Registration,

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<sup>1</sup> The original contract and 11 amendments did not require Board of Supervisors approval because the contract has not exceeded 10 years or \$10 million.

<sup>2</sup> Because the contract is sole-sourced, Administrative Code Section 21.9's total contract term limitation of 10 years does not apply.

Business Registration Renewal, Gross Receipts Tax, Homelessness Gross Receipts Tax, Commercial Rents Tax, Commercial Vacancy Tax, Overpaid Executive Tax, and Administrative Office Tax. According to Policy and Communications Manager Manke, the online tax forms built and supported by 21 Tech have enabled over 350,000 tax filings in the past three years, providing over \$2.4 billion in revenue, and accounting for 95 percent of the City's business tax filings.

### Performance

According to Policy and Communications Manager Manke, TTX does not formally document contractor performance. The Department informally assesses 21 Tech's performance regarding responsiveness to inquiries or issues, timeliness of deliverables, quality of work, ability to meet project deadlines and goals, ability to work collaboratively with TTX, adherence to contract terms and conditions, weekly meetings, documentation for all projects, and training sessions. Each project contains a set of deliverables with associated milestone payments. According to Policy and Communications Manager Manke, 21 Tech consistently meets or exceeds these standards and TTX is pleased with 21 Tech's performance.

### FISCAL IMPACT

Over the 10-year extension term, TTX projects annual expenditures of \$1,000,000. Average actual expenditures on the existing contract have been approximately \$815,000, however the proposed not to exceed amount assumes \$250,000 in annual spending for tax modifications and new taxes. Projected annual expenditures by tax and fee type are shown in Exhibit 1 below.

#### Exhibit 1: Projected Annual Expenditures by Tax and Fee Type

Business Tax/Fee Type	Annual Expenditures	Total Expenditures (10 Years)
Gross Receipts Tax	\$94,049	\$940,493
Homelessness Gross Receipts Tax	39,695	396,950
Commercial Rents Tax	57,632	576,317
Business Registration Fee	173,835	1,738,350
Homelessness Administrative Office Tax	39,423	394,230
Administrative Office Tax	39,423	394,230
Payroll Expense Tax	28,603	286,030
Commercial Vacancy Tax	200,000	2,000,000
Overpaid Executive Tax	38,005	380,050
Cannabis Tax	39,335	393,350
Tax Modifications and New Legislation	250,000	2,500,000
<b>Total</b>	<b>\$1,000,000</b>	<b>\$10,000,000</b>

Source: TTX

Consistent with the current contract, under the proposed amendment, 21 Tech would charge hourly billing rates up to \$240 for the first year of the contract extension, with annual increases up to three percent, based on the inflation rate.

The contract is primarily funded by revenues from the various taxes collected. TTX also receives annual workorders of \$39,695 from the General City Responsibility budget unit for the Homelessness Gross Receipts Tax, \$39,695 from the Department of Early Care and Education

(DEC) for the Commercial Rents Tax, and \$75,000 from the Office of Economic and Workforce Development (OEWD) for the Commercial Vacancy Tax.

## RECOMMENDATIONS

1. Amend the resolution to correct the contract not-to-exceed amount to \$18,150,173, consistent with the contract.
2. Approve the resolution as amended.

**City and County of San Francisco  
Office of Contract Administration  
Purchasing Division**

**Twelfth Amendment**

THIS AMENDMENT (this “Amendment”) is made as of February 16, 2023, in San Francisco, California, by and between **21 Tech, LLC** (“Contractor”), and the City and County of San Francisco, a municipal corporation (“City”), acting by and through its Director of the Office of Contract Administration.

**RECITALS**

WHEREAS, City and Contractor have entered into the Agreement (as defined below); and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to extend the performance period and increase the contract amount;

WHEREAS, approval for the original Agreement was obtained on March 18, 2013 from the Civil Service Commission under PSC number 4083-12/13 in the amount of \$3,000,000 for the period commencing May 31, 2013 and ending June 30, 2018; and

WHEREAS, approval for this Amendment was obtained on [insert date of Civil Service Commission action or DHR Approval Date] from the Civil Service Commission under PSC number 4083-12/13 in the amount of \$18,200,000.00 for the period commencing May 31, 2013 and ending May 31, 2033; and

WHEREAS, the City’s Board of Supervisors approved this Agreement by [insert resolution number] on [insert date of Commission or Board action].

NOW, THEREFORE, Contractor and the City agree as follows:

**1. Definitions.** The following definitions shall apply to this Amendment:

**1a. Agreement.** The term “Agreement” shall mean the Agreement dated June 18, 2013 between Contractor and City, as amended by the:

First amendment,	dated March 3, 2014,
Second amendment,	dated March 1, 2015,
Third amendment,	dated July 28, 2015,
Fourth amendment,	dated August 15, 2016,
Fifth amendment,	dated March 20, 2017,
Sixth amendment,	dated May 15, 2018,

Seventh amendment,	dated November 1, 2018,
Eighth amendment,	dated November 6, 2019,
Ninth amendment	dated October 15, 2020,
Tenth amendment	dated August 18, 2021, and
Eleventh amendment	dated October 3, 2022.

**1b. Contract Monitoring Division.** Effective July 28, 2012, with the exception of Sections 14B.9(D) and 14B.17(F), all of the duties and functions of the Human Rights Commission under Chapter 14B of the Administrative Code (LBE Ordinance) were transferred to the City Administrator, Contract Monitoring Division (“CMD”). Wherever “Human Rights Commission” or “HRC” appears in the Agreement in reference to Chapter 14B of the Administrative Code or its implementing Rules and Regulations, it shall be construed to mean “Contract Monitoring Division” or “CMD” respectively.

**1c. Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

**2. Modifications to the Agreement.** The Agreement is hereby modified as follows:

**2a. Section 2.** Section 2, **Term of the Agreement** currently reads as follows:

**2. Term of Agreement.** Subject to Section I, the term of this Agreement shall be from May 31, 2013 to May 30, 2023.

**Such section is hereby amended in its entirety to read as follows:**

**2. Term of Agreement.** Subject to Section I, the term of this Agreement shall be from May 31, 2013 to May 30, 2023.

**2b. Section 4.** Section 4, **Services Contractor Agrees to Perform**, of the Agreement currently reads as follows:

**4. Services Contractor Agrees to Perform.** The Contractor agrees to perform the services provided for in Appendices A, "Description of Services," A-3, "Change Requests," A-4, "Change Requests 7, 9, 10, and 11," A-5, "Scope of Work for Online Applications for Gross Receipts Tax/Payroll Expense Tax/ Administrative Office Tax Annual Filing, Quarterly Filing, and Business Registration Renewal," A-6, "Scope of Work for Account Update, LICA - Unified Licensing, Online Applications for Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Filing 2016, and Additional Professional Services Hours," A-7, "Scope of Work for Tax Year 2017 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return, Fiscal Year 2018 Business Registration Renewal Application, Fiscal Year 2019 Business Registration Renewal Application, Posting 2017 Estimated Tax Payment Obligations into Aumentum, Account Update Application Updates, and Additional Professional Services



Hours for Help with Internal Technology Integration Projects," A-8, "Scope of Work for Tax Year 2018 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return, Fiscal Year 2020 Business Registration Renewal Application, Tax Year 2019 Gross Receipts Tax/Payroll Expense Tax/ Administrative Office Tax/Commercial Rent Tax Annual Return, Account Update Application Updates, API configuration help, and Additional Professional Services Hours for Help with Internal Technology Integration Projects," A-9, "Change to Scope of Work for Tax Year 2019 Annual Business Tax Return and Fiscal Year 2021 Business Registration Renewal Application," A-10 "Scope of Work for Tax Year 2020 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax/Commercial Rents Tax/Homelessness Gross Receipts Tax/Homelessness Administrative Office Tax/Cannabis Tax Annual Return, Account Update Application, Fiscal Year 2022 Business Registration Renewal Application, and Additional Professional Services Hours for Help with Internal Technology Integration Projects," and A-11, "Scope of Work for Tax Year 2021 Gross Receipts Tax/Administrative Office Tax/Commercial Rents Tax/Homelessness Gross Receipts Tax/Homelessness Administrative Office Tax Annual Return and Cannabis Tax/Overpaid Executive Tax Informational Annual Return, and the Business Tax Payment Portal Refresh, and Additional Professional Services hours for database consultation, and Additional Professional Services hours for OnBase Configuration" attached hereto and incorporated by reference as though fully set forth herein.

**Such section is hereby amended in its entirety to read as follows:**

**4. Services Contractor Agrees to Perform.** The Contractor agrees to perform the services provided for in Appendices A, "Description of Services," A-3, "Change Requests," A-4, "Change Requests 7, 9, 10, and 11," A-5, "Scope of Work for Online Applications for Gross Receipts Tax/Payroll Expense Tax/ Administrative Office Tax Annual Filing, Quarterly Filing, and Business Registration Renewal," A-6, "Scope of Work for Account Update, LICA - Unified Licensing, Online Applications for Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Filing 2016, and Additional Professional Services Hours," A-7, "Scope of Work for Tax Year 2017 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return, Fiscal Year 2018 Business Registration Renewal Application, Fiscal Year 2019 Business Registration Renewal Application, Posting 2017 Estimated Tax Payment Obligations into Aumentum, Account Update Application Updates, and Additional Professional Services Hours for Help with Internal Technology Integration Projects," A-8, "Scope of Work for Tax Year 2018 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return, Fiscal Year 2020 Business Registration Renewal Application, Tax Year 2019 Gross Receipts Tax/Payroll Expense Tax/ Administrative Office Tax/Commercial Rent Tax Annual Return, Account Update Application Updates, API configuration help, and Additional Professional Services Hours for Help with Internal Technology Integration Projects," A-9, "Change to Scope of Work for Tax Year 2019 Annual Business Tax Return and Fiscal Year 2021 Business Registration Renewal Application," A-10 "Scope of Work for Tax Year 2020 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax/Commercial Rents Tax/Homelessness Gross Receipts Tax/Homelessness Administrative Office Tax/Cannabis Tax Annual Return, Account Update Application, Fiscal Year 2022 Business Registration Renewal Application, and Additional Professional Services Hours for Help with Internal Technology Integration Projects," A-11, "Scope of Work for Tax Year 2021 Gross Receipts Tax/Administrative Office Tax/Commercial Rents Tax/Homelessness Gross Receipts Tax/Homelessness Administrative

Office Tax Annual Return and Cannabis Tax/Overpaid Executive Tax Informational Annual Return, and the Business Tax Payment Portal Refresh, and Additional Professional Services hours for database consultation, and Additional Professional Services hours for OnBase Configuration” and A-12 “Scope of Work: Professional Services,” attached hereto and incorporated by reference as though fully set forth herein.

**2c. Section 5.** Section 5 Compensation of the Agreement currently reads as follows:

**5. Compensation.** Compensation shall be made according to the payment schedule identified in Appendices B "Calculations for Professional Services," B-1 "Calculation of Charges - Change Requests," B-2 "Calculation of Charges - Change Requests 7, 9, 10, and 11," B-3 "Calculation of Charges," B-4 "Calculation of Charges," and B-5 "Calculation of Charges" attached hereto and incorporated by reference as though fully set forth herein, for deliverables that Treasurer, or his or her authorized representative, in his or her sole discretion, concludes have been performed. Sign-off of a deliverable by the Treasurer's authorized representative or use of any material produced as part of a deliverable in the implementation process or use in production is considered acceptance of that deliverable and obligates the City to pay for that deliverable when accompanied by an accompanying Contractor invoice. Each key deliverable will require a sign-off by the client manager on the project. The sign-off process should not take more than 5 business days without an acceptable reason for delay. The City will make a good faith attempt to pay all invoices within 30 days of billing. However, in no event shall City be liable for interest or late charges for any late payments made after such 30-day period. In no event shall the amount of this Agreement exceed **\$8,150,713.00**. The breakdown of costs associated with this Agreement appears in Appendices B "Calculations of Professional Services," B-1 "Calculation of Charges -Change Requests," B-2 "Calculation of Charges - Change Requests 7, 9, 10, and 11," B-3 "Calculation of Charges," B-4 "Calculation of Charges," B-5 "Calculation of Charges," B-6 "Calculation of Charges," and B-7 “Calculation of Charges,” B-8 “Calculation of Charges” and B-9 “Calculation of Charges” attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Office of the Treasurer & Tax Collector as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

If City is more than 60 days in arrears on its payment obligation to Contractor, and Contractor has notified the City in writing after the City is more than 30 days in arrears on that payment obligation, Contractor may suspend Services hereunder until such time as City is current on its payment obligations.

**Such section is hereby amended in its entirety to read as follows:**

**5. Compensation.** Compensation shall be made according to the payment schedule identified in Appendices B "Calculations for Professional Services," B-1 "Calculation of Charges - Change Requests," B-2 "Calculation of Charges - Change Requests 7, 9, 10, and 11," B-3 "Calculation of Charges," B-4 "Calculation of Charges," and B-5 "Calculation of Charges" attached hereto and incorporated by reference as though fully set forth herein, for deliverables that Treasurer, or his or her authorized representative, in his or her sole discretion, concludes have been performed. Sign-off of a deliverable by the Treasurer's authorized representative or use of any material produced as part of a deliverable in the implementation process or use in production is considered acceptance of that deliverable and obligates the City to pay for that deliverable when accompanied by an accompanying Contractor invoice. Each key deliverable will require a sign-off by the client manager on the project. The sign-off process should not take more than 5 business days without an acceptable reason for delay. The City will make a good faith attempt to pay all invoices within 30 days of billing. However, in no event shall City be liable for interest or late charges for any late payments made after such 30-day period. In no event shall the amount of this Agreement exceed **\$18,150,713.00**. The breakdown of costs associated with this Agreement appears in Appendices B "Calculations of Professional Services," B-1 "Calculation of Charges -Change Requests," B-2 "Calculation of Charges - Change Requests 7, 9, 10, and 11," B-3 "Calculation of Charges," B-4 "Calculation of Charges," B-5 "Calculation of Charges," B-6 "Calculation of Charges," B-7 "Calculation of Charges," B-8 "Calculation of Charges," B-9 "Calculation of Charges," and B-10 "Calculation of Charges" attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Office of the Treasurer & Tax Collector as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

If City is more than 60 days in arrears on its payment obligation to Contractor, and Contractor has notified the City in writing after the City is more than 30 days in arrears on that payment obligation, Contractor may suspend Services hereunder until such time as City is current on its payment obligations.

**2d. Appendix A-12.** Appendix A-12, "Scope of Work: Professional Services" attached, is hereby added to the Agreement.

**2e. Appendix B-10.** Appendix B-10, "Calculation of Charges," attached, is hereby added to the Agreement.

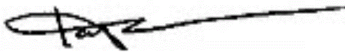
**3. Effective Date.** Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.

**4. Legal Effect.** Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and City have executed this Amendment as of the date first referenced above.

**CITY**


Recommended by:

DocuSigned by:  
  
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Tajel Shah  
Chief Assistant Treasurer  
Office of the Treasurer and Tax Collector

**CONTRACTOR**

21 Tech, LLC.

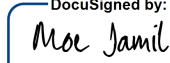
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0A7290E6FB8D446...

Azhar Mahmood  
Managing Partner

City vendor number: 37769  
City supplier number: 0000026644

Approved as to Form:

David Chiu  
City Attorney

By:   
DBDA121BAB35448...  
Moe Jamil  
Deputy City Attorney

Approved:

\_\_\_\_\_  
Sailaja Kurella  
Director of the Office of Contract  
Administration, and Purchaser

## Appendix A-12

### Scope of Work: Professional Services

The Office of the Treasurer & Tax Collector (“TTX”) has previously engaged 21Tech, LLC (“Contractor”) to build online forms and databases to facilitate taxpayer submission of tax filings through the TTX website, including the Gross Receipts Tax, Payroll Expense Tax and Administrative Office Tax Annual Filing, Quarterly Filing, Business Registration Renewal, Transient Occupancy Tax Monthly Filing, Parking Tax Monthly Filing, Account Update, New Business Registration Portal and Payment Portal. Contractor is an authorized third party integrator for the Aumentum (“AUM”) business tax product licensed by TTX from Thomson Reuters. Contractor will support TTX with work that includes, but is not limited to, building Online Submission forms, database(s) and reports for required projects and new taxes, as needed.

#### Project-Based Services:

As directed by TTX via change order, contractor shall provide services to facilitate taxpayer submission of tax filings and other services as needed. Change orders shall include the necessary information, such as project deliverables, timelines, and cost.

#### 1. Testing, Training and Other Support

- a. Contractor shall create Technical Specification documents for support purposes.
- b. This may include supplemental artifacts authored by Contractor as deemed necessary by the project team, with the supplemental artifact request and effort estimated and documented through the established Change Control process.

#### 2. RACI

**R = Responsible** = The person who performs the work.

**A = Accountable** = The person ultimately accountable for the work or decision being made.

**C = Consulted** = Anyone who must be consulted with prior to a decision being made and/or the task being completed.

**I = Informed** = Anyone who must be informed when a decision is made or work is completed.

TTX & 21Tech Roles & Responsibilities Matrix		
	21Tech	TTX
Project Management	R/A	C
Requirements Delivery	C	R/A
Requirements Documentation	C/I	R/A
Infrastructure/ Environment Setup	C	R/A
Development Software Setup	R/A	C/I
Solution UI Design	R/A	A/C
Solution Workflow Design	R/A	A/C
Solution Database Design	R/A	C

Solution Integration Design	R/A	A/C
Solution Development/Build	R/A	C/I
Unit Testing	R/A	I
System Integration Test	R/A	C
System Test/UAT Planning & Execution	C	R/A
System Test/UAT Issue Resolution	R/A	C
Training Development Technical	R/A	C
Training Delivery Technical	R/A	C
Training Development Functional	I	R/A
Training Delivery Functional	C/I	R/A
Solution Documentation	R/A	I
Deployment	R	A/C
Post Deployment Support (X days)	R/A	C

### 3. TTX Roles & Responsibilities

- a. TTX will make available subject matter expert resources for each project phase and engagement team members to participate in the gathering of requirements prior to and during the scheduled onsite Discovery Meeting, as well as any remote Discovery-related Meetings. This includes third party resources, including AUM, as well as the TTX internal resources.
- b. TTX and, as needed, any contracted third-party vendors, including AUM, will provide prior to and during the Discovery Meeting complete and accurate technical specifications with the related business rules. Delayed delivery of the technical specifications and the business rules, as well as incomplete, implied, ambiguous, or conflicting technical specifications and business rules will impact the project schedule and will create Change Control.
- c. TTX will provide samples of documents necessary for Discovery and for testing.
- d. TTX will provide samples of report(s) necessary for Discovery.
- e. TTX will provide requested information and work with Contractor to develop the project schedule and any Change Orders needed.
- f. TTX will provide specifications for Contractor to create reports compatible with TTX document management and workflow software.
- g. Alanna Olague will be the TTX point of contact for Contractor. Questions, deliverable acceptance forms, invoices and other questions and approvals related to this amendment will be routed through her. She will escalate as appropriate within TTX.

### 4. Contractor's Roles & Responsibilities

- a. Project Management. Contractor shall do the following:
  1. Deliver and maintain a project plan of activities, events, and milestones.
  2. Track and manage resolution of project issues and distribute documentation of issue(s) resolution to City project team.

3. Monitor and control project scope, schedule and cost using Contractor Change Control process, if necessary.
  1. Any activities and/or changes identified as requiring Change Control will require written approval from the City prior to the Change being executed by Contractor.
4. Facilitate regular status meetings and follow up with meeting notes including agreements and next steps.
5. Provide periodic reporting of actual project time used, estimated time to completion, and comparison to estimate of effort as provided in this Scope of Work.

b. Requirements Gathering/Documentation/Integration. Contractor shall do the following:

1. Facilitate a meeting/conference call to determine customer system requirements and configuration specifications.
2. Prepare Customer Requirements Document/Solution Overview and review for City approval.
3. In addition to any items agreed to in the Customer Requirements Document, develop all API and scripts in such a manner to integrate projects with existing solutions (i.e., payment portal).

## 5. Project Events

Contractor and City will agree upon a mutually acceptable project timeline and incorporate it into the project schedule/plan, unless otherwise mutually agreed to by both parties.

Sequence	Event
1	Statement of Work signed by both parties.
2	Requirements gathering session facilitated by Contractor.
3	Customer Requirements Document (CRD) created, including specification for at least one general report compatible with TTX document management and workflow software, and one filing report of all data entered by taxpayers.
4	Customer Requirements Document (CRD) reviewed with the City.
5	Customer Requirements Document (CRD) revised by Contractor.
6	Scope of Work (SOW) created by Contractor based on the CRD.
7	CRD and SOW signed by the City and returned to Contractor. Requirements complete.
8	Contractor delivers application, database(s), and reports in test environment.
9	First round of User Acceptance Testing (UAT I) lead by TTX.
10	Approval of UAT 1 by TTX.

11	Contractor delivers UAT I bug fixes for application database(s) and reports in test environment.
12	Second round of User Acceptance Testing (UAT 2) lead by TTX.
13	Approval of UAT 2 by TTX.
14	Contractor delivers application, database(s), and reports in production environment.
15	TTX accepts delivery of application and database(s) in production environment (“GO LIVE”).
16	Contractor completes thirty (30) days of post GO LIVE bug fixes.
17	Project closure & knowledge transfer using the CRD, the SOW, and any related Discovery artifacts, including training and technical documentation.

## **6. Acceptance Criteria**

The acceptance of each Project will be based on successful completion of the test plans and delivery of all items detailed in the Project Events section.



## **Appendix B-10**

### **Calculation of Charges**

Contractor shall receive payment in an amount not to exceed \$10,000,000.00 for professional services rendered as outlined in Appendix A-12. Contractor shall not charge the City more than \$240 per hour for such services during the first year of the extended ten-year period. Contractor's annual hourly rate increase will be limited to the amount lesser of 3% or previous year's annual inflation rate. All project deliverables and associated fees will be executed via change order prior to starting any work. Change Orders shall be for Project Based milestones. Contractor will provide timely status updates to the City.

**City and County of San Francisco  
Office of Contract Administration  
Purchasing Division  
City Hall, Room 430  
1 Dr. Carlton B. Goodlett Place  
San Francisco, California 94102-4685**

**Agreement between the City and County of San Francisco and**

**21Tech, LLC**

This Agreement is made this 18th day of June, 2013, in the City and County of San Francisco, State of California, by and between: 21Tech, LLC, 1390 Market Street, Suite 1202, San Francisco, California 94102, hereinafter referred to as "Contractor," and the City and County of San Francisco, a municipal corporation, hereinafter referred to as "City," acting by and through its Director of the Office of Contract Administration or the Director's designated agent, hereinafter referred to as "Purchasing."

**Recitals**

WHEREAS, the Office of the Treasurer & Tax Collector ("Department") wishes to configure online tax forms, document business processes for Gross Receipts and Business Tax; and,

WHEREAS, Contractor represents and warrants that it is qualified to perform the services required by City as set forth under this Contract; and,

WHEREAS, approval for this Agreement was obtained when the Civil Service Commission approved Contract number **4083-12/13** on **March 18, 2013**;

Now, THEREFORE, the parties agree as follows:

**1. Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation.** This Agreement is subject to the budget and fiscal provisions of the City's Charter. Charges will accrue only after prior written authorization certified by the Controller, and the amount of City's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization. This Agreement will terminate without penalty, liability or expense of any kind to City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated. City has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. Contractor's assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.

**2. Term of the Agreement.** Subject to Section 1, the term of this Agreement shall be from **May 31, 2013 to June 30, 2018**.

**3. Effective Date of Agreement.** This Agreement shall become effective when the Controller has certified to the availability of funds and Contractor has been notified in writing.

4. **Services Contractor Agrees to Perform.** The Contractor agrees to perform the services provided for in Appendix A, "Description of Services," attached hereto and incorporated by reference as though fully set forth herein.

5. **Compensation.** Compensation shall be made according to payment schedule identified in the Statement of Work executed between City and Contractor, according to the billing events schedule described in Appendix A, as set forth in Section 4 of this Agreement that Treasurer, or his or her authorized representative, in his or her sole discretion, concludes has been performed. Sign-off of a deliverable by the Treasurer's authorized representative or use of any material produced as part of a deliverable in the implementation process or use in production is considered acceptance of that deliverable and obligates the City to pay for that deliverable when accompanied by an accompanying Contractor invoice. Each key deliverable will require a sign-off by the client manager on the project. The sign-off process should not take more than 5 business days without an acceptable reason for delay. The City will make a good faith attempt to pay all invoices within 30 days of billing. However, in no event shall City be liable for interest or late charges for any late payments made after such 30 days period. In no event shall the amount of this Agreement exceed **\$1,787,120**. The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by **the Office of the Treasurer & Tax Collector** as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

If City is more than 60 days in arrears on its payment obligation to Contractor, and Contractor has notified the City in writing after the City is more than 30 days in arrears on that payment obligation, Contractor may suspend Services hereunder until such time as City is current on its payment obligations.

6. **Guaranteed Maximum Costs.** The City's obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification. Except as may be provided by laws governing emergency procedures, officers and employees of the City are not authorized to request, and the City is not required to reimburse the Contractor for, Commodities or Services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law. Officers and employees of the City are not authorized to offer or promise, nor is the City required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the Controller. The Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

7. **Payment; Invoice Format.** Invoices furnished by Contractor under this Agreement must be in a form acceptable to the Controller, and must include a unique invoice number. All amounts paid by City to Contractor shall be subject to audit by City. Payment shall be made by City to Contractor at the address specified in the section entitled "Notices to the Parties."

**8. Submitting False Claims; Monetary Penalties.** Pursuant to San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. The text of Section 21.35, along with the entire San Francisco Administrative Code is available on the web at <http://www.municode.com/Library/clientCodePage.aspx?clientID=4201>. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

**9. Left Blank by Agreement of Parties. (Disallowance)**

**10. Taxes**

a. Payment of any taxes, including possessory interest taxes and California sales and use taxes, levied upon or as a result of this Agreement, or the services delivered pursuant hereto, shall be the obligation of Contractor.

b. Contractor recognizes and understands that this Agreement may create a “possessory interest” for property tax purposes. Generally, such a possessory interest is not created unless the Agreement entitles the Contractor to possession, occupancy, or use of City property for private gain. If such a possessory interest is created, then the following shall apply:

1) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that Contractor, and any permitted successors and assigns, may be subject to real property tax assessments on the possessory interest;

2) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that the creation, extension, renewal, or assignment of this Agreement may result in a “change in ownership” for purposes of real property taxes, and therefore may result in a revaluation of any possessory interest created by this Agreement. Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report on behalf of the City to the County Assessor the information required by Revenue and Taxation Code section 480.5, as amended from time to time, and any successor provision.

3) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that other events also may cause a change of ownership of the possessory interest and result in the revaluation of the possessory interest. (see, e.g., Rev. & Tax. Code section 64, as amended from time to time). Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report any change in ownership to the County Assessor, the State Board of Equalization or other public agency as required by law.

4) Contractor further agrees to provide such other information as may be requested by the City to enable the City to comply with any reporting requirements for possessory interests that are imposed by applicable law.

**11. Payment Does Not Imply Acceptance of Work.** The granting of any payment by City, or the receipt thereof by Contractor, shall in no way lessen the liability of Contractor to replace unsatisfactory work, equipment, or materials, although the unsatisfactory character of such work, equipment or materials may not have been apparent or detected at the time such payment was made. Materials, equipment, components, or workmanship that do not conform to the requirements of this Agreement may be rejected by City and in such case must be replaced by Contractor without delay.

**12. Qualified Personnel.** Work under this Agreement shall be performed only by competent personnel under the supervision of and in the employment of Contractor. Contractor will comply with City's reasonable requests regarding assignment of personnel, but all personnel, including those assigned at City's request, must be supervised by Contractor. Contractor shall commit adequate resources to complete the project within the project schedule specified in this Agreement.

**13. Responsibility for Equipment.** City shall not be responsible for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Contractor, or by any of its employees, even though such equipment be furnished, rented or loaned to Contractor by City.

**14. Independent Contractor; Payment of Taxes and Other Expenses**

a. **Independent Contractor.** Contractor or any agent or employee of Contractor shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by City under this Agreement. Contractor or any agent or employee of Contractor shall not have employee status with City, nor be entitled to participate in any plans, arrangements, or distributions by City pertaining to or in connection with any retirement, health or other benefits that City may offer its employees. Contractor or any agent or employee of Contractor is liable for the acts and omissions of itself, its employees and its agents. Contractor shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to Contractor's performing services and work, or any agent or employee of Contractor providing same. Nothing in this Agreement shall be construed as creating an employment or agency relationship between City and Contractor or any agent or employee of Contractor. Any terms in this Agreement referring to direction from City shall be construed as providing for direction as to policy and the result of Contractor's work only, and not as to the means by which such a result is obtained. City does not retain the right to control the means or the method by which Contractor performs work under this Agreement.

b. **Payment of Taxes and Other Expenses.** Should City, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Contractor is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Contractor which can be applied against this liability). City shall then forward those amounts to the relevant taxing authority. Should a relevant taxing authority determine a liability for past services performed by Contractor for City, upon notification of such fact by City, Contractor shall promptly remit such amount due or arrange



with City to have the amount due withheld from future payments to Contractor under this Agreement (again, offsetting any amounts already paid by Contractor which can be applied as a credit against such liability). A determination of employment status pursuant to the preceding two paragraphs shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, Contractor shall not be considered an employee of City. Notwithstanding the foregoing, should any court, arbitrator, or administrative authority determine that Contractor is an employee for any other purpose, then Contractor agrees to a reduction in City's financial liability so that City's total expenses under this Agreement are not greater than they would have been had the court, arbitrator, or administrative authority determined that Contractor was not an employee.

## **15. Insurance**

a. Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

1) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident, injury, or illness; and

2) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and

3) Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

4) Professional liability insurance, applicable to Contractor's profession, with limits not less than \$1,000,000 each claim with respect to negligent acts, errors or omissions in connection with professional services to be provided under this Agreement.

b. Commercial General Liability Insurance policies must be endorsed to provide:

1) Name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

c. Regarding Workers' Compensation, Contractor hereby agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Contractor, its employees, agents and subcontractors.

d. Contractor shall provide thirty days' advance written notice to the City of reduction or nonrenewal of coverages or cancellation of coverages for any reason. Notices shall be sent to the City address in the "Notices to the Parties" section.

e. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

f. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

g. Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

h. Before commencing any operations under this Agreement, Contractor shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

i. Approval of the insurance by City shall not relieve or decrease the liability of Contractor hereunder.

j. If a subcontractor will be used to complete any portion of this agreement, the Contractor shall ensure that the subcontractor shall provide all necessary insurance and shall name the City and County of San Francisco, its officers, agents and employees and the Contractor listed as additional insureds.

k. Any of the terms of conditions of this Section 15 may be waived by the City's Risk Manager in writing, and attached to this Agreement as Appendix C. Such waiver is fully incorporated herein. The waiver shall waive only the requirements that are expressly identified and waived, and under such terms and conditions as stated in the waiver.

## **16. Indemnification.**

Contractor shall indemnify and save harmless City and its officers, agents and employees from, and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims thereof for injury to or death of a person, including employees of Contractor or loss of or damage to property, arising directly or indirectly from Contractor's performance of this Agreement, including, but not limited to, Contractor's use of facilities or equipment provided by City or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on City, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of City. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any claims against the City. In addition to Contractor's obligation to indemnify City, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend City from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent,

which obligation arises at the time such claim is tendered to Contractor by City and continues at all times thereafter. Contractor shall indemnify and hold City harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons in consequence of the use by City, or any of its officers or agents, of articles or services to be supplied in the performance of this Agreement.

**17. Incidental and Consequential Damages.** Contractor shall be responsible for incidental and consequential damages resulting in whole or in part from Contractor's acts or omissions, not to exceed the value of this Agreement. Nothing in this Agreement shall constitute a waiver or limitation of any rights that City may have under applicable law.

**18. Liability of City.** CITY'S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR IN SECTION 5 OF THIS AGREEMENT. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IN NO EVENT SHALL CITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

To the extent not offset by its insurance coverage and to the maximum extent permitted by applicable laws, in no event shall the Contractor's cumulative liability for any general, incidental, special, compensatory, or punitive damages whatsoever suffered by City or any other person or entity arising out of or in connection with the anticipated Services under this Agreement shall exceed the fees paid to Contractor on this Contract by City during the twelve (12) calendar months immediately preceding the circumstances which give rise to such claim(s) of liability, even if Contractor or its agents have been advised of the possibility of such damages.

**19. Left Blank by Agreement of the Parties. (Liquidated Damages)**

**20. Default; Remedies**

a. Each of the following shall constitute an event of default ("Event of Default") under this Agreement:

1) Contractor fails or refuses to perform or observe any term, covenant or condition contained in any of the following Sections of this Agreement:

- |                                                     |                                       |
|-----------------------------------------------------|---------------------------------------|
| 8. Submitting False Claims; Monetary Penalties.     | 37. Drug-free workplace policy        |
| 10. Taxes                                           | 53. Compliance with laws              |
| 15. Insurance                                       | 55. Supervision of minors             |
| 24. Proprietary or confidential information of City | 57. Protection of private information |
| 30. Assignment                                      | 58. Graffiti removal                  |

2) Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, and such default continues for a period of ten days after written notice thereof from City to Contractor.

3) Contractor (a) is generally not paying its debts as they become due, (b) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take



advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (c) makes an assignment for the benefit of its creditors, (d) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Contractor or of any substantial part of Contractor's property or (e) takes action for the purpose of any of the foregoing.

4) A court or government authority enters an order (a) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Contractor or with respect to any substantial part of Contractor's property, (b) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (c) ordering the dissolution, winding-up or liquidation of Contractor.

b. On and after any Event of Default, City shall notify Contractor in writing of the specific Event of Default and Contractor shall have 30 days to cure any Event of Default. If Contractor fails to properly cure the specific Event of Default within the 30 days cure period, then the City shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, City shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any Event of Default. Contractor shall immediately pay to City on demand all costs and expenses incurred by City in effecting such cure. Upon termination of this Agreement as a result of such Event of Default, the City shall pay the Contractor for any services completed under the Agreement up to the effective date of such termination within 30 days. City shall have the right to offset from any amounts due to Contractor under this Agreement or any other agreement between City and Contractor all damages, losses, costs or expenses incurred by City as a result of such Event of Default and any liquidated damages due from Contractor pursuant to the terms of this Agreement or any other agreement.

c. All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

## **21. Termination for Convenience**

City shall have the option, in its sole discretion, to terminate this Agreement, at any time during the term hereof, for convenience and without cause. City shall exercise this option by giving Contractor no less 30 days advance written notice of termination. The notice shall specify the date on which termination shall become effective. Upon such termination, the City shall pay any and all outstanding obligations to the Contractor under the Agreement up to the effective date of termination for any services completed. In addition, the City shall also pay for any deliverables that have been signed off and any deliverables in process based on their percentage completed according to the project plan prior to the effective date of termination under this section 20.

a. Upon receipt of the notice, Contractor shall commence and perform, with diligence, all actions necessary on the part of Contractor to effect the termination of this Agreement on the date specified by City and to minimize the liability of Contractor and City to third parties as a result of termination. All such actions shall be subject to the prior approval of City. Such actions shall include, without limitation:

- 1) Halting the performance of all services and other work under this Agreement on the date(s) and in the manner specified by City.
- 2) Not placing any further orders or subcontracts for materials, services, equipment or other items.
- 3) Terminating all existing orders and subcontracts.
- 4) At City's direction, use best efforts in assigning to City any or all of Contractor's right, title, and interest under the orders and subcontracts terminated.
- 5) Subject to City's approval, settling all outstanding liabilities and all claims arising out of the termination of orders and subcontracts.
- 6) Completing performance of any services or work that City designates to be completed prior to the date of termination specified by City.
- 7) Taking such action as may be necessary, or as the City may direct, for the protection and preservation of any property related to this Agreement which is in the possession of Contractor and in which City has or may acquire an interest.

b. Within 30 days after the specified termination date, Contractor shall submit to City an invoice, which shall set forth each of the following as a separate line item:

- 1) The reasonable cost to Contractor, without profit, for all services and other work City directed Contractor to perform prior to the specified termination date, for which services or work City has not already tendered payment. Reasonable costs may include a reasonable allowance for actual overhead, not to exceed a total of 10% of Contractor's direct costs for services or other work. Any overhead allowance shall be separately itemized. Contractor may also recover the reasonable cost of preparing the invoice.
- 2) A reasonable allowance for profit on the cost of the services and other work described in the immediately preceding subsection (1), provided that Contractor can establish, to the satisfaction of City, that Contractor would have made a profit had all services and other work under this Agreement been completed, and provided further, that the profit allowed shall in no event exceed 5% of such cost.
- 3) The reasonable cost to Contractor of handling material or equipment returned to the vendor, delivered to the City or otherwise disposed of as directed by the City.
- 4) A deduction for the cost of materials to be retained by Contractor, amounts realized from the sale of materials and not otherwise recovered by or credited to City, and any other appropriate credits to City against the cost of the services or other work.

c. In no event shall City be liable for costs incurred by Contractor or any of its subcontractors after the termination date specified by City, except for those costs specifically enumerated and described in the immediately preceding subsection (c). Such non-recoverable costs include, but are not limited to, anticipated profits on this Agreement, post-termination employee salaries, post-termination administrative expenses, post-termination overhead or unabsorbed overhead, attorneys' fees or other costs relating to the prosecution of a claim or lawsuit, prejudgment interest, or any other expense which is not reasonable or authorized under such subsection (c).

d. In arriving at the amount due to Contractor under this Section, City may deduct: (1) all payments previously made by City for work or other services covered by Contractor's final invoice; (2) any claim which City may have against Contractor in connection with this Agreement; (3) any invoiced costs or expenses excluded pursuant to the immediately preceding subsection (d); and (4) in instances in which, in the opinion of the City, the cost of any service or other work performed under this Agreement is excessively high due to costs incurred to remedy or replace defective or rejected services or other work, the difference between the invoiced amount and City's estimate of the reasonable cost of performing the invoiced services or other work in compliance with the requirements of this Agreement.

e. City's payment obligation under this Section shall survive termination of this Agreement.

## **22. Rights and Duties upon Termination or Expiration**

This Section and the following Sections of this Agreement shall survive termination or expiration of this Agreement:

- |                                                                 |                                                         |
|-----------------------------------------------------------------|---------------------------------------------------------|
| 8. Submitting false claims                                      | 24. Proprietary or confidential information of City     |
| 9. Disallowance                                                 | 26. Ownership of Results                                |
| 10. Taxes                                                       | 27. Works for Hire                                      |
| 11. Payment does not imply acceptance of work                   | 28. Audit and Inspection of Records                     |
| 13. Responsibility for equipment                                | 48. Modification of Agreement.                          |
| 14. Independent Contractor; Payment of Taxes and Other Expenses | 49. Administrative Remedy for Agreement Interpretation. |
| 15. Insurance                                                   | 50. Agreement Made in California; Venue                 |
| 16. Indemnification                                             | 51. Construction                                        |
| 17. Incidental and Consequential Damages                        | 52. Entire Agreement                                    |
| 18. Liability of City                                           | 56. Severability                                        |
|                                                                 | 57. Protection of private information                   |

Subject to the immediately preceding sentence, upon termination of this Agreement prior to expiration of the term specified in Section 2, this Agreement shall terminate and be of no further force or effect. Contractor shall transfer title to City, and deliver in the manner, at the times, and to the extent, if any, directed by City, any work in progress, completed work, supplies, equipment, and other materials produced as a part of, or acquired in connection with the performance of this Agreement, and any completed or partially completed work which, if this Agreement had been completed, would have been required to be furnished to City. This subsection shall survive termination of this Agreement.

**23. Conflict of Interest.** Through its execution of this Agreement, Contractor acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.

## **24. Proprietary or Confidential Information.**

a. **Of the City.** Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Contractor may have access to private or confidential information which may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City. Contractor agrees that all information disclosed by City to Contractor shall be held in confidence and used only in performance of the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

b. **Of the Contractor.** The City acknowledges that in the course of this Agreement the City will be given access to information and materials which are owned by the Contractor, its parent company, subsidiaries, or affiliates, and/or owned by third parties and in the possession of or licensed to the Contractor, and which constitute confidential and proprietary information belonging to the Contractor, its parent company, subsidiaries, or affiliates and/or third parties (hereinafter referred to as "Confidential Information").

The Parties agree that Proprietary Information shall be clearly marked as "Confidential" by the Contractor, and shall not include (a) information that is in the public domain through no violation of this Agreement or any other confidentiality obligation known to the City; (b) information that the City can demonstrate was already in its possession and was not acquired, directly or indirectly, from the Contractor, on a confidential basis; or (c) information that is independently developed by the City without use of or reference to the Proprietary Information.

The City agrees to maintain the confidentiality of the information provided by the Contractor as permitted by and in accordance with the law. Except in limited circumstances, the City is prohibited from disclosing the business affairs, operations or information obtained by an investigation of records of any person visited or examined in the discharge of his official duty. (San Francisco Business and Tax Regulations Code §6.22-1) In the event any third party seeks the data, the City will assert that the data is confidential as permitted by and in accordance with the law and will provide notice to the Contractor in order to permit the Contractor to intervene to protect the confidentiality of the data.

Nothing in this agreement should be construed to limit the right of the City to obtain the data to which it is entitled under law, nor is the City waiving the right to pursue access to data to which it is entitled in the future.

**25. Notices to the Parties.** Unless otherwise indicated elsewhere in this Agreement, all written communications sent by the parties may be by U.S. mail, e-mail or by fax, and shall be addressed as follows:

To City: **Office of the Treasurer & Tax Collector**  
**ATTN: Tajel Shah, Deputy Director**  
**City Hall Room 140**  
**1 Dr. Carlton B. Goodlett Pl**  
**San Francisco, CA 94102**  
**Tajel.shah@sfgov.org**

To Contractor: 21Tech, LLC  
Attn: Azhar Mahmood  
1390 Market Street, Suite 1202



San Francisco, CA 94102  
Email: [contracts@21tech.com](mailto:contracts@21tech.com)

Any notice of default must be sent by registered mail.

**26. Ownership of Results.**

Any interest of Contractor or its Subcontractors, in drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by Contractor or its subcontractors in connection with services to be performed under this Agreement that utilize City business processes or data, shall become the property of and will be transmitted to City. However, Contractor may retain the rights to any results that do not utilize City business processes or data and use copies for any purpose.

**27. Left Blank by Agreement of the Parties. (Works for Hire)**

**28. Audit and Inspection of Records.** Contractor agrees to maintain and make available to the City, during regular business hours, accurate books and accounting records relating to its work under this Agreement. Contractor will permit City to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than five years after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon City by this Section.

**29. Subcontracting.** Contractor is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is first approved by City in writing. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. An agreement made in violation of this provision shall confer no rights on any party and shall be null and void.

**30. Assignment.** The services to be performed by Contractor are personal in character and neither this Agreement nor any duties or obligations hereunder may be assigned or delegated by the Contractor unless first approved by City by written instrument executed and approved in the same manner as this Agreement. Such approval shall not be withheld unreasonably.

**31. Non-Waiver of Rights.** The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

**32. Earned Income Credit (EIC) Forms.** Administrative Code section 12O requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found. Contractor shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty days following the date on which this Agreement becomes effective (unless Contractor has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Contractor; and

(iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement. Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by Contractor of the terms of this Agreement. If, within thirty days after Contractor receives written notice of such a breach, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, Contractor fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Agreement or under applicable law. Any Subcontract entered into by Contractor shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

### **33. Local Business Enterprise Utilization; Liquidated Damages**

a. **The LBE Ordinance.** Contractor, shall comply with all the requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the "LBE Ordinance"), provided such amendments do not materially increase Contractor's obligations or liabilities, or materially diminish Contractor's rights, under this Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Agreement as though fully set forth in this section. Contractor's willful failure to comply with any applicable provisions of the LBE Ordinance is a material breach of Contractor's obligations under this Agreement and shall entitle City, subject to any applicable notice and cure provisions set forth in this Agreement, to exercise any of the remedies provided for under this Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any remedy is exclusive. In addition, Contractor shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

### **34. Nondiscrimination; Penalties**

a. **Contractor Shall Not Discriminate.** In the performance of this Agreement, Contractor agrees not to discriminate against any employee, City and County employee working with such contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

b. **Subcontracts.** Contractor shall incorporate by reference in all subcontracts the provisions of §§12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from Purchasing) and shall require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

c. **Nondiscrimination in Benefits.** Contractor does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

d. **Condition to Contract.** As a condition to this Agreement, Contractor shall execute the “Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits” form (form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

e. **Incorporation of Administrative Code Provisions by Reference.** The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Contractor understands that pursuant to §§12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Contractor and/or deducted from any payments due Contractor.

**35. MacBride Principles—Northern Ireland.** Pursuant to San Francisco Administrative Code §12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Contractor acknowledges and agrees that he or she has read and understood this section.

**36. Tropical Hardwood and Virgin Redwood Ban.** Pursuant to §804(b) of the San Francisco Environment Code, the City and County of San Francisco urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

**37. Drug-Free Workplace Policy.** Contractor acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. Contractor agrees that any violation of this prohibition by Contractor, its employees, agents or assigns will be deemed a material breach of this Agreement.

**38. Resource Conservation.** Chapter 5 of the San Francisco Environment Code (“Resource Conservation”) is incorporated herein by reference. Failure by Contractor to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract.

**39. Compliance with Americans with Disabilities Act.** Contractor acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Contractor shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Contractor, its employees, agents or assigns will constitute a material breach of this Agreement.

**40. Sunshine Ordinance.** In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors' bids, responses to solicitations and all other records of communications between City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

**41. Public Access to Meetings and Records.** If the Contractor receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, Contractor shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, the Contractor agrees to open its meetings and records to the public in the manner set forth in §§12L.4 and 12L.5 of the Administrative Code. Contractor further agrees to make-good faith efforts to promote community membership on its Board of Directors in the manner set forth in §12L.6 of the Administrative Code. The Contractor acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. The Contractor further acknowledges that such material breach of the Agreement shall be grounds for the City to terminate and/or not renew the Agreement, partially or in its entirety.

**42. Limitations on Contributions.** Through execution of this Agreement, Contractor acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or the board of a state agency on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Contractor further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and



chief operating officer; any person with an ownership interest of more than 20 percent in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Contractor further agrees to provide to City the names of each person, entity or committee described above.

#### **43. Requiring Minimum Compensation for Covered Employees**

a. Contractor agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Sections 12P.5 and 12P.5.1 of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at [www.sfgov.org/olse/mco](http://www.sfgov.org/olse/mco). A partial listing of some of Contractor's obligations under the MCO is set forth in this Section. Contractor is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section.

b. The MCO requires Contractor to pay Contractor's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and Contractor is obligated to keep informed of the then-current requirements. Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is Contractor's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, City may pursue any of the remedies set forth in this Section against Contractor.

c. Contractor shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

d. Contractor shall maintain employee and payroll records as required by the MCO. If Contractor fails to do so, it shall be presumed that the Contractor paid no more than the minimum wage required under State law.

e. The City is authorized to inspect Contractor's job sites and conduct interviews with employees and conduct audits of Contractor

f. Contractor's commitment to provide the Minimum Compensation is a material element of the City's consideration for this Agreement. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Contractor fails to comply with these requirements. Contractor agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the City and the public will incur for Contractor's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

g. Contractor understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under

Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

h. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

i. If Contractor is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than \$25,000, but Contractor later enters into an agreement or agreements that cause contractor to exceed that amount in a fiscal year, Contractor shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Contractor and this department to exceed \$25,000 in the fiscal year.

#### **44. Requiring Health Benefits for Covered Employees**

Contractor agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of section 12Q.5.1 of Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at [www.sfgov.org/olse](http://www.sfgov.org/olse). Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

a. For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Contractor chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

b. Notwithstanding the above, if the Contractor is a small business as defined in Section 12Q.3(e) of the HCAO, it shall have no obligation to comply with part (a) above.

c. Contractor's failure to comply with the HCAO shall constitute a material breach of this agreement. City shall notify Contractor if such a breach has occurred. If, within 30 days after receiving City's written notice of a breach of this Agreement for violating the HCAO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City.

d. Any Subcontract entered into by Contractor shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Contractor shall notify City's Office of

Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Contractor shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against Contractor based on the Subcontractor's failure to comply, provided that City has first provided Contractor with notice and an opportunity to obtain a cure of the violation.

e. Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to Contractor's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

f. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

g. Contractor shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the City Contract.

h. Contractor shall keep itself informed of the current requirements of the HCAO.

i. Contractor shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

j. Contractor shall provide City with access to records pertaining to compliance with HCAO after receiving a written request from City to do so and being provided at least ten business days to respond.

k. Contractor shall allow City to inspect Contractor's job sites and have access to Contractor's employees in order to monitor and determine compliance with HCAO.

l. City may conduct random audits of Contractor to ascertain its compliance with HCAO. Contractor agrees to cooperate with City when it conducts such audits.

m. If Contractor is exempt from the HCAO when this Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but Contractor later enters into an agreement or agreements that cause Contractor's aggregate amount of all agreements with City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Contractor and the City to be equal to or greater than \$75,000 in the fiscal year.

#### **45. Left Blank by Agreement of the Parties (First Source Hiring Program)**

**46. Prohibition on Political Activity with City Funds.** In accordance with San Francisco Administrative Code Chapter 12.G, Contractor may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Agreement. Contractor agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event Contractor violates the provisions of this

section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit Contractor from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider Contractor's use of profit as a violation of this section.

**47. Preservative-treated Wood Containing Arsenic.** Contractor may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Contractor may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Contractor from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

**48. Modification of Agreement.** This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement. Contractor shall cooperate with Department to submit to the Director of HRC any amendment, modification, supplement or change order that would result in a cumulative increase of the original amount of this Agreement by more than 20% (HRC Contract Modification Form).

**49. Administrative Remedy for Agreement Interpretation.** Should any question arise as to the meaning and intent of this Agreement, the question shall, prior to any other action or resort to any other legal remedy, be referred to Purchasing who shall decide the true meaning and intent of the Agreement.

**50. Agreement Made in California; Venue.** The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

**51. Construction.** All paragraph captions are for reference only and shall not be considered in construing this Agreement.

**52. Entire Agreement.** This contract sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions. This contract may be modified only as provided in Section 48, "Modification of Agreement."

**53. Compliance with Laws.** Contractor shall keep itself fully informed of the City's Charter, codes, ordinances and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

**54. Services Provided by Attorneys.** Any services to be provided by a law firm or attorney must be reviewed and approved in writing in advance by the City Attorney. No invoices for



services provided by law firms or attorneys, including, without limitation, as subcontractors of Contractor, will be paid unless the provider received advance written approval from the City Attorney.

**55. Left Blank by Agreement of the Parties. (Supervision of Minors)**

**56. Severability.** Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

**57. Protection of Private Information.** Contractor has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, "Nondisclosure of Private Information," and 12M.3, "Enforcement" of Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. Contractor agrees that any failure of Contractor to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Contract. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Contract, bring a false claim action against the Contractor pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Contractor.

**58. Graffiti Removal.** Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and County and its residents, and to prevent the further spread of graffiti. Contractor shall remove all graffiti from any real property owned or leased by Contractor in the City and County of San Francisco within forty eight (48) hours of the earlier of Contractor's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require a Contractor to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

Any failure of Contractor to comply with this section of this Agreement shall constitute an Event of Default of this Agreement.

**59. Food Service Waste Reduction Requirements.** Effective June 1, 2007, Contractor agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Contractor agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Contractor's failure to comply with this provision.

**60. Slavery Era Disclosure**

a. Contractor acknowledges that this contract shall not be binding upon the City until the Director receives the affidavit required by the San Francisco Administrative Code's Chapter 12Y, "San Francisco Slavery Era Disclosure Ordinance."

b. In the event the Director of Administrative Services finds that Contractor has failed to file an affidavit as required by Section 12Y.4(a) and this Contract, or has willfully filed a false affidavit, the Contractor shall be liable for liquidated damages in an amount equal to the Contractor's net profit on the Contract, 10 percent of the total amount of the Contract, or \$1,000, whichever is greatest as determined by the Director of Administrative Services. Contractor acknowledges and agrees that the liquidated damages assessed shall be payable to the City upon demand and may be set off against any monies due to the Contractor from any Contract with the City.

c. Contractor shall maintain records necessary for monitoring their compliance with this provision.

**61. Cooperative Drafting.** This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first mentioned above.

**CITY**

**CONTRACTOR**

Recommended by:

**21Tech, LLC**

  
**José Cisneros**  
**Treasurer**  
**Office of the Treasurer & Tax Collector**

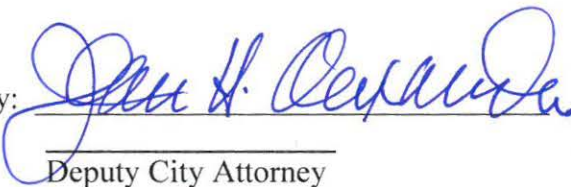
By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.

Approved as to Form:


Dennis J. Herrera  
City Attorney

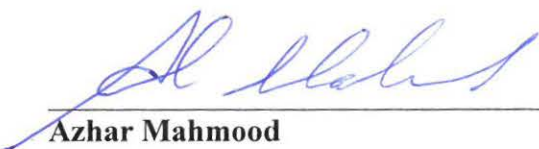
I have read and understood paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

By:

  
Deputy City Attorney

Approved:

  
Jaci Fong  
Director of the Office of Contract  
Administration, and  
Purchaser

  
**Azhar Mahmood**  
**Managing Member**  
**1390 Market Street, Suite 1202**  
**San Francisco, CA 94102**

City vendor number: [37769]

**Appendices**

- A: Services to be provided by Contractor
- B: Calculation of Charges
- C: Insurance Waiver

# City and County of San Francisco



## TREASURER TAX COLLECTOR

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### Statement of Work Gross Receipts

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Submitted by



**Revision:** Version 1.3

**Dated:** Friday May 29, 2013

**By:** Linda Short

**Email:** [Linda.short@21tech.com](mailto:Linda.short@21tech.com)

**Web:** [www.21Tech.com](http://www.21Tech.com)



## APPENDIX A: STATEMENT OF WORK

### Purpose of Project

The Office of the Treasurer & Tax Collector (TTX) has procured the Government Revenue Management System (GRM) software from Manatron, Inc. and it will become the system of record for administering all of TTX's business taxes. Manatron, Inc. and 21Tech are working jointly to implement GRM.

TTX has previously provided the tax payer with the opportunity to calculate and pay their Payroll, Registration and Hotel taxes online. Parking tax on-line form will be implemented soon. 21Tech has provided the resources for creating and implementing the custom on-line forms and background processes and logic to provide this functionality.

21Tech will provide additional services to enhance the GRM software solution and provide integration, updated tax forms, custom reports and post implementation support.

The City and County of San Francisco adopted by voter initiative a gross receipts tax to be phased in starting tax year 2014. Creation of the new gross receipts tax on-line form, modification of existing on-line forms, providing tax payer documentation to support the new legislation is the purpose of this project ("Project").

### Terms and Definition

- Once a deliverable is accepted any changes required will follow the Change Management Process as defined in Appendix A-2.
- After Client Acceptance, if a defect is discovered before the completion of the post go live support period, 21Tech will fix the issue at no additional charge provided this issue is not one related to missed, incorrect or partial requirements. After Client's acceptance of UAT and after the paid support period, if a defect is discovered related to 21Tech work, any remediation work, should the client choose to have 21Tech perform said work, will follow the Change Order process as defined in Appendix A-2. If the issue is found to be related to missed, incorrect or partial requirements this remediation work will follow the Change Order process as defined in Appendix A-2.
- If a delay to the project occurs that is of no fault of 21Tech's, the resulting additional work effort will follow the Change Order process as defined in Appendix A-2.

### Project Management

21Tech's Project Manager will use the approved project management documents to monitor and document all issues, action items, status, escalations, milestones, deliverables, and report internally and externally to team members and stake holders on the project regularly. Status reports and project plan updates will be provided weekly and made available to the team.

**On Going Deliverables that must be met in order to accept any Milestone:**  
**21Tech shall:**

- 1) Maintain the Project Plan throughout the life of the project**
- 2) Maintain the issues log**
- 3) Follow up on issues and action items**
- 4) Hold weekly Status Meetings**
- 5) Facilitate communication between all parties for its deliverables**
- 6) Work with client to schedule as needed sponsor meetings**
- 7) Manage change control and escalation processes for the project**

## **Statement of Work**

This Statement of Work (SOW) shall delineate the responsibilities and deliverables of both parties related to the project implementation, as well as define the acceptance criteria for each milestone defined within the SOW. The expected outcome upon completion of this SOW is that 21Tech will create an online environment for the tax payer to calculate and pay their gross receipts taxes, integrating with GRM.

To achieve the desired outcome by the completion date in the baseline project schedule, timely communications is the responsibility of every involved member using all the protocols defined in this Agreement. In addition, when the dates in the timeline change, estimated duration shall be used as a guide to manage expectations. It is incumbent on all parties to monitor the project schedule. All parties will work to meet the schedule or agree to modify so that it accurately reflects the state of the project over the life of this SOW.

It is the TTX Project Manager's role to maintain this SOW in conjunction with the 21Tech Project Manager. Both parties will identify resources required to sufficiently staff the project at the appropriate time for each milestone until acceptance criteria sign off.

### **Milestone Deliverable #1**

**TTX and 21Tech accept:**

- 1) Statement of Work**
- 2) Appendix B (Calculation of Charges)**
- 3) Project Management**
- 4) CHANGE ORDER MANAGEMENT PROCESS - Process defined in Appendix A-2**

## **Implementation Planning**

21Tech will provide the initial proposed project schedule and estimated project staffing resource requirements. Once the schedule is agreed by the TTX Project Manager, it will become the primary governing schedule for the Project. This schedule will be periodically updated by 21Tech, upon approval of the TTX Project Manager, to reflect the actual progress and the current circumstances.

TTX shall sign a "Project Kick off" memo, which will serve as the formal initiation of the Project.

21Tech will provide standard project management services, and in addition will coordinate and collaborate with the Manatron, Inc. team during all phases of this project.

## **Milestone Deliverable #2**

**TTX and 21Tech accept:**

- 1) Project Schedule**
- 2) Project Kick off Memo**
- 3) Project Management**

## **Discovery**

21Tech will participate in the Discovery Sessions led by Manatron, Inc. where the sessions will include a review of the legislation and how it will affect the deliverables outlined in the SOW. In addition, 21Tech will conduct one 5 day Discovery Session with TTX with focus primarily on on-line form requirements, including layout, calculation logic scenarios to assist in determining the best approach, and identify use test cases.

## **Milestone Deliverable #3**

**TTX and 21Tech accept:**

- 1) 21Tech participates in the 4-day Manatron, Inc. Discovery Sessions**
- 2) 21Tech conducts one 5 day Discovery Sessions (Primarily on-line Forms)**
- 3) Project Management**

## **Detailed Requirements**

21Tech will conduct requirements gathering sessions that will be more detailed in nature than the discovery sessions. 21Tech will devise multiple scenarios for each tax type in order to analyze the best place (online form, SQL Server, GRM) for calculations to be performed and for variables to be stored. In each case pro's and con's will be documented and a recommendation given to TTX.

21Tech will create detailed business requirements and process flows to document the results. The discovery sessions will be the base. Detailed requirements gathering for functional and technical documentation will be in this work effort. Documentation will be reviewed with TTX, corrections made and TTX sign off will be required prior to starting programming efforts.

21Tech with help from TTX business experts will create test cases, end-to-end test case scenarios and scripts to verify the quality of 21Tech created forms, interfaces and reports. The end-to-end test cases will test the integrated Thomson Reuter /21Tech solution and include GRM functionality.

## **Milestone Deliverable #4**

- 1) 21Tech will conduct multiple requirements gathering sessions, as needed.**
- 2) 21Tech drafts business requirements document**
  - a) Gross Receipts on-line Form (accepting quarterly installments)**
  - b) Modifications to Payroll Form (accepting quarterly installments)**
  - c) Modifications to Registration Form**

d) Interface to GRM, implementing Web Service for GRM Obligation Calculation

e) Four Reports of Moderate difficulty

This documentation will include the future calculation changes to the on-line forms in order to be compliant with legislation.

3) 21Tech and TTX will have up to four meetings to review, clarify the business requirements documents.

4) TTX signs off on the business requirements documents.

5) TTX and 21Tech conduct a scope review meeting to verify that the SOW will meet the needs of the project.

6) Project Schedule updated, if 21Tech and TTX both necessary.

7) Project Management

## GRM – Base Product Services

### ***Wausau Real Time Lookups***

Develop a real-time lookup host emulation with Wausau which will use existing GRM API's to call GRM in real-time. Assumption is no middleware will be required. TTX will handle all escalations with external vendor deliverables and testing cycle.

Assumption is Wausau delivers at least one month before UAT and an interim solution is not required.

### ***Extract from GRM into Web App SQL Server database***

Four forms updated to use newly developed web service logic to provide web app forms with GRM data as requested. Includes working with Thomson Reuter to define requirements, coordinate and unit testing. Also included is Parking online with BTS, converted to GRM with test cycle.

The four form types are: Account Update, Registration, Payroll, and Parking.

### ***New Reports***

Build 4 new reports of moderate difficulty (no more than 8 days development per report)

Example: Audit Pool

### ***Redesign Online Business Tax Forms***

Redesign the Registration and Payroll forms:

RG2014 - Small Changes are in scope for fiscal year 2013/2014.

RG2015 - Gross Receipts Kludge & Rate Table Logic Change for fiscal year 2014/2015.

PY2013 – Small Changes Calendar Year Tax Period 2013\_ will be filing in January 2014

PY2014 – Gross Receipts Calendar Year Tax Period 2014 filing in January 2015

### ***Hotel Form Rework***

This work effort includes- the .Net application development and matching Tax forms for document management and confirmation to taxpayer. This form will be implemented post GRM go-live for Q1 2014 and will accommodate monthly filings and integration with GRM.

***Base Product Post Implementation Support***

Provide post GRM go live implementation support for first 60 days. The support team will consist of equivalent of one Thomson Reuter and one 21Tech personnel available via telephone or email from 8am to 5pm, Pacific Time.

**Milestone Deliverable #5**

- 1) TTX Acceptance of Requirements for Wausau interface
- 2) TTX Acceptance of Requirements for GRM Extracts
- 3) TTX Acceptance of Requirements for 4 new reports
- 4) TTX Acceptance of Requirements for Hotel Form
- 5) TTX Acceptance of RG2014 Form
- 6) Project Management

**Milestone Deliverable #6 (UAT Ready)**

- 1) TTX Acceptance of Development for Wausau interface
- 2) TTX Acceptance of Development for GRM Extracts
- 3) TTX Acceptance of Development for 4 new reports
- 4) TTX Acceptance of Hotel Form Development
- 5) TTX Acceptance of Production Ready for Hotel Form
- 6) Project Management

**Milestone Deliverable #7 (Post UAT)**

- 1) TTX Acceptance of Production Ready for Wausau interface
- 2) TTX Acceptance of Production Ready for GRM Extracts
- 3) TTX Acceptance of Production Ready for 4 new reports
- 4) TTX Acceptance of RG2015 Form
- 5) TTX Acceptance of PY2013 Form
- 6) TTX Acceptance of PY2014 Form
- 7) Project Management

**Milestone Deliverable #8**

- 1) Completion of sixty day post go live support for Business Tax Implementation

## **Development – Interfaces, Forms, and Reports**

Based on the signed requirements document (Milestone #4), 21Tech development team will code the new gross receipts on-line form, modify the existing payroll and registration on-line forms.

Working with Manatron, Inc., 21Tech will modify the existing interface between the on-line form Web App SQL Server database and GRM. The Web Services/GRM Interface will build on the GRM Web Services implemented as part of the initial project implementation phase. The addition Web Service will allow the on-line form to ‘call’ the result of the calculation in GRM, having that value passed back to the on-line form. This will eliminate the need for the custom Web App SQL Server to duplicate all calculations with custom procedures and formulas, therefore reducing future maintenance and testing efforts.

Four Reports of moderate difficulty (not to exceed 8 development days) will be identified, designed, coded and tested.

### **Milestone Deliverable #9**

- 1) TTX Acceptance of Gross Receipts on-line Form (accepting quarterly installments)
- 2) TTX Acceptance of Modifications to Payroll Form (accepting quarterly installments)
- 3) TTX Acceptance of Modifications to Registration Form
- 4) TTX Acceptance of Interface to GRM, implementing Web Service for GRM

### **Obligation Calculation**

- 5) TTX Acceptance of Four Reports of Moderate difficulty
- 6) Project Management

## **Data Review and Data Migration**

None

## **Training and Documentation**

Training will be interactive hands-on experience. The UAT preparation training session is intended for those actively participating in UAT, but may include any interested party – with a group not to exceed 20. The Technical training is intended for the IS professionals who will support the 21Tech deliverables and the group is not expected to be more than 5. Two half-day sessions of User Training will primarily be focused on the user interface for the new forms, not to exceed 20 users per session. TTX will provide the training facility and equipment. TTX will provide the facility, equipment and software environment for training. 21Tech will provide any training materials deemed necessary and will provide the training instructor.

Creation of the Tax Payer Worksheets and FAQ will be based on the functional understanding gained from the detailed requirements gathering sessions and will be vetted with TTX business experts. TTX is responsible for distribution.

Creation of documentation and procedures documents for staff. Process will include draft documents, review process and finalization.

#### **Milestone Deliverable #10**

**TTX and 21Tech accept:**

- 1) Completion of 3 day UAT Preparation Training Sessions provided by 21Tech**
- 2) Completion of 2 day Technical Training Sessions provided by 21Tech**
- 3) Completion of two ½ day User Training Sessions provided by 21Tech**
- 4) Tax Payer Worksheet Documentation & FAQ documents**
- 5) Delivery of documentation/procedures for staff**
- 6) Project Management**

#### **Acceptance for Production – User Acceptance Testing (UAT)**

This project includes two vendors, 21Tech and Manatron, Inc., the individual responsibilities support the work products of the other. 21Tech will lead the User Acceptance Testing, coordinating efforts between Manatron, Inc. and TTX, and will document faults, provide fault follow-up, hold UAT status meetings, issue reviews and coordinate re-testing. UAT will take place in a test environment provided by TTX and using current TTX data. 21Tech will provide testing support, someone available during the testing cycles to help with any issues or questions. Critical faults, at TTX discretion, must be corrected, tested and signed off before production implementation.

- a) 21Tech will provide testing assistance for all forms, interfaces and reports that were developed by 21Tech.
- b) TTX will execute all test cases/scenarios/scripts and report outcome of each condition tested (pass/fail/other)
- c) TTX will prioritize the list of all identified faults to 21Tech for validation. For critical faults, a correction must be identified and planned.

#### **Milestone Deliverable #11**

**TTX and 21Tech accept:**

- 1) Two iterations of the complete testing cycles**
- 2) 21Tech documents a plan to address the reported faults related to interfaces, forms and reports developed by 21Tech.**
- 3) Project Management**

#### **Signoff on Completion**

All preparations including coordination with various groups and communication to set expectations for users on changes to come will be managed by 21Tech with approval from TTX liaison. 21Tech will develop a detailed cutover plan for preparation of go-live week. During go-live week we will closely monitor and report on all activities for 21Tech deliverables.

#### **Milestone Deliverable #12**



**TTX and 21Tech accept:**

- 1) Interfaces, Forms and Reports satisfy all specified requirements identified by TTX personnel.**
- 2) Project Management**

## **Post Go-Live Support**

21Tech will provide 45 business days support on its deliverables. The support period will have project management and development resource available.

### **Milestone Deliverable #13 (a, b, c)**

**TTX and 21Tech accept:**

- 1) 15 business days go-live support with one resource after Payroll & Gross Receipts [PY2013, GR2013]**
  - 2) 15 business days go-live support with one resource after Registration [RG2015]**
  - 3) 15 business days go-live support with one resource after Payroll & Gross Receipts [PY2014 , GR2014] (annual)**
- Project Management**

## **Department Liaison**

In performing the services provided for this Agreement, Contractor's liaison with TTX will be Tajel Shah, Deputy Director.

## **Assumptions**

- Manatron, Inc. will provide a Web Service to calculate the obligation and pass back to the on line form.
- 21Tech deliverables are dependent upon timely completion of Manatron, Inc. deliverables. This statement of work estimate reflects costs for the 21Tech work effort with the assumption Manatron, Inc. meets their deadlines.
- Two cycles of testing will consist of one month per cycle to include initial testing, fault identification and resolution, retesting and sign off.
- Scheduling Test cycles will include, and are dependent upon, the Manatron Inc. deliverables.
- This work effort will support the Gross Receipts legislation for 2014 and 2015 as documented above.
- At the end of discovery phase 21Tech may need to revise its estimates for the remaining deliverables.
- 2015 Forms are not included in the UAT as described in this document. This will be a separate work effort.



- Manatron, Inc. is responsible for the API to interface web application tax statement data to GRM, and that work effort is not included in this statement of work.
- TTX will assist

## Appendix A-1 – Draft TimeLine

Final Timeline will be developed with TTX team members after taking into consideration related project dependencies.



Timeline GR

## Appendix A-2 – Change Order Process

The City may at any time, by written order, and without notice to Contractor's sureties, submit a Change Request to Contractor. Within ten (10) working days (or such time period as mutually agreed to by the parties) of receiving a proposed Change Request, Contractor shall submit to City a Change Order which will include written cost estimate and any adjustments to the Project price, the Project Schedule, the Statement of Work, the Acceptance Criteria or any other obligations of Contractor, as applicable. Contractor may also propose a Change Order involving additions, deletions, or revisions to the Work, or any obligations imposed upon the Parties under this Agreement. Contractor's proposed Change Order shall be in the form of a Request for Change (RFC) which shall explain, in writing, Contractor's basis for requesting the Change Order and the impact of the proposed Change Order on the Project Schedule, the cost of Work, the contract documents and Deliverables, and any other interdependent Work, including but not limited to, the Acceptance Criteria, training, documentation, performance, resources, data conversion, users, re-engineering tasks, and all other aspects of the Project, as provided in this Agreement.

All Change Orders must be pre-approved, in writing, by City's Project Manager. Contractor shall not proceed with any work contemplated in any Change Order until it receives written notification to commence such work from City's Project Manager. Contractor shall commence the work contemplated by the Change Order upon receiving written notice from City's Project Manager. If Contractor and City disagree on the effect that a Change Order will have on the Project price, the Project Schedule or the Acceptance Criteria, then Contractor will not proceed with the work contemplated by the Change Order until the parties agree, in writing, to do so.

The City shall have authority to order minor changes in the Work not involving either an adjustment in the total contract sum or an extension of the time for completion of the Work, provided that the parties mutually agree that the change is minor. The City's Project Manager may waive a variation in the Work if, in his or her opinion, such variation does not materially change the Work or the Program's performance. Such changes shall be effected by written order and shall be binding on the City and Contractor. Contractor shall carry out such written orders promptly. Such written orders may be in the form of a response to a Request for Information (RFI), a no cost change order, or in any other written form determined by the City.

Additional details can be found in the Change Control Plan, which will be collaboratively developed during the initial phase of the project.

## Appendix B – Calculations of Professional Services

Milestone Number	Key Deliverables (Assumes Project Start of June 24 2013)	Due Date	Payment Amount
1	1) Statement of Work 2) Appendix B (Calculation of Charges) 3) Project Management	Jun-13	\$43,200
2	1) Project Schedule 2) Kickoff Memo 3) Project Management	Jun-13	\$36,600
3	1) 21Tech participates in the 4-day Manatron, Inc. Discovery Sessions 2) 21Tech conducts one 5 day Discovery Sessions (Primarily on-line Forms) 3) Project Management	Jul-13	\$59,700
4	1) 21Tech will conduct multiple requirements gathering sessions, as needed. 2) 21Tech drafts business requirements document a) Gross Receipts on-line Form (accepting quarterly installments) b) Modifications to Payroll Form (accepting quarterly installments) c) Modifications to Registration Form d) Interface to GRM, implementing Web Service for GRM Obligation Calculation e) Four Reports of Moderate difficulty This documentation will include the future calculation changes to the on-line forms in order to be compliant with legislation. 3) 21Tech and TTX will have up to four meetings to review, clarify and sign off on the business requirements documents. 4) TTX signs off on the business requirements documents. 5) TTX and 21Tech conduct a scope review meeting to verify that the SOW will meet the needs of the project. 6) Project Schedule updated, if 21Tech and TTX both necessary. 7) Project Management	Aug-13	\$198,300
5	1) TTX Acceptance of Requirements for Wausau interface 2) TTX Acceptance of Requirements for GRM Extracts 3) TTX Acceptance of Requirements for 4 new reports 4) TTX Acceptance of RG2014 Form <b>5) TTX Acceptance of Requirements for Hotel Form</b> 6) Project Management	Aug-13	\$178,640

6	1) TTX Acceptance of Development for Wausau interface 2) TTX Acceptance of Development for GRM Extracts 3) TTX Acceptance of Development for 4 new reports 4) TTX Acceptance of Training and Guidance for Hotel Form Rework <b>5) TTX Acceptance of Hotel Form Development</b> <b>6) TTX Acceptance of Production Ready for Hotel Form</b> 7) Project Management	Aug-13	\$235,400
7	1) TTX Acceptance of Production Ready for Wausau interface 2) TTX Acceptance of Production Ready for GRM Extracts 3) TTX Acceptance of Production Ready for 4 new reports 4) TTX Acceptance of RG2015 Form 5) TTX Acceptance of PY2013 Form 6) TTX Acceptance of PY2014 Form 6) Project Management	Dec-13	\$145,640
8	1) Completion of Sixty day post go live support for Phase 1 Business Tax	Feb-14	\$158,400
9	1) TTX Acceptance of Gross Receipts on-line Form (accepting quarterly installments) 2) TTX Acceptance of Modifications to Payroll Form (accepting quarterly installments) 3) TTX Acceptance of Modifications to Registration Form 4) TTX Acceptance of Interface to GRM, implementing Web Service for GRM Obligation Calculation 5) TTX Acceptance of Four Reports of Moderate difficulty 6) Project Management	Feb-14	\$286,740
10	1) Completion of 3 day UAT Preparation Training Sessions provided by 21Tech 2) Completion of 2 day Technical Training Sessions provided by 21Tech 3) Completion of two ½ day User Training Sessions provided by 21Tech 4) Tax Payer Worksheet Documentation & FAQ documents 5) Delivery of documentation/procedures for staff 6) Project Management	Jan-14	\$96,900
11	1) Two iterations of the complete testing cycles have passed testing 2) 21Tech documents a plan to address the reported faults related to interfaces, forms and reports developed by 21Tech. 3) Project Management	Feb-14	\$142,200

12	1) Sign off on Completion: Interfaces, Forms and Reports satisfy all specified requirements identified by TTX personnel. 2) Project Management	Apr-14	\$112,800
13a	1) 15 business days go live support with one resource after Payroll & Gross Receipts [PY2013, GR2013] 2) Project Management	Apr 2014	\$30,866
13b	1) 15 business days go live support with one resource after Registration [RG2015] 2) Project Management	May-14	\$30,866
13c	1) 15 business days go live support with one resource after Payroll & Gross Receipts [PY2014 , GR2014] (Annual) 2) Project Management	Feb-15	\$30,868
Total			\$1,787,120

Note the following deliverables may be performed and/or completed in any order and/or in parallel.

## Appendix C

### Insurance Waiver

**Kato, Greg**

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**From:** Matt.Hansen@sfgov.org  
**Sent:** Tuesday, May 28, 2013 1:06 PM  
**To:** Kato, Greg  
**Cc:** Fitzgerald, Elizabeth; Alexander, Jean; Shah, Tajel  
**Subject:** Re: 21TEch P500 Redline GK Comments 5-24-13

Hi Greg,

As discussed just now, these changes to section 15 are approved, provided that contractor sends you a note/letter stating they own no vehicles and if any vehicles are to be operated in connection with this agreement, they will provide the required insurance before any operation is to happen.

Let me know if you have any further questions.

Best,  
Matt

~~~~~  
Matt Hansen, Director  
Risk Management Division  
City & County of San Francisco  
25 Van Ness Ave., Suite 750  
San Francisco, CA 94102

415-554-2302 - Direct  
415-554-2300 - Main Office  
415-554-2357 - Fax

email: matt.hansen@sfgov.org  
~~~~~

-----"Kato, Greg" <greg.kato@sfgov.org> wrote: -----

To: "Fitzgerald, Elizabeth" <elizabeth.fitzgerald@sfgov.org>, "Hansen, Matt" <matt.hansen@sfgov.org>  
From: "Kato, Greg" <greg.kato@sfgov.org>  
Date: 05/24/2013 04:15PM  
Cc: "Alexander, Jean" <jean.alexander@sfgov.org>, "Shah, Tajel" <tajel.shah@sfgov.org>  
Subject: 21TEch P500 Redline GK Comments 5-24-13

Hello Elizabeth and Matt-

Attached, please find a drafted agreement with 21 Tech LLC for business process documentation and web form development. 21 Tech has requested amendments to Section 15 which it claims have been accepted in a previous agreement with SFMTA. We are supporting them. They have also proposed limits to their liability and indemnification that we are supporting because 21 Tech LLC is not responsible for delivering a solution, but for doing work on a third party software at our direction.



Please review and provide comments. We are happy to coordinate whatever letters are needed from the vendor to effectuate the waivers. We are available to discuss why we are willing to support this agreement and our analysis. As you can imagine, with the looming implementation of the new Gross Receipts Tax we are requesting a quick turnaround on this review. My apologies for the fire drill.

Thank you!

-Greg

Greg M Kato  
Policy and Legislative Manager  
Office of the Treasurer & Tax Collector  
City & County of San Francisco  
City Hall - Room 140  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102  
Phone: 415/554-8858  
Fax: 415/554-5507  
Email: Greg.Kato@sfgov.org  
Twitter: @gregkato

[attachment "21TEch P500 Redline GK Comments 5-24-13.docx" removed by Matt Hansen/ADMSVC/SFGOV]



To Whom It May Concern,

21Tech does not own any vehicles, so we do not have insurance coverage for owned vehicles. In the event that 21Tech does purchase vehicles, we will add that insurance coverage to our policy.

Regards,

~~Brad Baker~~

Brad Baker  
Director of Sales  
21Tech, LLC

1390 Market Street, Suite 1202 San Francisco, CA 94102  
Tel: (415) 355-9096 Fax: (888) 715-0265  
Web: [www.21Tech.com](http://www.21Tech.com)



**FORM 3: HRC NON-DISCRIMINATION AFFIDAVIT**

1. I will ensure that my firm complies fully with the provisions of Chapter 14B of the San Francisco Administrative Code and its implementing Rules and Regulations and attest to the truth and accuracy of all information provided regarding such compliance.
2. Upon request, I will provide the HRC with copies of contracts, subcontract agreements, certified payroll records and other documents requested so the HRC may investigate claims of discrimination or non-compliance with either Chapter 12B or Chapter 14B.
3. I acknowledge and agree that any monetary penalty assessed against my firm by the Director of the Human Rights Commission shall be payable to the City and County of San Francisco upon demand. I further acknowledge and agree that any monetary penalty assessed may be withheld from any monies due to my firm on any contract with the City and County of San Francisco.
4. I declare and swear under penalty of perjury under the laws of the State of California that the foregoing statements are true and correct and accurately reflect my intentions.

Signature of Owner/Authorized Representative: \_\_\_\_\_

A handwritten signature in dark ink, appearing to read "Dilraj Kahai", written over a horizontal line.

Owner/Authorized Representative (Print) \_\_\_\_\_

Dilraj Kahai

Name of Firm (Print) \_\_\_\_\_

21Tech

Title and Position \_\_\_\_\_

Managing Member

Address, City, ZIP \_\_\_\_\_

1390 Market Street, Suite 1202, SF, CA 94102

Federal Employer Identification Number (FEIN): \_\_\_\_\_

94-3250301

Date: \_\_\_\_\_

1/14/2013

**City and County of San Francisco  
Office of Contract Administration  
Purchasing Division**

**First Amendment**

THIS AMENDMENT (this "Amendment") is made as of **March 3, 2014** in San Francisco, California, by and between **21Tech, LLC** ("Contractor"), and the **City and County of San Francisco**, a municipal corporation ("City"), acting by and through its Director of the Office of Contract Administration.

**RECITALS**

WHEREAS, City and Contractor have entered into the Agreement (as defined below); and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to increase the contract amount and expand the scope of the deliverables;

NOW, THEREFORE, Contractor and the City agree as follows:

**1. Definitions.** The following definitions shall apply to this Amendment:

**a. Agreement.** The term "Agreement" shall mean the Agreement dated June 18, 2013 between Contractor and City as amended by this first amendment dated March 3, 2014.

**b. Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

**2. Modifications to the Agreement.** The Agreement is hereby modified as follows:

**a. Section 4.** Section 4, "Services Contractor Agrees to Perform," currently reads as follows:

The Contractor agrees to perform the services provided for in Appendix A, "Description of Services," attached hereto and incorporated by reference as though fully set forth herein.

Such section is hereby amended in its entirety to read as follows:

The Contractor agrees to perform the services provided for in Appendix A, "Description of Services," and in Appendix A-3, "Change Requests," attached hereto and incorporated by reference as though fully set forth herein.

**b. Section 5.** Section 5, "Compensation of the Agreement," currently reads as follows:

Compensation shall be made according to payment schedule identified in the Statement of Work executed between City and Contractor, according to the billing events schedule described in Appendix A, as set forth in Section 4 of this Agreement that Treasurer, or his or her authorized representative, in his or her sole discretion, concludes has been performed. Sign-off of a deliverable by the Treasurer's authorized representative or use of any material produced as part of a deliverable in the implementation process or use in production is considered acceptance of that deliverable and obligates the City to pay for that deliverable when accompanied by an accompanying Contractor invoice. Each key deliverable will require a sign-off by the client manager on the project. The sign-off process should not take more than 5 business days without an acceptable reason for delay. The City will make a good faith attempt to pay all invoices within 30 days of billing. However, in no event shall City be liable for interest or late charges for any late payments made after such 30 days period. In no event shall the amount of this Agreement exceed **\$1,787,120**. The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by **the Office of the Treasurer & Tax Collector** as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

If City is more than 60 days in arrears on its payment obligation to Contractor, and Contractor has notified the City in writing after the City is more than 30 days in arrears on that payment obligation, Contractor may suspend Services hereunder until such time as City is current on its payment obligations.

Such section is hereby amended in its entirety to read as follows:

Compensation shall be made according to the payment schedule identified in **Appendix B, "Calculations for Professional Services," and in Appendix B-1, "Calculation of Charges – Change Requests,"** attached hereto and incorporated by reference as though fully set forth herein, for deliverables that Treasurer, or his or her authorized representative, in his or her sole discretion, concludes has been performed. Sign-off of a deliverable by the Treasurer's authorized representative or use of any material produced as part of a deliverable in the implementation process or use in production is considered acceptance of that deliverable and obligates the City to pay for that deliverable when accompanied by an accompanying Contractor invoice. Each key deliverable will require a sign-off by the client manager on the project. The sign-off process should not take more than 5 business days without an acceptable reason for delay. The City will make a good faith attempt to pay all invoices within 30 days of billing. However, in no event shall City be liable for interest or late charges for any late payments made after such 30 days period. In no event shall the amount of this Agreement exceed \$2,411,678. The breakdown of costs associated with this Agreement appears in Appendix B, "Calculations of Professional Services," and in Appendix B-1, "Calculation of Charges – Change Requests," attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports,

services, or both, required under this Agreement are received from Contractor and approved by the Office of the Treasurer & Tax Collector as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

If City is more than 60 days in arrears on its payment obligation to Contractor, and Contractor has notified the City in writing after the City is more than 30 days in arrears on that payment obligation, Contractor may suspend Services hereunder until such time as City is current on its payment obligations.

**c. Appendix A-3. Change Requests**

Appendix A-3 Change Requests is hereby added to the Agreement, as follows:

Appendix A-3

After initial discovery, the following items have been identified to be additions to the project scope and require change control.

1. Account Update: to support the “combined group” aspect of the Gross Receipts implementation, additional online features, including integration to Aumentum, are required to designate and communicate if entities are related. This will include the ability to add and remove members, add and remove filers, and modifications to existing functionality. This will also likely impact RG15 Kludge.

- **Milestone Deliverable 14**

- 14a. TTX Acceptance of Requirements for Account Update Functionality**
  - 14b. TTX Acceptance of Development for Account Update Functionality**
  - 14c. TTX Acceptance of Test for Account Update Functionality**
  - 14d. TTX Acceptance of Deployment for Account Update Functionality**

2. IMS: develop additional functionality to IMS web services to support queues. This is to allow TTX the ability to manually review submissions that meet specific criteria within Account Update. Given that combined reporting is in its first year, TTX will need a way to flag potential errors, conflicts, or follow-up accounts with respect to related entities.

- **Milestone Deliverable 14**

- 14a. TTX Acceptance of Requirements for IMS Functionality**
  - 14b. TTX Acceptance of Development for IMS Functionality**
  - 14c. TTX Acceptance of Test for IMS Functionality**
  - 14d. TTX Acceptance of Deployment for IMS Functionality**

3. FIS: TTX must support business tax payment via the web. A separate third party tool kit is required to interface with the online forms to satisfy TTX’s requirement. FIS is a third party online payment processor that can be integrated with Wausau and the online forms.

- **Milestone Deliverable 14**

- 14a. TTX Acceptance of Requirements for FIS Functionality**

- 14b TTX Acceptance of Development for FIS Functionality**
- 14c TTX Acceptance of Test for FIS Functionality**
- 14d TTX Acceptance of Deployment for FIS Functionality**

4. Administrative Office Tax: as part of the Gross Receipts tax implementation, certain filers pay an Administrative Office Tax in lieu of the Payroll Expense Tax and Gross Receipts Tax. An additional online application – eligibility, form logic, and integration with FIS and Aumentum housed within the overall Gross Receipts filing will be created.

- **Milestone Deliverable 15**

- 15a. TTX Acceptance of Requirements for Administrative Office Tax**
- 15b TTX Acceptance of Development for Administrative Office Tax**
- 15c TTX Acceptance of Test for Administrative Office Tax**
- 15d TTX Acceptance of Deployment for Administrative Office Tax**

5. UAT III: to ensure proper testing of a completely new tax, as well as accommodate any unforeseen scenarios or requirements, a third round of user acceptance testing (UAT), consisting of 23 days, is needed to allow TTX to fully test the end-to-end solution.

- **Milestone Deliverable 15c**

- 15c. TTX Acceptance of UAT III**

6. LICA Conversion: unified licensing, or the ability to generate a consolidated bill in Aumentum, is a dependency for converting LICA data (licenses). As such, the conversion will take place upon rollout of unified licensing functionality in the May 2014 time frame. While existing scripts can be leveraged to execute the conversion, due to the nature of migrating data into a production environment, comprehensive testing must occur in order to mitigate any potential negative impact. A minimum of three conversion test cycles will be run to ensure proper migration.

- **Milestone Deliverable 15**

- 15a. TTX Acceptance of Requirements for LICA Conversion**
- 15b TTX Acceptance of Development for LICA Conversion**
- 15c TTX Acceptance of Test for LICA Conversion**
- 15d TTX Acceptance of Deployment for LICA Conversion**

All requests as outlined above will require additional analysis, requirements gathering, development, testing (unit, systems integration, user acceptance), and project management. The tasks for these efforts will be incorporated into the Gross Receipts project plan.  
Rate: \$165 per hour

#	Module	Estimated Cost
1	Account Update	\$126,720
2	IMS	\$68,640



3	FIS	\$66,198
4	Administrative Office	\$69,960
5	UAT III	\$155,760
6	LICA Conversion	\$137,280
	<b>Total</b>	<b>\$624,558</b>

**d. Appendix B-1. Calculation of Charges – Change Requests**

Appendix B-1 Calculation of Charges – Change Requests is hereby added to the Agreement as follows:

Appendix B-1

<b>Milestone Number</b>	<b>Key Deliverables</b>	<b>Due Date</b>	<b>Payment Amount</b>
14a	a. Requirements Acceptance i. Account Update ii. IMS iii. FIS	Mar-14	\$ 78,069
14b	b. Development i. Account Update ii. IMS iii. FIS	Mar-14	\$ 78,070
14c	c. Test i. Account Update ii. IMS iii. FIS	Mar-14	\$ 78,070
14d	d. Deployment i. Account Update ii. IMS iii. FIS	May-14	\$ 78,070
15a	a. Requirements Acceptance i. Administrative Office Tax ii. LICA Conversion	Mar-14	\$ 78,070
15b	b. Development i. Administrative Office Tax ii. LICA Conversion	Apr-14	\$ 78,070
15c	c. Test i. Administrative Office Tax ii. UAT III	June-14	\$ 78,070

	iii. LICA Conversion		
15d	d. Deployment		
	i. Administrative Office Tax	Sept-14	\$ 78,070
	ii. LICA Conversion		
	<b>Total</b>		\$ 624,558

**3. Effective Date.** Each of the modifications set forth in Section 2 shall be effective on and after **the date of this Amendment.**

**4. Legal Effect.** Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and City have executed this Amendment as of the date first referenced above.

**CITY**

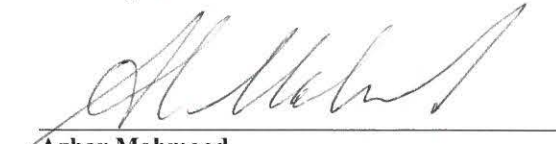
Recommended by:



Pauline Marx  
Chief Assistant Treasurer  
Office of the Treasurer & Tax Collector

**CONTRACTOR**

**21Tech, LLC**



Azhar Mahmood  
Managing Member  
1390 Market Street, Suite 1202  
San Francisco, CA 94102

City vendor number: 37769

Approved as to Form:

Dennis J. Herrera  
City Attorney

By:



Scott M. Reiber  
Deputy City Attorney

Approved:



Jaci Fong  
Director of the Office of Contract  
Administration, and Purchaser

**City and County of San Francisco  
Office of Contract Administration  
Purchasing Division**

**Second Amendment**

THIS AMENDMENT (this "Amendment") is made as of **March 1, 2015** in San Francisco, California, by and between **21Tech, LLC** ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Director of the Office of Contract Administration.

**RECITALS**

WHEREAS, City and Contractor have entered into the Agreement (as defined below); and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to increase the contract amount, expand the scope of the deliverables, and update standard contractual provisions;

NOW, THEREFORE, Contractor and the City agree as follows:

**1. Definitions.** The following definitions shall apply to this Amendment:

- a. **Agreement.** The term "Agreement" shall mean the Agreement dated June 18, 2013 between Contractor and City as amended by the First Amendment, dated March 3, 2014.
- b. **Contract Monitoring Division.** Effective July 28, 2012, with the exception of Sections 14B.9(D) and 14B.17(F), all of the duties and functions of the Human Rights Commission under Chapter 14B of the Administrative Code (LBE Ordinance) were transferred to the City Administrator, Contract Monitoring Division ("CMD"). Wherever "Human Rights Commission" or "HRC" appears in the Agreement in reference to Chapter 14B of the Administrative Code or its implementing Rules and Regulations, it shall be construed to mean "Contract Monitoring Division" or "CMD" respectively.
- c. **Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

**2. Modifications to the Agreement.** The Agreement is hereby modified as follows:

- a. **Section 4.** Section 4, "Services Contractor Agrees to Perform," of the Agreement currently reads as follows:

**4. Services Contractor Agrees to Perform.** The Contractor agrees to perform the services provided for in Appendix A, "Description of Services," and in Appendix A-3, "Change Requests," attached hereto and incorporated by reference as though fully set forth herein.

**Such section is hereby amended in its entirety to read as follows:**

**4. Services Contractor Agrees to Perform.** The Contractor agrees to perform the services provided for in Appendices A, "Description of Services," A-3, "Change Requests," and A-4, "Change Requests 7, 9, 10, and 11," attached hereto and incorporated by reference as though fully set forth herein.

- b. **Section 5.** Section 5, "Compensation of the Agreement," currently reads as follows:

**5. Compensation.** Compensation shall be made according to the payment schedule identified in **Appendix B, "Calculations for Professional Services," and in Appendix B-1, "Calculation of Charges – Change Requests,"** attached hereto and incorporated by reference as though fully set forth herein, for deliverables that Treasurer, or his or her authorized representative, in his or her sole discretion, concludes has been performed. Sign-off of a deliverable by the Treasurer's authorized representative or use of any material produced as part of a deliverable in the implementation process or use in production is considered acceptance of that deliverable and obligates the City to pay for that deliverable when accompanied by an accompanying Contractor invoice. Each key deliverable will require a sign-off by the client manager on the project. The sign-off process should not take more than 5 business days without an acceptable reason for delay. The City will make a good faith attempt to pay all invoices within 30 days of billing. However, in no event shall City be liable for interest or late charges for any late payments made after such 30 days period. In no event shall the amount of this Agreement exceed \$2,411,678. The breakdown of costs associated with this Agreement appears in Appendix B, "Calculations of Professional services," and in Appendix B-1, "Calculation of Charges – Change Requests," attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Office of the Treasurer & Tax Collector as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

If City is more than 60 days in arrears on its payment obligation to Contractor, and Contractor has notified the City in writing after the City is more than 30 days in arrears on that payment obligation, Contractor may suspend Services hereunder until such time as City is current on its payment obligations.

**Such section is hereby amended in its entirety to read as follows:**

**5. Compensation.** Compensation shall be made according to the payment schedule identified in **Appendices B, "Calculations for Professional Services," B-1, "Calculation of Charges – Change Requests," and B-2, "Calculation of Charges - Change Requests 7, 9, 10, and 11,"** attached hereto and incorporated by reference as though fully set forth herein, for deliverables that Treasurer, or his or her authorized representative, in his or her sole discretion, concludes have been performed. Sign-off of a deliverable by the Treasurer's authorized representative or



use of any material produced as part of a deliverable in the implementation process or use in production is considered acceptance of that deliverable and obligates the City to pay for that deliverable when accompanied by an accompanying Contractor invoice. Each key deliverable will require a sign-off by the client manager on the project. The sign-off process should not take more than 5 business days without an acceptable reason for delay. The City will make a good faith attempt to pay all invoices within 30 days of billing. However, in no event shall City be liable for interest or late charges for any late payments made after such 30-day period. In no event shall the amount of this Agreement exceed \$2,835,926. The breakdown of costs associated with this Agreement appears in Appendices B, "Calculations of Professional Services," B-1, "Calculation of Charges – Change Requests," and B-2, "Calculation of Charges - Change Requests 7, 9, 10, and 11," attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Office of the Treasurer & Tax Collector as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

If City is more than 60 days in arrears on its payment obligation to Contractor, and Contractor has notified the City in writing after the City is more than 30 days in arrears on that payment obligation, Contractor may suspend Services hereunder until such time as City is current on its payment obligations.

c. **Insurance.** Section 15 is hereby replaced in its entirety to read as follows:

**15. Insurance.**

a. Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

1) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident, injury, or illness; and

2) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence and \$2,000,000 general aggregate for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and

3) Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence, "Combined Single Limit" for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

4) Professional liability insurance, applicable to Contractor's profession, with limits not less than \$1,000,000 each claim with respect to negligent acts, errors or omissions in connection with the Services.

5) Technology Errors and Omissions Liability coverage, with limits of \$1,000,000 each occurrence and each loss, and \$2,000,000 general aggregate. The policy



shall at a minimum cover professional misconduct or lack of the requisite skill required for the performance of services defined in the contract and shall also provide coverage for the following risks:

(a) Liability arising from theft, dissemination, and/or use of confidential information, including but not limited to, bank and credit card account information or personal information, such as name, address, social security numbers, protected health information or other personally identifying information, stored or transmitted in electronic form;

(b) Network security liability arising from the unauthorized access to, use of, or tampering with computers or computer systems, including hacker attacks; and

(c) Liability arising from the introduction of any form of malicious software including computer viruses into, or otherwise causing damage to the City's or third person's computer, computer system, network, or similar computer related property and the data, software, and programs thereon.

b. Commercial General Liability and Commercial Automobile Liability Insurance policies must be endorsed to provide:

1) Name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

c. All policies shall be endorsed to provide thirty (30) days' advance written notice to the City of cancellation for any reason, intended non-renewal, or reduction in coverages. Notices shall be sent to the City address set forth in the Section entitled "Notices to the Parties."

d. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

e. Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

f. Before commencing any Services, Contractor shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth

above. Approval of the insurance by City shall not relieve or decrease Contractor's liability hereunder.

g. The Workers' Compensation policy(ies) shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Contractor, its employees, agents and subcontractors.

h. If Contractor will use any subcontractor(s) to provide Services, Contractor shall require the subcontractor(s) to provide all necessary insurance and to name the City and County of San Francisco, its officers, agents and employees and the Contractor as additional insureds.

d. **Appendix A-4, Change Requests 7, 9, 10 and 11.** Appendix A-4, "Change Requests 7, 9, 10 and 11," is hereby added to the Agreement as follows:

#### **Appendix A-4 Change Requests 7, 9, 10, and 11**

##### **Change Order: Gross Receipts 07**

##### **Description of Changes Being Requested:**

1. The logic for the annual filing needs to change. The 80/20 rule for the Gross Receipts Tax computation should be applied at the code section level or tax rate table level, not at the activity level.
2. For Account Update, location changes will not be passed to Aumentum directly and will instead be pulled from IMS (our workflow tracking software) for eventual manual entry into Aumentum. Additionally, the public facing site (non-data entry) will only allow taxpayers to modify their related entity structure – disabling Locations, Mailing Address, and Close Business functions.
3. Quarterly Installments for Quarter 1 will be housed in SQL-only and require data migration activities when Aumentum is in production.
4. Business registration renewal for the fiscal year ending June 30, 2015 ("RG15") will be housed in SQL-only (as contingency) and require data migration activities when Aumentum is in production.
5. Account Update will be housed in SQL-only (as contingency) and require data migration activities when Aumentum is in production.
6. The Gross Receipts Annual Filing must be subjected to load and stress testing.
7. The pages titled Online EZ Eligibility & Online EZ must be edited to add the question "Are you a lessor of residential real estate?" and request the number of units for a lessor of residential real estate. The logic must be updated to provide a small business exemption to lessors of residential real estate with fewer than four units rented.



8. For the page titled "Calculation of Gross Receipts," columns and rows that are not applicable will be greyed out and texture will be added.
9. Add an explanation of the application of Code section 953.9 ("80/20") on the page titled "Calculation of Gross Receipts Tax."
10. Build in logic so the small business exemption of \$1,000,000 is applied through \$1,000,000 on the page titled "Calculation of Gross Receipts Tax."
11. Build in logic for message and functionality to allow the taxpayer to file "0" taxes owed for Gross Receipts.

**Recommended Solution:**

1. Modify 80/20 logic per TTX requirements.
2. Ensure database from Account Update to IMS is accessible and do not call Account Update application program interface ("API") for location changes from the online application. Disable the necessary modules for the public facing site.
3. Store all Quarter 1 data in SQL and prepare procedures to migrate data into Aumentum.
4. Store all RG15 data in SQL and prepare procedures to migrate data into Aumentum.
5. Store all Account Update data in SQL and prepare procedures to migrate data into Aumentum.
6. Use performance analysis tools to execute load and stress testing for the web application based on the projected volume of users for the Gross Receipts Tax annual filing.
7. Edit the pages titled Online EZ Eligibility add the question "Are you a lessor of residential real estate?" A "yes" will send to an Online EZ display that will request the number of units for a lessor of residential real estate. The Online EZ display for lessors of residential real estate will have logic for a small business exemption for lessors of residential real estate with fewer than four units rented.
8. For the page titled "Calculation of Gross Receipts," the columns and rows that are not available will have grey and texture added to replace the white space currently in place.
9. Add an explanation of the application of Code section 953.9 ("80/20") on the page titled "Calculation of Gross Receipts Tax." The text shall be: Because more than 80 percent of your San Francisco gross receipts are derived from business activities in

one of Code sections 953.1 through 953.7, your gross receipts have all been combined into the rate category for that Code section pursuant to Code section 953.9(a).

10. Build in logic so the small business exemption of \$1,000,000 is applied through \$1,000,000 on the page titled "Calculation of Gross Receipts Tax."
11. Build in logic for message and functionality to allow the taxpayer to file "0" taxes owed for gross receipts.

#### **High Level Risk Assessment:**

1. Code logic and subsequent testing will need to be re-assessed, but because the change is being communicated early risk can be mitigated.
2. Renewed focus and testing of the IMS integration will need to occur.
3. Because year one of the Gross Receipts Tax does not have penalty and interest assessments automatically applied through the online application, the timing of migration into Aumentum is less pertinent, instead, the risk lies within the migration itself to Aumentum.
4. Due to the volume of RG15 filings and the undetermined period of time in which RG15 may be in contingency, any migration leveraging a relatively new API will be a high risk factor.
5. The period of time to migrate data will require evaluation. Additionally, isolating single versus combined groups may help mitigate risk considering the latter is where the complexity resides.
6. Considerable data is being captured in the online application and load/stress testing will help alleviate performance bottlenecks that may disrupt the online filing.
7. Gross Receipts filing code logic and subsequent testing effort will need to be re-assessed to incorporate this requirement, but because the change is being communicated early risk can be mitigated.
8. Modify long form code logic. Subsequent testing will be required to ensure requirements have been completed. Since this change is being communicated early, risk can be mitigated.
9. Modify long form code logic. Subsequent testing will be required to ensure requirements have been completed. Since this change is being communicated early, risk can be mitigated.

10. Modify long form code logic. Subsequent testing will be required to ensure requirements have been completed. Since this change is being communicated early, risk can be mitigated.
11. Modify long form code logic. Subsequent testing will be required to ensure requirements have been completed. Since this change is being communicated early, risk can be mitigated.

**Technical Assessment Impact:**

1. Code logic will be altered to support the new requirement.
2. Reduces complexity for the online filing. However, testing of the API calls will still occur in the event a location change is in fact required.
3. Authentication and migration procedures are two key components that will need modification to accommodate this change.
4. RG15 will require additional development to leverage SQL-data instead of querying Aumentum for combined groups, with the ability to switch to Aumentum upon production launch. Additional procedures to catch failed API attempts upon migration will also be needed.
5. Account Update will require additional development to leverage SQL-data instead of querying Aumentum for combined groups, with the ability to switch to Aumentum upon production launch. Additional procedures to catch failed API attempts upon migration will also be needed.
6. Application code and database performance will be evaluated for improvements, tweaks, and optimization using performance tools.
7. Gross Receipts Tax filing code logic will be altered to support the requirement.
8. Long form logic will be modified to support the new requirement.
9. Long form logic will be modified to support the new requirement.
10. Long form logic will be modified to support the new requirement.
11. Long form logic will be modified to support the new requirement.

**Project Assessment Impact:**

1. Requirements, development, and testing must be added and/or modified to accommodate this change. The schedule will be re-evaluated upon approval of the change request.

2. N/A
3. Window to push data will need to be determined.
4. Window to push data will need to be determined.
5. Window to push data will need to be determined.
6. Load testing should be executed after “soft acceptance” of the application (to ensure the code being tested is accurate). An additional user acceptance testing (“UAT”) cycle should occur after the load testing if code re-factoring should occur to ensure functionality and logic remain the same prior to and after load testing.
7. The new requirements, development effort, and testing must be appended to the existing requirements to accommodate this change. The schedule will be re-evaluated upon approval of the change request.
8. Since the requirements are being communicated early, the project is not at risk of delay.
9. Since the requirements are being communicated early, the project is not at risk of delay.
10. Since the requirements are being communicated early, the project is not at risk of delay.
11. Since the requirements are being communicated early, the project is not at risk of delay.

**Cost breakdown is based on the following:**

<b>Total Estimated Costs</b>	Requirements	\$	32,835
	Development	\$	32,835
	Test	\$	32,835
	Deploy	<u>\$</u>	<u>32,835</u>
	Total Cost	\$	131,340
	Total Effort in Days		49.75 Days



Equally divided and due at the completion and acceptance of each of these four phases/items:

<b>Payment Terms</b>	Requirements	\$	32,835
	Development	\$	32,835
	Test	\$	32,835
	Deploy	\$	32,835

### **Change Order: Gross Receipts 09**

#### **Description of Changes Being Requested:**

Supplemental Conversion of accounts from the legacy business tax system ("BTS") into Aumentum 10.00.05. This is a post production conversion based on revised requirements.

**Requirements:** Bring over all accounts based on the following criteria (applicable only to accounts that were not included in the initial conversion):

1. Accounts are not closed
2. Payments were received within the last three years

#### **Effort Planning:**

1. Understand 10.00.05 conversion platform.
2. Develop / Modify existing 9.00.04 scripts to convert in to 10.00.05.
3. Test conversion – 1 cycle.
4. Production supplemental conversion in to Conv-02b with 10.00.05.

#### **21Tech Plan of Work:**

21Tech will work with Thomson Reuters as needed on getting these accounts into Aumentum as soon as possible. As discussed, 21Tech will create a full empty shell for each account by performing the following tasks:

1. Create the accounts.
2. Add Locations for the account.
3. Add demographics for the account.

In addition TTX agrees 21Tech will NOT perform the following tasks:

4. Associate Tax Types.
5. Associate RG15.
6. Post financials related data to the accounts.

**Project Assessment Impact:**

1. This is a post implementation supplemental conversion requirement. 21Tech conversion scripts were built on 9.00.04. The scripts will be revised and reviewed and tested in a test environment with Aumentum 10.00.05.

**Contractual Assessment:**

Does not impact Go-live with 10.00.05.

**Cost breakdown is based on the following:**

<b>Total Estimated Costs</b>	Requirements	\$	7,722
	Development	\$	7,722
	Test	\$	7,722
	Deploy	\$	<u>7,722</u>
	Total Cost	\$	30,888
	Total Effort in Days		13 Days

Equally divided and due at the completion and acceptance of each of these four phases/items:

<b>Payment Terms</b>	Requirements	\$	7,722
	Development	\$	7,722
	Test	\$	7,722
	Deploy	\$	7,722

**Change Order: Gross Receipts 10****Description of Changes being Requested:****1. Business Identification:**

- Remove all validations on Question #2. This is applicable to Filer, Member, and Single.

**2. Administrative Office Business Activities – A:**

- Change the Quarterly Installments to a text box, which should allow only positive digits with two decimal points.

### **3. Credits & Exclusions Eligibility – B:**

- For Filer:
  - o If user selects any of the available options, show a message next to the Save & Continue button and show a button to exit the application.
  - o For this type of tax payers, the application would treat that the tax filing as not completed.
- For a Member and Single:
  - o If the user selects any option other than EZ Credit from the available credits and exclusion list, show a message next to the Save & Continue button and show a button to exit the application.
  - o If the user selects ONLY “EZ,” then let the user pass through and claim the EZ Credit.
    - If only EZ is selected, allow the user to enter values using the existing spreadsheet method.

### **4. Stock-Based Compensation Exclusion Worksheet - C1:**

- Remove this page from the application.

### **5. Payroll Expense Tax Filing - C2:**

- Redo the entire page to make it calculate and visible by entity – mockups reflect functionality.

### **6. Identification of Related Entities Business Activities – F**

- Activity not listed should ask for the activities (140 characters) and save the same in the database. This description will not be used within the filing.

### **7. Calculation of Gross Receipts - H:**

- Remove questions 10 & 13 from all the business activities.
- Question B should sum up the answers to questions 10 to 16.
- Except Construction, remove Question E from all activities as  $E = D$  for all others. For all other activities except Construction, Question D should be used for calculations.
- Each business activity should have at least one question answered. All numbers in the activity cannot be “\$0.”

- Long Form Tier 2 must have different tier limits for the activity “Real Estate and Rental and Leasing Services.” Tier 2 limits for this activity will be \$1M - \$5M. Tier 3 limits will also change to \$5M - \$25M. All other activities should remain as is (\$1M – \$2.5M for tier 2, \$2.5M - \$25M for tier 3).
- For Form EZ / EZ for Lessor – “Real Estate and Rental and Leasing Services” activity:
  - o Line 5 on the form needs to go from \$1 to 5 million.
  - o Line 7 on the form needs to go from \$5 to 25 million.

#### **8. Applicable Credits and Central Market Street Limit - L:**

- Remove this page from the application.

#### **9. Obligation Summary – M:**

- Under Payroll Expense 2014 Tax Summary, remove 1 and 2C, 2B, and 2A.
- Calculate “Total Payroll Expense Tax After Surplus Credits” as row #7 from “Payroll Expense Tax Filing - C2.”
- EZ credit should show for all users (filer, member, single), but will be blank for filer and will have amounts if entered for member / single entity.

#### **Project Assessment Impact**

Requirements, development, and testing must be added and/or modified to accommodate these changes. The schedule will be re-evaluated upon approval of the change request.

#### **Contractual Assessment**

N/A

**Cost breakdown is based on the following:**

<b>Total Estimated Costs</b>	Requirements	\$	15,510
	Development	\$	15,510
	Test	\$	15,510
	Deploy	<u>\$</u>	<u>15,510</u>

	Total Cost	\$	62,040
	Total Effort in Days		37.6 Days
<b>Payment Terms</b>	Requirements	\$	15,510
	Development	\$	15,510
	Test	\$	15,510
	Deploy	\$	15,510

### **Change Order: Gross Receipts 11**

#### **Description of Change Being Requested:**

This piece of the change order covers a range of small projects across many elements of the Agreement that are grouped together for convenience by agreement of both parties.

- **Changes To Existing Online Forms (45)**  
Any changes to the existing production forms to accommodate production requests.
- **Quarterly Installments Application Update for 2015**  
Since 2014 was the first time quarterly installments were introduced for Payroll Expense and Gross Receipts Tax, for 2015 there will be further changes to refine and redefine how the quarterly installments will be taxed.
- **RG2016 Application Update**  
For 2015, TTX did a Kludge for the registration renewal. For 2016, there will be other changes to the online tax form for registration renewal.
- **Requirements For 2015 Annual Tax Form Gross Receipts + Payroll Expense**  
With the Gross Receipts Tax being introduced in 2014, there will be a lot of refinements needed for the 2015 annual form for Payroll Expense Tax and Gross Receipts Tax. This work effort covers the requirements gathering for those changes needed to the tax form.

#### **High Level Risk Assessment:**

N/A



**Project Assessment Impact:**

N/A

**Contractual Assessment:**

N/A

**Cost breakdown is based on the following:**

<b>Total Estimated Costs</b>	Requirements	\$	49,995
	Development	\$	49,995
	Test	\$	49,995
	Deploy	<u>\$</u>	<u>49,995</u>
	Total Cost	\$	199,980
	Total Effort in Days		151.6 @ 1 FTE

Equally divided and due at the completion and acceptance of each of these four phases/items:

<b>Payment Terms</b>	Requirements	\$	49,995
	Development	\$	49,995
	Test	\$	49,995
	Deploy	\$	49,995

**e. Appendix B-2. Calculation of Charges – Change Requests 7, 9, 10, and 11.**  
Appendix B-2, “Calculation of Charges – Change Requests 7, 9, 10, and 11,” is hereby added to the Agreement as follows:

**Appendix B-2 Calculation of Charges – Change Requests 7, 9, 10, and 11**

All project activities to be performed on a deliverables basis by 21Tech Technical Consultants, with summary costs as follows:

Tasks/ Resource	Deliverable Total	
Gross Receipts Change Order 07		
Requirements	\$	32,835
Development	\$	32,835
Test	\$	32,835
Deploy	\$	32,835
Resource Total	\$	131,340
Gross Receipts Change Order 09		
Requirements	\$	7,722
Development	\$	7,722
Test	\$	7,722
Deploy	\$	7,722
Resource Total	\$	30,888
Gross Receipts Change Order 10		
Requirements	\$	15,510
Development	\$	15,510
Test	\$	15,510
Deploy	\$	15,510
Resource Total	\$	62,040
Gross Receipts Change Order 11		
Requirements	\$	49,995
Development	\$	49,995
Test	\$	49,995
Deploy	\$	49,995
Resource Total	\$	199,980
Gross Receipts Change Order 07, 09, 10, 11 Total	\$	424,248

f. Replacing “Earned Income Credit (EIC) Forms” Section with “Consideration of Criminal History in Hiring and Employment Decisions” Section. Section 32, “Earned Income Credit (EIC) Forms,” is hereby replaced in its entirety to read as follows:



## **32. Consideration of Criminal History in Hiring and Employment Decisions.**

a. Contractor agrees to comply fully with and be bound by all of the provisions of Chapter 12T "City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions," of the San Francisco Administrative Code (Chapter 12T), including the remedies provided, and implementing regulations, as may be amended from time to time. The provisions of Chapter 12T are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the Chapter 12T is available on the web at [www.sfgov.org/olse/fco](http://www.sfgov.org/olse/fco). A partial listing of some of Contractor's obligations under Chapter 12T is set forth in this Section. Contractor is required to comply with all of the applicable provisions of 12T, irrespective of the listing of obligations in this Section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12T.

b. The requirements of Chapter 12T shall only apply to a Contractor's or Subcontractor's operations to the extent those operations are in furtherance of the performance of this Agreement, shall apply only to applicants and employees who would be or are performing work in furtherance of this Agreement, shall apply only when the physical location of the employment or prospective employment of an individual is wholly or substantially within the City of San Francisco, and shall not apply when the application in a particular context would conflict with federal or state law or with a requirement of a government agency implementing federal or state law.

c. Contractor shall incorporate by reference in all subcontracts the provisions of Chapter 12T, and shall require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

d. Contractor or Subcontractor shall not inquire about, require disclosure of, or if such information is received, base an Adverse Action on an applicant's or potential applicant for employment's, or employee's: (1) Arrest not leading to a Conviction, unless the Arrest is undergoing an active pending criminal investigation or trial that has not yet been resolved; (2) participation in or completion of a diversion or a deferral of judgment program; (3) a Conviction that has been judicially dismissed, expunged, voided, invalidated, or otherwise rendered inoperative; (4) a Conviction or any other adjudication in the juvenile justice system; (5) a Conviction that is more than seven years old, from the date of sentencing; or (6) information pertaining to an offense other than a felony or misdemeanor, such as an infraction.

e. Contractor or Subcontractor shall not inquire about or require applicants, potential applicants for employment, or employees to disclose on any employment application the facts or details of any conviction history, unresolved arrest, or any matter identified in subsection 32, above. Contractor or Subcontractor shall not require such disclosure or make such inquiry until either after the first live interview with the person, or after a conditional offer of employment.

f. Contractor or Subcontractor shall state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment to be performed under this Agreement, that the Contractor or Subcontractor will

consider for employment qualified applicants with criminal histories in a manner consistent with the requirements of Chapter 12T.

g. Contractor and Subcontractors shall post the notice prepared by the Office of Labor Standards Enforcement (OLSE), available on OLSE's website, in a conspicuous place at every workplace, job site, or other location under the Contractor or Subcontractor's control at which work is being done or will be done in furtherance of the performance of this Agreement. The notice shall be posted in English, Spanish, Chinese, and any language spoken by at least 5% of the employees at the workplace, job site, or other location at which it is posted.

h. Contractor understands and agrees that if it fails to comply with the requirements of Chapter 12T, the City shall have the right to pursue any rights or remedies available under Chapter 12T, including but not limited to, a penalty of \$50 for a second violation and \$100 for a subsequent violation for each employee, applicant or other person as to whom a violation occurred or continued, termination or suspension in whole or in part of this Agreement.

**3. Effective Date.** Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.

**4. Legal Effect.** Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

**CITY**

Recommended by:



Pauline Marx  
Chief Assistant Treasurer  
Office of the Treasurer & Tax Collector

Approved as to Form:

Dennis J. Herrera  
City Attorney

By:



Scott M. Reiber  
Deputy City Attorney

Approved:

  
Jaci Fong

Jaci Fong  
Director of the Office of Contract  
Administration, and Purchaser

**CONTRACTOR**

**21Tech, LLC**



**Azhar Mahmood**  
**Managing Member**  
**1390 Market Street, Suite 1202**  
**San Francisco, CA 94102**

City vendor number: **37769**

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15 MAR 18 PM 3:52

**City and County of San Francisco  
Office of Contract Administration  
Purchasing Division**

**Third Amendment**

THIS AMENDMENT (this "Amendment") is made as of 7/28/15, in San Francisco, California, by and between 21Tech, LLC ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Director of the Office of Contract Administration.

**RECITALS**

WHEREAS, City and Contractor have entered into the Agreement (as defined below); and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to increase the contract amount and expand the deliverables;

NOW, THEREFORE, Contractor and the City agree as follows:

**1. Definitions.** The following definitions shall apply to this Amendment:

**1a. Agreement.** The term "Agreement" shall mean the Agreement dated June 18, 2013, between Contractor and City, as amended by the:

First Amendment,	dated March 3, 2014, and
Second Amendment,	dated March 1, 2015.

**1b. Contract Monitoring Division.** Effective July 28, 2012, with the exception of Sections 14B.9(D) and 14B.17(F), all of the duties and functions of the Human Rights Commission under Chapter 14B of the Administrative Code (LBE Ordinance) were transferred to the City Administrator, Contract Monitoring Division ("CMD"). Wherever "Human Rights Commission" or "HRC" appears in the Agreement in reference to Chapter 14B of the Administrative Code or its implementing Rules and Regulations, it shall be construed to mean "Contract Monitoring Division" or "CMD" respectively.

**1c. Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

**2. Modifications to the Agreement.** The Agreement is hereby modified as follows:

**2a. Section 4.** Section 4, "Services Contractor Agrees to Perform," of the Agreement currently reads as follows:

**4. Services Contractor Agrees to Perform.** The Contractor agrees to perform the services provided for in Appendices A, "Description of Services," A-3, "Change Requests," and A-4, "Change Requests 7, 9, 10, and 11," attached hereto and incorporated by reference as though fully set forth herein.

**Such section is hereby amended in its entirety to read as follows:**

**4. Services Contractor Agrees to Perform.** The Contractor agrees to perform the services provided for in Appendices A, "Description of Services," A-3, "Change Requests," A-4, "Change Requests 7, 9, 10, and 11," and A-5, "Scope of Work for Online Applications for Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Filing, Quarterly Filing, and Business Registration Renewal" attached hereto and incorporated by reference as though fully set forth herein.

**2b. Section 5.** Section 5, "Compensation," of the Agreement currently reads as follows:

**5. Compensation.** Compensation shall be made according to the payment schedule identified in **Appendices B, "Calculations for Professional Services," B-1, "Calculation of Charges – Change Requests," and B-2, "Calculation of Charges - Change Requests 7, 9, 10, and 11,"** attached hereto and incorporated by reference as though fully set forth herein, for deliverables that Treasurer, or his or her authorized representative, in his or her sole discretion, concludes have been performed. Sign-off of a deliverable by the Treasurer's authorized representative or use of any material produced as part of a deliverable in the implementation process or use in production is considered acceptance of that deliverable and obligates the City to pay for that deliverable when accompanied by an accompanying Contractor invoice. Each key deliverable will require a sign-off by the client manager on the project. The sign-off process should not take more than 5 business days without an acceptable reason for delay. The City will make a good faith attempt to pay all invoices within 30 days of billing. However, in no event shall City be liable for interest or late charges for any late payments made after such 30-day period. In no event shall the amount of this Agreement exceed \$2,835,926. The breakdown of costs associated with this Agreement appears in Appendices B, "Calculations of Professional Services," B-1, "Calculation of Charges – Change Requests," and B-2, "Calculation of Charges - Change Requests 7, 9, 10, and 11," attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Office of the Treasurer & Tax Collector as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

If City is more than 60 days in arrears on its payment obligation to Contractor, and Contractor has notified the City in writing after the City is more than 30 days in arrears on that payment obligation, Contractor may suspend Services hereunder until such time as City is current on its payment obligations.



**Such section is hereby amended in its entirety to read as follows:**

**5. Compensation.** Compensation shall be made according to the payment schedule identified in **Appendices B “Calculations for Professional Services,” B-1 “Calculation of Charges – Change Requests,” B-2 “Calculation of Charges - Change Requests 7, 9, 10, and 11,” and B-3 “Calculation of Charges,”** attached hereto and incorporated by reference as though fully set forth herein, for deliverables that Treasurer, or his or her authorized representative, in his or her sole discretion, concludes have been performed. Sign-off of a deliverable by the Treasurer’s authorized representative or use of any material produced as part of a deliverable in the implementation process or use in production is considered acceptance of that deliverable and obligates the City to pay for that deliverable when accompanied by an accompanying Contractor invoice. Each key deliverable will require a sign-off by the client manager on the project. The sign-off process should not take more than 5 business days without an acceptable reason for delay. The City will make a good faith attempt to pay all invoices within 30 days of billing. However, in no event shall City be liable for interest or late charges for any late payments made after such 30-day period. In no event shall the amount of this Agreement exceed \$3,729,525. The breakdown of costs associated with this Agreement appears in **Appendices B “Calculations of Professional Services,” B-1 “Calculation of Charges – Change Requests,” B-2 “Calculation of Charges - Change Requests 7, 9, 10, and 11,” and B-3 “Calculation of Charges,”** attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Office of the Treasurer & Tax Collector as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

If City is more than 60 days in arrears on its payment obligation to Contractor, and Contractor has notified the City in writing after the City is more than 30 days in arrears on that payment obligation, Contractor may suspend Services hereunder until such time as City is current on its payment obligations.

**2c. Appendix A-5.** Appendix A-5, “Scope of Work for Online Applications for Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Filing, Quarterly Filing, and Business Registration Renewal,” attached, is hereby added to the Agreement.

**2d. Appendix B-3.** Appendix B-3, “Calculation of Charges,” attached, is hereby added to the Agreement.

\*

**3. Effective Date.** Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.

**4. Legal Effect.** Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.



IN WITNESS WHEREOF, Contractor and City have executed this Amendment as of the date first referenced above.

CITY

CONTRACTOR

Recommended by:

21Tech, LLC



Pauline Marx  
Chief Assistant Treasurer  
Office of the Treasurer & Tax Collector

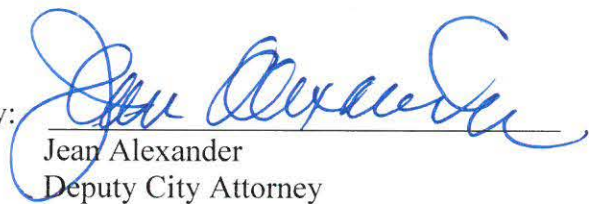


Azhar Mahmood  
Managing Member  
1390 Market Street, Suite 1202  
San Francisco, CA 94102

City vendor number: 37769

Approved as to Form:

Dennis J. Herrera  
City Attorney

By: 

Jean Alexander  
Deputy City Attorney

Approved:



**FOR** Jaci Fong  
Director of the Office of Contract  
Administration, and Purchaser

## **Appendix A-5**

### **Scope of Work for Online Applications for Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Filing, Quarterly Filing, and Business Registration Renewal**

#### **1. Project Description**

The voters of the City and County of San Francisco adopted Proposition E in the November 2012 election, which instituted a gross receipts tax, increased business registration fees, and established a methodology for adjusting gross receipts tax rates and the payroll expense tax rate over the course of a five year period, commencing January 1, 2014.

The Office of the Treasurer & Tax Collector (“TTX”) has previously engaged 21Tech, LLC (“Contractor”) to build online forms and databases to facilitate taxpayer submission of tax filings through the TTX website, including the Gross Receipts Tax, Payroll Expense Tax and Administrative Office Tax Annual Filing, Quarterly Filing, Business Registration Renewal, Transient Occupancy Tax Monthly Filing, Parking Tax Monthly Filing, Account Update, and Payment Portal. Contractor is an authorized third party integrator for the Aumentum (“AUM”) business tax product licensed by TTX from Thomson Reuters. Contractor will build Online Submission forms, database(s) and reports for the listed project deliverables below. TTX reserves the right to not initiate work with Contractor on any of the listed project deliverables.

#### **2. Project Deliverables**

Contractor shall complete the following list of project deliverables within the time schedule agreed upon pursuant to Section 6, Project Events, of this Appendix A-5. Each of the Project Events will be completed for each of the listed projects below provided the first event is executed.

- a. Tax Year 2015 Online Filing Application, Database(s), Four Reports, and Documentation for Gross Receipts Tax, Payroll Expense Tax, and Administrative Office Tax.
- b. Update Transient Occupancy Tax and Parking Tax Applications to the same platform as current Gross Receipts Tax, Payroll Expense Tax, Administrative Office Tax, and Business Registration Renewal Applications.
- c. Update Quarterly Installment Online Filing Application, Database(s), Four Reports, and Documentation for Gross Receipts Tax and Payroll Expense Tax.
- d. Update Business Registration Renewal Online Filing Application, Database(s), Four Reports, and Documentation.

#### **3. Testing, Training and Other Support**

- a. Contractor shall modify authored Technical Specification document for support purposes.

- b. This may include supplemental artifacts authored by Contractor as deemed necessary by the project team, with the supplemental artifact request and effort estimated and documented through the established Change Control process.
- c. Contractor shall support TTX moving legacy tax applications (Transient Occupancy Tax, Parking, Quarterly Installment, 2014 Gross Receipts and Payroll Expense Tax, 2013 Payroll Expense Tax, Business Registration Renewal 2015, Account Update, and Online Payment Portal) to new servers to improve overall system stability.
- d. Contractor shall make available to the City an additional 800 hours of professional services to be used only if requested by the City for the purposes of configuration changes, data improvements, reporting, modifications, enhancements and other professional services required in connection with the Agreement. The Contractor shall charge the City \$165 per hour for such services. The City shall only be liable for payment for the hours requested and used by the City.

#### **4. TTX Roles & Responsibilities**

- a. TTX will make available subject matter expert resources for each project phase and engagement team members to participate in the gathering of requirements prior to and during the scheduled onsite Discovery Meeting, as well as any remote Discovery-related meetings. This includes third party resources, including AUM, as well as the TTX internal resources.
- b. TTX and, as needed, any contracted third-party vendors, including AUM, will provide prior to and during the Discovery meeting complete and accurate technical specifications with the related business rules. Delayed delivery of the technical specifications and the business rules, as well as incomplete, implied, ambiguous, or conflicting technical specifications and business rules will impact the project schedule and will create Change Control.
- c. TTX will provide samples of documents necessary for Discovery and for testing.
- d. TTX will provide samples of report(s) necessary for Discovery.
- e. TTX will provide requested information and work with Contractor to develop the project schedule and any Change Orders needed.
- f. TTX will provide specifications for Contractor to create reports compatible with TTX document management and workflow software
- g. TTX will create and execute a User Acceptance Test Plan ("UAT") for all locations as well as any integration, regression, downstream (file/report validation) or other third-party testing. This UAT coupled with the Customer

Requirements Document will be used by Contractor to test basic functionality/end-to-end testing before turning the system over to the City for UAT 1 and UAT 2.

## 5. Contractor's Roles & Responsibilities

a. Project Management. Contractor shall do the following:

1. Deliver and maintain a project plan of activities, events, and milestones.
2. Track and manage resolution of project issues, and distribute documentation of issue(s) resolution to City project team.
3. Monitor and control project scope, schedule and cost using Contractor Change Control process, if necessary.
  - a. Any activities and/or changes identified as requiring Change Control will require written approval from the City prior to the Change being executed by Contractor.
4. Facilitate regular status meetings.
5. Provide periodic reporting of actual project time used, estimated time to completion, and comparison to estimate of effort as provided in this Statement of Work.

b. Requirements Gathering/Documentation/Integration. Contractor shall do the following:

1. Facilitate a meeting/conference call to determine customer system requirements and configuration specifications.
2. Prepare Customer Requirements Document/Solution Overview and review for City approval.
3. In addition to any items agreed to in the Customer Requirements Document, develop all API and scripts in such a manner to integrate projects with existing solutions (i.e., payment portal).

## 6. Project Events

Contractor and City will agree upon a mutually acceptable project timeline and incorporate it into the project schedule/plan, unless otherwise mutually agreed to by both parties.

Sequence	Event
1	Statement of Work signed by both parties.
2	Requirements gathering session facilitated by Contractor.
3	Customer Requirements Document (CRD) created, including specification for at least one general report compatible with TTX document management and workflow software, and one filing report of all data entered by taxpayers.

4	Customer Requirements Document (CRD) reviewed with the City.
5	Customer Requirements Document (CRD) revised by Contractor.
6	Scope of Work (SOW) created by Contractor based on the Customer Requirements Document (CRD).
7	Customer Requirements Document (CRD) and Scope of Work (SOW) signed by the City and returned to Contractor. Requirements complete.
8	Contractor delivers application, database(s) and reports in test environment.
9	First round of User Acceptance Testing (UAT 1) lead by TTX.
10	Approval of UAT 1 by TTX.
11	Contractor delivers UAT 1 bug fixes for application database(s) and reports in test environment.
12	Second round of User Acceptance Testing (UAT 2) lead by TTX.
13	Approval of UAT 2 by TTX.
14	Contractor delivers application, database(s) and reports in production environment.
15	TTX accepts delivery of application and database(s) in production environment ("GO LIVE").
16	Contractor completes thirty (30) days of post GO LIVE bug fixes.
17	Project closure & knowledge transfer using the Customer Requirements Document (CRD), the Statement of Work (SOW), and any related Discovery artifacts, including training and technical documentation.

## 7. Acceptance Criteria

The acceptance of each Project will be based on successful completion of the test plans and delivery of all items detailed in the Project Events section.



### Appendix B-3 Calculation of Charges

In accordance with Section 5, "Compensation," of this Agreement, Contractor shall receive an amount not to exceed \$3,729,525.00 in compensation for professional services rendered. The breakdown of charges for Appendix A-5 "Scope of Work for Online Applications for Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Filing, Quarterly Filing, and Business Registration Renewal" is as detailed below.

#### Online Applications for Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Filing

Milestone Number	Key Deliverables	Payment Amount
1	a) Contractor conducts requirements gathering session(s), as needed b) Contractor drafts Customer Requirements Document (CRD), including specification for: <ul style="list-style-type: none"> <li>• At least one general report compatible with City document management and workflow software</li> <li>• At least one filing report of all data entered by taxpayers</li> </ul> c) CRD reviewed with the City d) CRD revised by the Contractor e) Scope of Work (SOW) created by Contractor based on CRD f) City signs off on CRD and SOW g) Project management	\$43,423.90
2	a) Contractor delivers application, database(s) and reports in test environment b) First round of User Acceptance Testing (UAT 1) led by City c) Approval of UAT 1 by City d) Project management	\$43,423.90
3	a) Contractor delivers UAT 1 bug fixes for application database(s) and reports in test environment b) Project management	\$54,279.88
4	a) Second round of User Acceptance Testing (UAT 2) led by City b) Approval of UAT 2 by City c) Project management	\$43,423.90
5	a) Contractor delivers application, database(s) and reports in production environment b) Project management	\$54,279.88
6	a) City accepts delivery of application and database(s) in production environment ("GO LIVE") b) Project management	\$108,559.75
7	a) Contractor completes thirty (30) days of post GO LIVE bug fixes b) Project management	\$43,423.90

8	a) Project closure & knowledge transfer using the Customer Requirements Document (CRD), the Statement of Work (SOW), and any related Discovery artifacts, including training and technical documentation b) Project management	\$43,423.90
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Online Application Updates for Transient Occupancy Tax and Parking Tax

Milestone Number	Key Deliverables	Payment Amount
1	a) Contractor conducts requirements gathering session(s), as needed b) Contractor drafts Customer Requirements Document (CRD), including specification for: <ul style="list-style-type: none"> <li>At least one general report compatible with City document management and workflow software</li> <li>At least one filing report of all data entered by taxpayers</li> </ul> c) CRD reviewed with the City d) CRD revised by the Contractor e) Scope of Work (SOW) created by Contractor based on CRD f) City signs off on CRD and SOW g) Project management	\$9,240
2	a) Contractor delivers application, database(s) and reports in test environment b) First round of User Acceptance Testing (UAT 1) led by City c) Approval of UAT 1 by City d) Project management	\$9,240
3	a) Contractor delivers UAT 1 bug fixes for application database(s) and reports in test environment b) Project management	\$11,550
4	a) Second round of User Acceptance Testing (UAT 2) led by City b) Approval of UAT 2 by City c) Project management	\$9,240
5	a) Contractor delivers application, database(s) and reports in production environment b) Project management	\$11,550
6	a) City accepts delivery of application and database(s) in production environment ("GO LIVE") b) Project management	\$23,100
7	a) Contractor completes thirty (30) days of post GO LIVE bug fixes b) Project management	\$9,240
8	a) Project closure & knowledge transfer using the Customer Requirements Document (CRD), the Statement of Work (SOW), and any related Discovery artifacts, including training and technical documentation	\$9,240



	b) Project management	
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New Online Application for Business Registration Renewal

Milestone Number	Key Deliverables	Payment Amount
1	a) Contractor conducts requirements gathering session(s), as needed b) Contractor drafts Customer Requirements Document (CRD), including specification for: <ul style="list-style-type: none"> <li>At least one general report compatible with City document management and workflow software</li> <li>At least one filing report of all data entered by taxpayers</li> </ul> c) CRD reviewed with the City d) CRD revised by the Contractor e) Scope of Work (SOW) created by Contractor based on CRD f) City signs off on CRD and SOW g) Project management	\$13,200
2	a) Contractor delivers application, database(s) and reports in test environment b) First round of User Acceptance Testing (UAT 1) led by City c) Approval of UAT 1 by City d) Project management	\$13,200
3	a) Contractor delivers UAT 1 bug fixes for application database(s) and reports in test environment b) Project management	\$16,500
4	a) Second round of User Acceptance Testing (UAT 2) led by City b) Approval of UAT 2 by City c) Project management	\$13,200
5	a) Contractor delivers application, database(s) and reports in production environment b) Project management	\$16,500
6	a) City accepts delivery of application and database(s) in production environment ("GO LIVE") b) Project management	\$33,000
7	a) Contractor completes thirty (30) days of post GO LIVE bug fixes b) Project management	\$13,200
8	a) Project closure & knowledge transfer using the Customer Requirements Document (CRD), the Statement of Work (SOW), and any related Discovery artifacts, including training and technical documentation b) Project management	\$13,200

New Online Application for Gross Receipts Tax and Payroll Expense Tax Quarterly Installments

<b>Milestone Number</b>	<b>Key Deliverables</b>	<b>Payment Amount</b>
1	a) Contractor conducts requirements gathering session(s), as needed b) Contractor drafts Customer Requirements Document (CRD), including specification for: <ul style="list-style-type: none"> <li>• At least one general report compatible with City document management and workflow software</li> <li>• At least one filing report of all data entered by taxpayers</li> </ul> c) CRD reviewed with the City d) CRD revised by the Contractor e) Scope of Work (SOW) created by Contractor based on CRD f) City signs off on CRD and SOW g) Project management	\$7,590
2	a) Contractor delivers application, database(s) and reports in test environment b) First round of User Acceptance Testing (UAT 1) led by City c) Approval of UAT 1 by City d) Project management	\$7,590
3	a) Contractor delivers UAT 1 bug fixes for application database(s) and reports in test environment b) Project management	\$9,487.50
4	a) Second round of User Acceptance Testing (UAT 2) led by City b) Approval of UAT 2 by City c) Project management	\$7,590
5	a) Contractor delivers application, database(s) and reports in production environment b) Project management	\$9,487.50
6	a) City accepts delivery of application and database(s) in production environment ("GO LIVE") b) Project management	\$18,975
7	a) Contractor completes thirty (30) days of post GO LIVE bug fixes b) Project management	\$7,590
8	a) Project closure & knowledge transfer using the Customer Requirements Document (CRD), the Statement of Work (SOW), and any related Discovery artifacts, including training and technical documentation b) Project management	\$7,590

Legacy Tax Application Server Reinstallation Professional Services

Contractor shall receive \$27,060 upon City's written sign-off that the re-installation of legacy tax applications listed in Section 3c of Appendix A-5 is complete and running in production.

#### Additional Professional Services Hours

Contractor shall receive Additional Professional Services fees not to exceed \$132,000. The Contractor shall charge the City \$165 per hour for such services. Although Section 5 "Compensation" of this Agreement includes all 800 Additional Professional Services hours (\$132,000), the City shall only be liable for payment for the hours used. The Additional Professional Services hours will be documented and approved prior to the usage. The Contractor shall separately bill and invoice these Additional Professional Services hours upon completion of the documented deliverable. A monthly report will be provided by the Contractor to keep the City and Contractor aware of the status.

**City and County of San Francisco  
Office of Contract Administration  
Purchasing Division**

**Fourth Amendment**

THIS AMENDMENT (this "Amendment") is made as of August 15, 2016, in San Francisco, California, by and between 21 Tech, LLC ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Director of the Office of Contract Administration.

**RECITALS**

WHEREAS, City and Contractor have entered into the Agreement (as defined below); and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to increase the contract amount and expand the deliverables;

NOW, THEREFORE, Contractor and the City agree as follows:

**1. Definitions.** The following definitions shall apply to this Amendment:

**1a. Agreement.** The term "Agreement" shall mean the Agreement dated June 18, 2013, between Contractor and City, as amended by the:

First Amendment,	dated March 3, 2014, and
Second Amendment,	dated March 1, 2015, and
Third Amendment,	dated July 28, 2015.

**1b. Contract Monitoring Division.** Effective July 28, 2012, with the exception of Sections 14B.9(D) and 14B.17(F), all of the duties and functions of the Human Rights Commission under Chapter 14B of the Administrative Code (LBE Ordinance) were transferred to the City Administrator, Contract Monitoring Division ("CMD"). Wherever "Human Rights Commission" or "HRC" appears in the Agreement in reference to Chapter 14B of the Administrative Code or its implementing Rules and Regulations, it shall be construed to mean "Contract Monitoring Division" or "CMD" respectively.

**1c. Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

**2. Modifications to the Agreement.** The Agreement is hereby modified as follows:

**2a. Section 4.** Section 4 of the Agreement currently reads as follows:

**4. Services Contractor Agrees to Perform.** The Contractor agrees to perform the services provided for in Appendices A, "Description of Services," A-3, "Change Requests," A-4, "Change Requests 7, 9, 10, and 11," and A-5, "Scope of Work for Online Applications for Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Filing, Quarterly Filing, and Business Registration Renewal" attached hereto and incorporated by reference as though fully set forth herein.

**Such section is hereby amended in its entirety to read as follows:**

**4. Services Contractor Agrees to Perform.** The Contractor agrees to perform the services provided for in Appendices A, "Description of Services," A-3, "Change Requests," A-4, "Change Requests 7, 9, 10, and 11," A-5, "Scope of Work for Online Applications for Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Filing, Quarterly Filing, and Business Registration Renewal," and A-6, "Scope of Work for Account Update, LICA - Unified Licensing, Online Applications for Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Filing 2016, and Additional Professional Services Hours," attached hereto and incorporated by reference as though fully set forth herein.

**2b. Section 5.** Section 5, "Compensation," of the Agreement currently reads as follows:

**5. Compensation.** Compensation shall be made according to the payment schedule identified in **Appendices B "Calculations for Professional Services," B-1 "Calculation of Charges – Change Requests," B-2 "Calculation of Charges - Change Requests 7, 9, 10, and 11," and B-3 "Calculation of Charges,"** attached hereto and incorporated by reference as though fully set forth herein, for deliverables that Treasurer, or his or her authorized representative, in his or her sole discretion, concludes have been performed. Sign-off of a deliverable by the Treasurer's authorized representative or use of any material produced as part of a deliverable in the implementation process or use in production is considered acceptance of that deliverable and obligates the City to pay for that deliverable when accompanied by an accompanying Contractor invoice. Each key deliverable will require a sign-off by the client manager on the project. The sign-off process should not take more than 5 business days without an acceptable reason for delay. The City will make a good faith attempt to pay all invoices within 30 days of billing. However, in no event shall City be liable for interest or late charges for any late payments made after such 30-day period. In no event shall the amount of this Agreement exceed \$3,729,525. The breakdown of costs associated with this Agreement appears in Appendices B "Calculations of Professional Services," B-1 "Calculation of Charges – Change Requests," B-2 "Calculation of Charges - Change Requests 7, 9, 10, and 11," and B-3 "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Office of the Treasurer & Tax Collector as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

If City is more than 60 days in arrears on its payment obligation to Contractor, and Contractor has notified the City in writing after the City is more than 30 days in arrears on that payment obligation, Contractor may suspend Services hereunder until such time as City is current on its payment obligations.

**Such section is hereby amended in its entirety to read as follows:**

**5. Compensation.** Compensation shall be made according to the payment schedule identified in **Appendices B “Calculations for Professional Services,” B-1 “Calculation of Charges – Change Requests,” B-2 “Calculation of Charges - Change Requests 7, 9, 10, and 11,” B-3 “Calculation of Charges,” and B-4 “Calculation of Charges,”** attached hereto and incorporated by reference as though fully set forth herein, for deliverables that Treasurer, or his or her authorized representative, in his or her sole discretion, concludes have been performed. Sign-off of a deliverable by the Treasurer’s authorized representative or use of any material produced as part of a deliverable in the implementation process or use in production is considered acceptance of that deliverable and obligates the City to pay for that deliverable when accompanied by an accompanying Contractor invoice. Each key deliverable will require a sign-off by the client manager on the project. The sign-off process should not take more than 5 business days without an acceptable reason for delay. The City will make a good faith attempt to pay all invoices within 30 days of billing. However, in no event shall City be liable for interest or late charges for any late payments made after such 30-day period. In no event shall the amount of this Agreement exceed \$4,011,658. The breakdown of costs associated with this Agreement appears in **Appendices B “Calculations of Professional Services,” B-1 “Calculation of Charges – Change Requests,” B-2 “Calculation of Charges - Change Requests 7, 9, 10, and 11,” B-3 “Calculation of Charges,” and B-4 “Calculation of Charges,”** attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Office of the Treasurer & Tax Collector as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

If City is more than 60 days in arrears on its payment obligation to Contractor, and Contractor has notified the City in writing after the City is more than 30 days in arrears on that payment obligation, Contractor may suspend Services hereunder until such time as City is current on its payment obligations.

**2c. Appendix A-6.** Appendix A-6, “Scope of Work for Account Update, LICA – Unified Licensing, Online Applications for Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Filing 2016, and Additional Professional Services Hours,” attached, is hereby added to the Agreement.

**2d. Appendix B-4.** Appendix B-4, “Calculation of Charges,” attached, is hereby added to the Agreement.



**3. Effective Date.** Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.

**4. Legal Effect.** Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and City have executed this Amendment as of the date first referenced above.

**CITY**

**CONTRACTOR**

Recommended by:

21 Tech, LLC



Pauline Marx  
Chief Assistant Treasurer  
Office of the Treasurer & Tax Collector




Azhar Mahmood  
Managing Member  
1330 Broadway, Suite 701  
Oakland, CA 94612

City vendor number: 37769

Approved as to Form:

Dennis J. Herrera  
City Attorney

By:   
Jean Alexander  
Deputy City Attorney

Approved:

for  (Assistant Director)  
Jaci Fong  
Director of the Office of Contract  
Administration, and Purchaser

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## **Appendix A-6**

### **Scope of Work for Account Update, LICA - Unified Licensing, Online Applications for Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Filing 2016, and Additional Professional Services Hours**

#### **1. Project Description**

The voters of the City and County of San Francisco adopted Proposition E in the November 2012 election, which instituted a gross receipts tax, increased business registration fees, and established a methodology for adjusting gross receipts tax rates and the payroll expense tax rate over the course of a five-year period, commencing January 1, 2014.

The Office of the Treasurer & Tax Collector ("TTX") has previously engaged 21Tech, LLC ("Contractor") to build online forms and databases to facilitate taxpayer submission of tax filings through the TTX website, including the Gross Receipts Tax, Payroll Expense Tax and Administrative Office Tax Annual Filing, Quarterly Filing, Business Registration Renewal, Transient Occupancy Tax Monthly Filing, Parking Tax Monthly Filing, Account Update, and Payment Portal. Contractor is an authorized third party integrator for the Aumentum ("AUM") business tax product licensed by TTX from Thomson Reuters. Contractor will build Online Submission forms, database(s) and reports for the listed project deliverables below. TTX reserves the right to not initiate work with Contractor on any of the listed project deliverables.

#### **2. Project Deliverables**

Contractor shall complete the following list of project deliverables within the time schedule agreed upon pursuant to Section 6, Project Events, of this Appendix A-6. Each of the Project Events will be completed for each of the listed projects below provided the first event is executed.

- a. Account Update – Develop a new application to enable businesses to update information in Aumentum (business tax system). The basis for the application is functionality found in the New Business Application developed separately by the Department.
- b. LICA application – Develop an application that allows for easy viewing by regulatory departments of their licenses being renewed and managed by the department. Include documentation on data sets being used for the view.
- c. Tax year 2016 Online Filing – Update and refine Gross Receipts/Payroll 2015 annual tax application changes to meet the needs for the 2016 filing, include four reports and documentation.
- d. Additional Professional Services Hours for change requests related to online applications, payment portal, data migration or other related tasks, if needed.

#### **3. Testing, Training and Other Support**

- a. Contractor shall modify authored Technical Specification document for support purposes.

- b. This may include supplemental artifacts authored by Contractor as deemed necessary by the project team, with the supplemental artifact request and effort estimated and documented through the established Change Control process.
- c. Contractor shall make available to the City an additional 300 hours of professional services to be used only if requested by the City for the purposes of configuration changes, data improvements, reporting, modifications, enhancements and other professional services required in connection with the Agreement. The Contractor shall charge the City \$165 per hour for such services. The City shall only be liable for payment for the hours requested and used by the City.

#### **4. TTX Roles & Responsibilities**

- a. TTX will make available subject matter expert resources for each project phase and engagement team members to participate in the gathering of requirements prior to and during the scheduled onsite Discovery Meeting, as well as any remote Discovery-related Meetings. This includes third party resources, including AUM, as well as the TTX internal resources.
- b. TTX and, as needed, any contracted third-party vendors, including AUM, will provide prior to and during the Discovery Meeting complete and accurate technical specifications with the related business rules. Delayed delivery of the technical specifications and the business rules, as well as incomplete, implied, ambiguous, or conflicting technical specifications and business rules will impact the project schedule and will create Change Control.
- c. TTX will provide samples of documents necessary for Discovery and for testing.
- d. TTX will provide samples of report(s) necessary for Discovery.
- e. TTX will provide requested information and work with Contractor to develop the project schedule and any Change Orders needed.
- f. TTX will provide specifications for Contractor to create reports compatible with TTX document management and workflow software.
- g. TTX will create and execute a User Acceptance Test Plan ("UAT") for all locations as well as any integration, regression, downstream (file/report validation) or other third-party testing. This UAT coupled with the Customer Requirements Document will be used by Contractor to test basic functionality/end-to-end testing before turning the system over to the City for UAT 1 and UAT 2.

## 5. Contractor's Roles & Responsibilities

### a. Project Management. Contractor shall do the following:

1. Deliver and maintain a project plan of activities, events, and milestones.
2. Track and manage resolution of project issues, and distribute documentation of issue(s) resolution to City project team.
3. Monitor and control project scope, schedule and cost using Contractor Change Control process, if necessary.
  - a. Any activities and/or changes identified as requiring Change Control will require written approval from the City prior to the Change being executed by Contractor.
4. Facilitate regular status meetings.
5. Provide periodic reporting of actual project time used, estimated time to completion, and comparison to estimate of effort as provided in this Statement of Work.

### b. Requirements Gathering/Documentation/Integration. Contractor shall do the following:

1. Facilitate a meeting/conference call to determine customer system requirements and configuration specifications.
2. Prepare Customer Requirements Document/Solution Overview and review for City approval.
3. In addition to any items agreed to in the Customer Requirements Document, develop all API and scripts in such a manner to integrate projects with existing solutions (i.e., payment portal).

## 6. Project Events

Contractor and City will agree upon a mutually acceptable project timeline and incorporate it into the project schedule/plan, unless otherwise mutually agreed to by both parties.

Sequence	Event
1	Statement of Work signed by both parties.
2	Requirements gathering session facilitated by Contractor.
3	Customer Requirements Document (CRD) created, including specification for at least one general report compatible with TTX document management and workflow software, and one filing report of all data entered by taxpayers.
4	Customer Requirements Document (CRD) reviewed with the City.

5	Customer Requirements Document (CRD) revised by Contractor.
6	Scope of Work (SOW) created by Contractor based on the Customer Requirements Document (CRD).
7	Customer Requirements Document (CRD) and Scope of Work (SOW) signed by the City and returned to Contractor. Requirements complete.
8	Contractor delivers application, database(s) and reports in test environment.
9	First round of User Acceptance Testing (UAT I) lead by TTX.
10	Approval of UAT 1 by TTX.
11	Contractor delivers UAT I bug fixes for application database(s) and reports in test environment.
12	Second round of User Acceptance Testing (UAT 2) lead by TTX.
13	Approval of UAT 2 by TTX.
14	Contractor delivers application, database(s) and reports in production environment.
15	TTX accepts delivery of application and database(s) in production environment ("GO LIVE").
16	Contractor completes thirty (30) days of post GO LIVE bug fixes.
17	Project closure & knowledge transfer using the Customer Requirements Document (CRD), the Statement of Work (SOW), and any related Discovery artifacts, including training and technical documentation.

## 7. Acceptance Criteria

The acceptance of each Project will be based on successful completion of the test plans and delivery of all items detailed in the Project Events section.



## Appendix B-4 Calculation of Charges

In accordance with Section 5, "Compensation," of this Agreement, Contractor shall receive an amount not to exceed \$4,011,658.00 in compensation for professional services rendered. The breakdown of charges for Appendix A-6 "Scope of Work for Account Update, LICA - Unified Licensing, Online Applications for Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Filing 2016, and Additional Professional Services Hours" is as detailed below.

### Account Update

Milestone Number	Key Deliverables	Payment Amount
1	<ul style="list-style-type: none"> <li>a) Contractor conducts requirements gathering sessions(s) as needed</li> <li>b) Contractor drafts Customer Requirements Document (CRD)</li> <li>c) CRD is reviewed with the City</li> <li>d) CRD is revised by the Contractor</li> <li>e) Scope of Work (SOW) created by Contractor based on CRD</li> <li>f) City signs off on CRD and SOW</li> <li>g) Project management</li> </ul>	\$7,804
2	<ul style="list-style-type: none"> <li>a) Contractor delivers application, database(s) and reports (if applicable) in test environment</li> <li>b) First round of User Acceptance Testing (UAT 1) led by City</li> <li>c) Approval for UAT 1 by the City</li> <li>d) Project management</li> </ul>	\$7,804
3	<ul style="list-style-type: none"> <li>a) Contractor delivers UAT 1 bug fixes for the application, database(s) and reports (if applicable) in test environment</li> <li>b) Project management</li> </ul>	\$9,756
4	<ul style="list-style-type: none"> <li>a) Second Round of User Acceptance Testing (UAT 2) led by the City</li> <li>b) Approval of UAT 2 by the City</li> <li>c) Project management</li> </ul>	\$7,804
5	<ul style="list-style-type: none"> <li>a) Contractor delivers application, database(s) and reports (as applicable) in production environment</li> <li>b) Project management</li> </ul>	\$9,756
6	<ul style="list-style-type: none"> <li>a) City accepts delivery of the application and database(s) in production environment ("GO LIVE")</li> <li>b) Project management</li> </ul>	\$19,513
7	<ul style="list-style-type: none"> <li>a) Contractor completes thirty (30) calendar days of post GO LIVE bug fixes</li> <li>b) Project management</li> </ul>	\$7,804
8	<ul style="list-style-type: none"> <li>a) Project closure &amp; knowledge transfer using CRD, SOW, and related Discovery artifacts, including training and technical documentation</li> </ul>	\$7,804

	b) Project management	
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LICA – Unified Licensing

Milestone Number	Key Deliverables	Payment Amount
1	a) Contractor conducts requirements gathering sessions(s) as needed b) Contractor drafts Customer Requirements Document (CRD) c) CRD is reviewed with the City d) CRD is revised by the Contractor e) Scope of Work (SOW) created by Contractor based on CRD f) City signs off on CRD and SOW g) Project management	\$8,652
2	a) Contractor delivers application, database(s) and reports (if applicable) in test environment b) First round of User Acceptance Testing (UAT 1) led by City c) Approval for UAT 1 by the City d) Project management	\$8,652
3	a) Contractor delivers UAT 1 bug fixes for the application, database(s) and reports (if applicable) in test environment b) Project management	\$10,817
4	a) Second Round of User Acceptance Training (UAT 2) led by the City b) Approval of UAT 2 by the City c) Project management	\$8,652
5	a) Contractor Delivers application, database(s) and reports (as applicable) in production environment b) Project management	\$10,817
6	a) City accepts delivery of the application and database(s) in production environment (“GO LIVE”) b) Project management	\$21,632
7	a) Contractor completes thirty (30) calendar days of post GO LIVE bug fixes b) Project management	\$8,652
8	a) Project closure & knowledge transfer using CRD, SOW, and related Discovery artifacts, including training and technical documentation b) Project management	\$8,652

Online Application for Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax  
Annual Filing 2016

Milestone Number	Key Deliverables	Payment Amount
1	a) Contractor conducts requirements gathering sessions(s) as needed	\$6,806

	b) Contractor drafts Customer Requirements Document (CRD) c) CRD is reviewed with the City d) CRD is revised by the Contractor e) Scope of Work (SOW) created by Contractor based on CRD f) City signs off on CRD and SOW g) Project management	
2	a) Contractor delivers application, database(s) and reports (if applicable) in test environment b) First round of User Acceptance Testing (UAT 1) led by City c) Approval for UAT 1 by the City d) Project management	\$6,806
3	a) Contractor delivers UAT 1 bug fixes for the application, database(s) and reports (if applicable) in test environment b) Project management	\$8,508
4	a) Second Round of User Acceptance Testing (UAT 2) led by the City b) Approval of UAT 2 by the City c) Project management	\$6,806
5	a) Contractor delivers application, database(s) and reports (as applicable) in production environment b) Project management	\$8,508
6	a) City accepts delivery of the application and database(s) in production environment ("GO LIVE") b) Project management	\$17,016
7	a) Contractor completes thirty (30) calendar days of post GO LIVE bug fixes b) Project management	\$6,806
8	a) Project closure & knowledge transfer using CRD, SOW, and related Discovery artifacts, including training and technical documentation b) Project management	\$6,806

#### Additional Professional Services Hours

Contractor shall receive additional Professional Services fees not to exceed \$49,500. The Contractor shall charge the city \$165 per hour for such Services. Although Section 5 "Compensation" of this Agreement includes all 300 additional Professional Services hours (\$49,500), the City shall only be liable for payment for the hours used. The additional Professional Services hours will be documented and approved prior to the usage. The Contractor shall separately bill and invoice these additional Professional Services hours upon completion of the documented deliverable. Timely reports will be provided by the Contractor to keep the City and Contractor aware of the status.

**City and County of San Francisco  
Office of Contract Administration  
Purchasing Division**

**Fifth Amendment**

THIS AMENDMENT (this "Amendment") is made as of March 20, 2017, in San Francisco, California, by and between 21 Tech, LLC ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Director of the Office of Contract Administration.

**RECITALS**

WHEREAS, City and Contractor have entered into the Agreement (as defined below);  
and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to increase the contract amount and expand the deliverables;

NOW, THEREFORE, Contractor and the City agree as follows:

**1. Definitions.** The following definitions shall apply to this Amendment:

**1a. Agreement.** The term "Agreement" shall mean the Agreement dated June 18, 2013, between Contractor and City, as amended by the:

First Amendment,	dated March 3, 2014, and
Second Amendment,	dated March 1, 2015, and
Third Amendment,	dated July 28, 2015, and
Fourth Amendment,	dated August 15, 2016.

**1b. Contract Monitoring Division.** Effective July 28, 2012, with the exception of Sections 14B.9(D) and 14B.17(F), all of the duties and functions of the Human Rights Commission under Chapter 14B of the Administrative Code (LBE Ordinance) were transferred to the City Administrator, Contract Monitoring Division ("CMD"). Wherever "Human Rights Commission" or "HRC" appears in the Agreement in reference to Chapter 14B of the Administrative Code or its implementing Rules and Regulations, it shall be construed to mean "Contract Monitoring Division" or "CMD" respectively.

**1c. Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

**2. Modifications to the Agreement.** The Agreement is hereby modified as follows:

2a. **Section 4.** Section 4 of the Agreement currently reads as follows:

**4. Services Contractor Agrees to Perform.** The Contractor agrees to perform the services provided for in Appendices A, "Description of Services," A-3, "Change Requests," A-4, "Change Requests 7, 9, 10, and 11," A-5, "Scope of Work for Online Applications for Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Filing, Quarterly Filing, and Business Registration Renewal," and A-6, "Scope of Work for Account Update, LICA - Unified Licensing, Online Applications for Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Filing 2016, and Additional Professional Services Hours," attached hereto and incorporated by reference as though fully set forth herein.

**Such section is hereby amended in its entirety to read as follows:**

**4. Services Contractor Agrees to Perform.** The Contractor agrees to perform the services provided for in Appendices A, "Description of Services," A-3, "Change Requests," A-4, "Change Requests 7, 9, 10, and 11," A-5, "Scope of Work for Online Applications for Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Filing, Quarterly Filing, and Business Registration Renewal," A-6, "Scope of Work for Account Update, LICA - Unified Licensing, Online Applications for Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Filing 2016, and Additional Professional Services Hours," and A-7 "Scope of Work for Tax Year 2017 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return, Fiscal Year 2018 Business Registration Renewal Application, Fiscal Year 2019 Business Registration Renewal Application, Posting 2017 Estimated Tax Payment Obligations into Aumentum, Account Update Application Updates, and Additional Professional Services Hours for Help with Internal Technology Integration Projects," attached hereto and incorporated by reference as though fully set forth herein.

2b. **Section 5.** Section 5, "Compensation," of the Agreement currently reads as follows:

**5. Compensation.** Compensation shall be made according to the payment schedule identified in Appendices B "Calculations for Professional Services," B-1 "Calculation of Charges – Change Requests," B-2 "Calculation of Charges - Change Requests 7, 9, 10, and 11," B-3 "Calculation of Charges," and B-4 "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein, for deliverables that Treasurer, or his or her authorized representative, in his or her sole discretion, concludes have been performed. Sign-off of a deliverable by the Treasurer's authorized representative or use of any material produced as part of a deliverable in the implementation process or use in production is considered acceptance of that deliverable and obligates the City to pay for that deliverable when accompanied by an accompanying Contractor invoice. Each key deliverable will require a sign-off by the client manager on the project. The sign-off process should not take more than 5 business days without an acceptable reason for delay. The City will make a good faith attempt to pay all invoices within 30 days of billing. However, in no event shall City be liable for interest or late charges for any late payments made after such 30-day period. In no event shall the amount of this Agreement exceed \$4,011,658. The breakdown of costs associated with this Agreement appears in Appendices B "Calculations of Professional Services," B-1 "Calculation



of Charges – Change Requests,” B-2 “Calculation of Charges - Change Requests 7, 9, 10, and 11,” B-3 “Calculation of Charges,” and B-4 “Calculation of Charges,” attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Office of the Treasurer & Tax Collector as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

If City is more than 60 days in arrears on its payment obligation to Contractor, and Contractor has notified the City in writing after the City is more than 30 days in arrears on that payment obligation, Contractor may suspend Services hereunder until such time as City is current on its payment obligations.

**Such section is hereby amended in its entirety to read as follows:**

**5. Compensation.** Compensation shall be made according to the payment schedule identified in **Appendices B “Calculations for Professional Services,” B-1 “Calculation of Charges – Change Requests,” B-2 “Calculation of Charges - Change Requests 7, 9, 10, and 11,” B-3 “Calculation of Charges,” B-4 “Calculation of Charges,” and B-5 “Calculation of Charges”** attached hereto and incorporated by reference as though fully set forth herein, for deliverables that Treasurer, or his or her authorized representative, in his or her sole discretion, concludes have been performed. Sign-off of a deliverable by the Treasurer’s authorized representative or use of any material produced as part of a deliverable in the implementation process or use in production is considered acceptance of that deliverable and obligates the City to pay for that deliverable when accompanied by an accompanying Contractor invoice. Each key deliverable will require a sign-off by the client manager on the project. The sign-off process should not take more than 5 business days without an acceptable reason for delay. The City will make a good faith attempt to pay all invoices within 30 days of billing. However, in no event shall City be liable for interest or late charges for any late payments made after such 30-day period. In no event shall the amount of this Agreement exceed \$4,373,233. The breakdown of costs associated with this Agreement appears in **Appendices B “Calculations of Professional Services,” B-1 “Calculation of Charges – Change Requests,” B-2 “Calculation of Charges - Change Requests 7, 9, 10, and 11,” B-3 “Calculation of Charges,” B-4 “Calculation of Charges,” and B-5 “Calculation of Charges”** attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Office of the Treasurer & Tax Collector as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.



If City is more than 60 days in arrears on its payment obligation to Contractor, and Contractor has notified the City in writing after the City is more than 30 days in arrears on that payment obligation, Contractor may suspend Services hereunder until such time as City is current on its payment obligations.

**2c. Appendix A-7.** Appendix A-7, "Scope of Work for Tax Year 2017 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return, Fiscal Year 2018 Business Registration Renewal Application, Fiscal Year 2019 Business Registration Renewal Application, Posting 2017 Estimated Tax Payment Obligations into Aumentum, Account Update Application Updates, and Additional Professional Services Hours for Help with Internal Technology Integration Projects," attached, is hereby added to the Agreement.

**2d. Appendix B-5.** Appendix B-5, "Calculation of Charges," attached, is hereby added to the Agreement.


**3. Effective Date.** Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.

**4. Legal Effect.** Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and City have executed this Amendment as of the date first referenced above.


**CITY**

Recommended by:


  
Pauline Marx  
Chief Assistant Treasurer  
Office of the Treasurer & Tax Collector

Approved as to Form:

Dennis J. Herrera  
City Attorney

By:   
Scott M. Reiber  
Deputy City Attorney

Approved:

for   
Jaci Fong  
Director of the Office of Contract  
Administration, and Purchaser

**CONTRACTOR**

21 Tech, LLC

  
Azhar Mahmood  
Managing Member  
1390 Market Street, Suite 1202  
San Francisco, CA 94102

City vendor number: 37769

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## **Appendix A-7**

### **Scope of Work for Tax Year 2017 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return, Fiscal Year 2018 Business Registration Renewal Application, Fiscal Year 2019 Business Registration Renewal Application, Posting 2017 Estimated Tax Payment Obligations into Aumentum, Account Update Application Updates, and Additional Professional Services Hours for Help with Internal Technology Integration Projects.**

#### **1. Project Description:**

The voters of the City and County of San Francisco adopted Proposition E in the November 2012 election, which instituted a gross receipts tax, increased business registration fees, and established a methodology for adjusting gross receipts tax rates and the payroll expense tax rate over the course of a five-year period, commencing January 1, 2014.

The Office of the Treasurer & Tax Collector ("TTX") has previously engaged 21Tech, LLC ("Contractor") to build online forms and databases to facilitate taxpayer submission of tax filings through the TTX website, including the Gross Receipts Tax, Payroll Expense Tax and Administrative Office Tax Annual Filing, Quarterly Filing, Business Registration Renewal, Transient Occupancy Tax Monthly Filing, Parking Tax Monthly Filing, Account Update, and Payment Portal. Contractor is an authorized third party integrator for the Aumentum ("AUM") business tax product licensed by TTX from Thomson Reuters. Contractor will build Online Submission forms, database(s) and reports for the listed project deliverables below. TTX reserves the right to not initiate work with Contractor on any of the listed project deliverables.

#### **2. Project Deliverables:**

Contractor shall complete the following list of project deliverables within the time schedule agreed upon pursuant to section 6, Project Events of this Appendix A-7. Each of the project events will be completed for each of the listed project items below provided the first event is executed.

- a. Tax year 2017 Gross Receipts Tax / Payroll Expense Tax / Administrative Office Tax Annual Return - Update and refine from the 2016 application to meet the needs for the 2017 filing, include four reports and documentation.
- b. Fiscal Year 2018 Business Registration Renewal Application: Update and refine from the Fiscal Year 2017 application and mass post obligations to AUM based on Tax Year 2016 gross receipts filed by taxpayers.
- c. Posting 2017 Estimated Tax Payment Obligations into AUM for the Gross Receipts Tax and Payroll Expense Tax, including adding tax types in AUM
- d. Account Update Application Updates: Update Application changes to reflect updated business requirements and functionality.
- e. Additional professional services hours for change requests related to online applications, payment portal, data migration or other related tasks, if needed.

- f. Fiscal Year 2019 Business Registration Renewal Application: Update and refine from the Fiscal Year 2018 application and mass post obligations to AUM based on Tax Year 2017 gross receipts filed by taxpayers.

### **3. Testing, Training and Other Support**

- a. Contractor shall modify authored Technical Specification document for support purposes.
- b. This may include supplemental artifacts authored by Contractor as deemed necessary by the project team, with the supplemental artifact request and effort estimated and documented through the established Change Control process.
- c. Contractor shall make available to the City an additional 300 hours of professional services to be used only if requested by the City for the purposes of configuration changes, data improvements, reporting, modifications, enhancements and other professional services required in connection with the Agreement. The Contractor shall charge the City \$165 per hour for such services. The City shall only be liable for payment for the hours requested and used by the City.

### **4. TTX Roles & Responsibilities**

- a. TTX will make available subject matter expert resources for each project phase and engagement team members to participate in the gathering of requirements prior to and during the scheduled onsite Discovery Meeting, as well as any remote Discovery-related Meetings. This includes third party resources, including AUM, as well as the TTX internal resources.
- b. TTX and, as needed, any contracted third-party vendors, including AUM, will provide prior to and during the Discovery Meeting complete and accurate technical specifications with the related business rules. Delayed delivery of the technical specifications and the business rules, as well as incomplete, implied, ambiguous, or conflicting technical specifications and business rules will impact the project schedule and will create Change Control.
- c. TTX will provide samples of documents necessary for Discovery and for testing.
- d. TTX will provide samples of report(s) necessary for Discovery.
- e. TTX will provide requested information and work with Contractor to develop the project schedule and any Change Orders needed.
- f. TTX will provide specifications for Contractor to create reports compatible with TTX document management and workflow software.
- g. TTX will create and execute a User Acceptance Test Plan (“UAT”) for all locations as well as any integration, regression, downstream (file/report validation) or other third-party testing. This UAT coupled with the Customer Requirements Document will be used by Contractor to test basic functionality/end-to-end testing before turning the system over to the City for UAT 1 and UAT 2.

## 5. Contractor's Roles & Responsibilities

### a. Project Management. Contractor shall do the following:

1. Deliver and maintain a project plan of activities, events, and milestones.
2. Track and manage resolution of project issues, and distribute documentation of issue(s) resolution to City project team.
3. Monitor and control project scope, schedule and cost using Contractor Change Control process, if necessary.
  - a. Any activities and/or changes identified as requiring Change Control will require written approval from the City prior to the Change being executed by Contractor.
4. Facilitate regular status meetings.
5. Provide periodic reporting of actual project time used, estimated time to completion, and comparison to estimate of effort as provided in this Scope of Work.

### b. Requirements Gathering/Documentation/Integration. Contractor shall do the following:

1. Facilitate a meeting/conference call to determine customer system requirements and configuration specifications.
2. Prepare Customer Requirements Document/Solution Overview and review for City approval.
3. In addition to any items agreed to in the Customer Requirements Document, develop all API and scripts in such a manner to integrate projects with existing solutions (i.e., payment portal).

## 6. Project Events

Contractor and City will agree upon a mutually acceptable project timeline and incorporate it into the project schedule/plan, unless otherwise mutually agreed to by both parties.

Sequence	Event
1	Statement of Work signed by both parties.
2	Requirements gathering session facilitated by Contractor.
3	Customer Requirements Document (CRD) created, including specification for at least one general report compatible with TTX document management and workflow software, and one filing report of all data entered by taxpayers.

4	Customer Requirements Document (CRD) reviewed with the City.
5	Customer Requirements Document (CRD) revised by Contractor.
6	Scope of Work (SOW) created by Contractor based on the CRD.
7	CRD and SOW signed by the City and returned to Contractor. Requirements complete.
8	Contractor delivers application, database(s), and reports in test environment.
9	First round of User Acceptance Testing (UAT I) lead by TTX.
10	Approval of UAT 1 by TTX.
11	Contractor delivers UAT I bug fixes for application database(s) and reports in test environment.
12	Second round of User Acceptance Testing (UAT 2) lead by TTX.
13	Approval of UAT 2 by TTX.
14	Contractor delivers application, database(s), and reports in production environment.
15	TTX accepts delivery of application and database(s) in production environment ("GO LIVE").
16	Contractor completes thirty (30) days of post GO LIVE bug fixes.
17	Project closure & knowledge transfer using the CRD, the Statement of Work, and any related Discovery artifacts, including training and technical documentation.

## 7. Acceptance Criteria

The acceptance of each Project will be based on successful completion of the test plans and delivery of all items detailed in the Project Events section.



## Appendix B-5 Calculation of Charges

In accordance with Section 5, "Compensation," of this Agreement, Contractor shall receive an amount not to exceed \$4,373,233 in compensation for professional services rendered. The breakdown of charges for Appendix A-7 "Scope of Work for Tax Year 2017 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return, Fiscal Year 2018 Business Registration Renewal Application, Fiscal Year 2019 Business Registration Renewal Application, Posting 2017 Estimated Tax Payment Obligations into Aumentum, Account Update Application Updates, and Additional Professional Services Hours for Help with Internal Technology Integration Projects" is as detailed below.

### Tax Year 2017 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return

Milestone Number	Key Deliverables	Payment Amount
1	<ul style="list-style-type: none"> <li>a) Contractor conducts requirements gathering sessions(s) as needed</li> <li>b) Contractor drafts Customer Requirements Document (CRD)</li> <li>c) CRD is reviewed with the City</li> <li>d) CRD is revised by the Contractor</li> <li>e) Scope of Work (SOW) created by Contractor based on CRD</li> <li>f) City signs off on CRD and SOW</li> <li>g) Project management</li> </ul>	\$7700
2	<ul style="list-style-type: none"> <li>a) Contractor delivers application, database(s), and reports (if applicable) in test environment</li> <li>b) First round of User Acceptance Testing (UAT1) led by City</li> <li>c) Approval of UAT 1 by the City</li> <li>d) Project management</li> </ul>	\$7700
3	<ul style="list-style-type: none"> <li>a) Contractor delivers UAT 1 bug fixes for the application, database(s), and reports (if applicable) in test environment</li> <li>b) Project management</li> </ul>	\$7700
4	<ul style="list-style-type: none"> <li>a) Second Round of User Acceptance Testing (UAT 2) led by the City</li> <li>b) Approval of UAT 2 by the City</li> <li>c) Project management</li> </ul>	\$7700
5	<ul style="list-style-type: none"> <li>a) Contractor Delivers application, database(s), and reports (as applicable) in production environment</li> <li>b) Project management</li> </ul>	\$7700
6	<ul style="list-style-type: none"> <li>a) City accepts delivery of the application and database(s) in production environment ("GO LIVE")</li> </ul>	\$7700

	b) Project management	
7	a) Contractor posts test data into test environment b) City reviews test data and approves for production posting c) Contractor posts obligations into production environment ("MASS POSTING")	\$7700
8	a) Contractor completes thirty (30) calendar days of post GO LIVE bug fixes b) Project management	\$7700
9	a) Project closure & knowledge transfer using CRD, SOW, and related Discovery artifacts, including training and technical documentation b) Project management	\$7700
		\$69,300

Fiscal Year 2018 Business Registration Renewal Application

Milestone Number	Key Deliverables	Payment Amount
1	a) Contractor conducts requirements gathering sessions(s) as needed b) Contractor drafts Customer Requirements Document (CRD) c) CRD is reviewed with the City d) CRD is revised by the Contractor e) Scope of Work (SOW) created by Contractor based on CRD f) City signs off on CRD and SOW g) Project management	\$9500
2	a) Contractor delivers application and database(s) in test environment b) First round of User Acceptance Testing (UAT1) led by City c) Approval of UAT 1 by the City d) Project management	\$9500
3	a) Contractor delivers UAT 1 bug fixes for the application and database(s) in test environment b) Project management	\$9500
4	a) Second Round of User Acceptance Testing (UAT 2) led by the City b) Approval of UAT 2 by the City c) Project management	\$9500
5	a) Contractor delivers application and database(s) in production environment	\$9500

	b) Project management	
6	a) City accepts delivery of the application and database(s) in production environment ("GO LIVE") b) Project management	\$9500
7	a) Contractor posts test data into test environment b) City reviews test data and approves for production posting c) Contractor posts obligations into production environment ("MASS POSTING")	\$9500
8	a) Contractor completes thirty (30) calendar days of post GO LIVE bug fixes b) Project management	\$9500
9	a) Project closure & knowledge transfer using CRD, SOW, and related Discovery artifacts, including training and technical documentation b) Project management	\$9500
		\$85,500

Fiscal Year 2019 Business Registration Renewal Application

Milestone Number	Key Deliverables	Payment Amount
1	a) Contractor conducts requirements gathering sessions(s) as needed b) Contractor drafts Customer Requirements Document (CRD) c) CRD is reviewed with the City d) CRD is revised by the Contractor e) Scope of Work (SOW) created by Contractor based on CRD f) City signs off on CRD and SOW g) Project management	\$9500
2	a) Contractor delivers application and database(s) in test environment b) First round of User Acceptance Testing (UAT1) led by City c) Approval of UAT 1 by the City d) Project management	\$9500
3	a) Contractor delivers UAT 1 bug fixes for the application and database(s) in test environment b) Project management	\$9500
4	a) Second Round of User Acceptance Testing (UAT 2) led by the City b) Approval of UAT 2 by the City	\$9500

	c) Project management	
5	a) Contractor delivers application and database(s) in production environment b) Project management	\$9500
6	a) City accepts delivery of the application and database(s) in production environment ("GO LIVE") b) Project management	\$9500
7	a) Contractor posts test data into test environment b) City reviews test data and approves for production posting c) Contractor posts obligations into production environment ("MASS POSTING")	\$9500
8	a) Contractor completes thirty (30) calendar days of post GO LIVE bug fixes b) Project management	\$9500
9	a) Project closure & knowledge transfer using CRD, SOW, and related Discovery artifacts, including training and technical documentation b) Project management	\$9500
		\$85,500

#### Posting 2017 Estimated Tax Payment Obligations

Contractor shall receive fees not to exceed \$38,775 for posting 2017 estimated tax payment obligations into AUM for the Gross Receipts Tax and Payroll Expense Tax, including adding tax types in AUM. The Contractor shall charge the City \$165 per hour for such services. Although section 5 "Compensation" of this Agreement includes all 235 hours (\$38,775) for these services, the City shall only be liable for payment for the hours used. The hours for posting estimated tax payment obligations will be documented and approved prior to the usage. The Contractor shall separately bill and invoice these hours upon completion of the documented deliverable. Contractor will provide timely status updates to the City.

#### Account Update Application Updates

Contractor shall receive fees not to exceed \$33,000 for updating the Account Update Application. The Contractor shall charge the City \$165 per hour for such services. Although section 5 "Compensation" of this Agreement includes all 200 hours (\$33,000) for these services, the City shall only be liable for payment for the hours used. The hours for updating the Account Update Application will be documented and approved prior to the usage. The Contractor shall separately bill and invoice these hours upon completion of the documented deliverable. Contractor will provide timely status updates to the City.

#### Additional Professional Service Hours

Contractor shall receive additional professional services fees not to exceed \$49,500. The Contractor shall charge the City \$165 per hour for such services. Although section 5 "Compensation" of this Agreement includes all 300 additional professional services hours (\$49,500), the City shall only be liable for payment for the hours used. The additional professional services hours will be documented and approved prior to the usage. The Contractor shall separately bill and invoice these additional professional services hours upon completion of the documented deliverable. Contractor will provide timely status updates to the City.

**City and County of San Francisco  
Office of Contract Administration  
Purchasing Division**

**Sixth Amendment**

THIS AMENDMENT (this “Amendment”) is made as of May 15, 2018 in San Francisco, California, by and between 21 Tech, Inc. (“Contractor”), and the City and County of San Francisco, a municipal corporation (“City”), acting by and through its Director of the Office of Contract Administration.

**RECITALS**

WHEREAS, City and Contractor have entered into the Agreement (as defined below);  
and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to extend the performance period;

NOW, THEREFORE, Contractor and the City agree as follows:

**1. Definitions.** The following definitions shall apply to this Amendment:

**1a. Agreement.** The term “Agreement” shall mean the Agreement dated June 18, 2013 between Contractor and City, as amended by the:

First amendment,	dated March 3, 2014, and
Second amendment,	dated March 1, 2015, and
Third amendment,	dated July 28, 2015, and
Fourth amendment,	dated August 15, 2016, and
Fifth amendment,	dated March 20, 2017.

**1b. Contract Monitoring Division.** Effective July 28, 2012, with the exception of Sections 14B.9(D) and 14B.17(F), all of the duties and functions of the Human Rights Commission under Chapter 14B of the Administrative Code (LBE Ordinance) were transferred to the City Administrator, Contract Monitoring Division (“CMD”). Wherever “Human Rights Commission” or “HRC” appears in the Agreement in reference to Chapter 14B of the Administrative Code or its implementing Rules and Regulations, it shall be construed to mean “Contract Monitoring Division” or “CMD” respectively.

**1c. Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

**2. Modifications to the Agreement.** The Agreement is hereby modified as follows:

**2a. Section 2.** Section 2, Term of the Agreement currently reads as follows:



Subject to Section 1, the term of this Agreement shall be from **May 31, 2013 to June 30, 2018.**



**Such section is hereby amended in its entirety to read as follows:**


Subject to Section 1, the term of this Agreement shall be from **May 31, 2013 to December 31, 2020.**

- 3. Effective Date.** Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.
- 4. Legal Effect.** Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and City have executed this Amendment as of the date first referenced above.


**CITY**

Recommended by:

  
Tajel Shah  
Chief Assistant Treasurer  
Office of the Treasurer & Tax Collector

**CONTRACTOR**

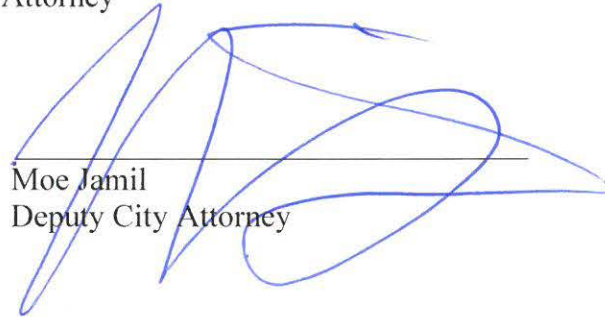
21 Tech, LLC.

  
Azhar Mahmood  
Managing Manager


City vendor number: 37769

Approved as to Form:

Dennis J. Herrera  
City Attorney

By:   
Moe Jamil  
Deputy City Attorney

Approved:

  
for Jaci Fong  
Director of the Office of Contract  
Administration, and Purchaser

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PURCHASING DEPARTMENT

**City and County of San Francisco  
Office of Contract Administration  
Purchasing Division**

**Seventh Amendment**

THIS AMENDMENT (this "Amendment") is made as of November 1, 2018 in San Francisco, California, by and between 21 Tech, Inc. ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Director of the Office of Contract Administration.

**RECITALS**

WHEREAS, City and Contractor have entered into the Agreement (as defined below); and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to extend the performance period;

NOW, THEREFORE, Contractor and the City agree as follows:

**1. Definitions.** The following definitions shall apply to this Amendment:

**1a. Agreement.** The term "Agreement" shall mean the Agreement dated June 18, 2013 between Contractor and City, as amended by the:

First amendment,	dated March 3, 2014, and
Second amendment,	dated March 1, 2015, and
Third amendment,	dated July 28, 2015, and
Fourth amendment,	dated August 15, 2016, and
Fifth amendment,	dated March 20, 2017, and
Sixth amendment,	dated May 15, 2018.

**1b. Contract Monitoring Division.** Effective July 28, 2012, with the exception of Sections 14B.9(D) and 14B.17(F), all of the duties and functions of the Human Rights Commission under Chapter 14B of the Administrative Code (LBE Ordinance) were transferred to the City Administrator, Contract Monitoring Division ("CMD"). Wherever "Human Rights Commission" or "HRC" appears in the Agreement in reference to Chapter 14B of the Administrative Code or its implementing Rules and Regulations, it shall be construed to mean "Contract Monitoring Division" or "CMD" respectively.

**1c. Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

**2. Modifications to the Agreement.** The Agreement is hereby modified as follows:

**2a. Section 4.** Section 4, Term of the Agreement currently reads as follows:

**4. Services Contractor Agrees to Perform.** The Contractor agrees to perform the services provided for in Appendices A, "Description of Services," A-3, "Change Requests," A-4, "Change Requests 7, 9, 10, and 11," A-5, "Scope of Work for Online Applications for Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Filing, Quarterly Filing, and Business Registration Renewal," A-6, "Scope of Work for Account Update, LICA - Unified Licensing, Online Applications for Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Filing 2016, and Additional Professional Services Hours," and A-7, "Scope of Work for Tax Year 2017 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return, Fiscal Year 2018 Business Registration Renewal Application, Fiscal Year 2019 Business Registration Renewal Application, Posting 2017 Estimated Tax Payment Obligations into Aumentum, Account Update Application Updates, and Additional Professional Services Hours for Help with Internal Technology Integration Projects," attached hereto and incorporated by reference as though fully set forth herein.

**Such section is hereby amended in its entirety to read as follows:**

**4. Services Contractor Agrees to Perform.** The Contractor agrees to perform the services provided for in Appendices A, "Description of Services," A-3, "Change Requests," A-4, "Change Requests 7, 9, 10, and 11," A-5, "Scope of Work for Online Applications for Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Filing, Quarterly Filing, and Business Registration Renewal," A-6, "Scope of Work for Account Update, LICA - Unified Licensing, Online Applications for Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Filing 2016, and Additional Professional Services Hours," A-7, "Scope of Work for Tax Year 2017 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return, Fiscal Year 2018 Business Registration Renewal Application, Fiscal Year 2019 Business Registration Renewal Application, Posting 2017 Estimated Tax Payment Obligations into Aumentum, Account Update Application Updates, and Additional Professional Services Hours for Help with Internal Technology Integration Projects," and A-8, "Scope of Work for Tax Year 2018 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return, Fiscal Year 2020 Business Registration Renewal Application, Tax Year 2019 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax/Commercial Rent Tax Annual Return, Account Update Application Updates, API configuration help, and Additional Professional Services Hours for Help with Internal Technology Integration Projects," attached hereto and incorporated by reference as though fully set forth herein.

**2b. Section 5.** Section 5, Term of the Agreement currently reads as follows:

**5. Compensation.** Compensation shall be made according to the payment schedule identified in Appendices B "Calculations for Professional Services," B-1 "Calculation of Charges – Change Requests," B-2 "Calculation of Charges - Change Requests 7, 9, 10, and 11," B-3 "Calculation of Charges," B-4 "Calculation of Charges," and B-5 "Calculation of Charges" attached hereto and incorporated by reference as though fully set forth herein, for deliverables that Treasurer, or his or her authorized representative, in his or her sole discretion, concludes have been performed. Sign-off of a deliverable by the Treasurer's authorized representative or use of any material produced as part of a deliverable in the implementation process or use in production is considered acceptance of that deliverable and obligates the City to pay for that

deliverable when accompanied by an accompanying Contractor invoice. Each key deliverable will require a sign-off by the client manager on the project. The sign-off process should not take more than 5 business days without an acceptable reason for delay. The City will make a good faith attempt to pay all invoices within 30 days of billing. However, in no event shall City be liable for interest or late charges for any late payments made after such 30-day period. In no event shall the amount of this Agreement exceed \$4,373,233. The breakdown of costs associated with this Agreement appears in Appendices B "Calculations of Professional Services," B-1 "Calculation of Charges – Change Requests," B-2 "Calculation of Charges - Change Requests 7, 9, 10, and 11," B-3 "Calculation of Charges," B-4 "Calculation of Charges," and B-5 "Calculation of Charges" attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Office of the Treasurer & Tax Collector as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

If City is more than 60 days in arrears on its payment obligation to Contractor, and Contractor has notified the City in writing after the City is more than 30 days in arrears on that payment obligation, Contractor may suspend Services hereunder until such time as City is current on its payment obligations.

**Such section is hereby amended in its entirety to read as follows:**

**5. Compensation.** Compensation shall be made according to the payment schedule identified in **Appendices B "Calculations for Professional Services," B-1 "Calculation of Charges – Change Requests," B-2 "Calculation of Charges - Change Requests 7, 9, 10, and 11," B-3 "Calculation of Charges," B-4 "Calculation of Charges," and B-5 "Calculation of Charges"** attached hereto and incorporated by reference as though fully set forth herein, for deliverables that Treasurer, or his or her authorized representative, in his or her sole discretion, concludes have been performed. Sign-off of a deliverable by the Treasurer's authorized representative or use of any material produced as part of a deliverable in the implementation process or use in production is considered acceptance of that deliverable and obligates the City to pay for that deliverable when accompanied by an accompanying Contractor invoice. Each key deliverable will require a sign-off by the client manager on the project. The sign-off process should not take more than 5 business days without an acceptable reason for delay. The City will make a good faith attempt to pay all invoices within 30 days of billing. However, in no event shall City be liable for interest or late charges for any late payments made after such 30-day period. In no event shall the amount of this Agreement exceed \$4,844,483. The breakdown of costs associated with this Agreement appears in Appendices B "Calculations of Professional Services," B-1 "Calculation of Charges – Change Requests," B-2 "Calculation of Charges - Change Requests 7, 9, 10, and 11," B-3 "Calculation of Charges," B-4 "Calculation of Charges," B-5 "Calculation of Charges," B-6 "Calculation of Charges" attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Office of the Treasurer & Tax Collector as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in

which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

If City is more than 60 days in arrears on its payment obligation to Contractor, and Contractor has notified the City in writing after the City is more than 30 days in arrears on that payment obligation, Contractor may suspend Services hereunder until such time as City is current on its payment obligations.

**2c. Appendix A-8.** "Scope of Work for Tax Year 2018 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return, Fiscal Year 2020 Business Registration Renewal Application, Tax Year 2019 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax/Commercial Rent Tax Annual Return, Account Update Application Updates, API configuration help, and Additional Professional Services Hours for Help with Internal Technology Integration Projects," attached, is hereby added to the Agreement.

**2d. Appendix B-6.** Appendix B-6, "Calculation of Charges," attached, is hereby added to the Agreement.

**3. Effective Date.** Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.

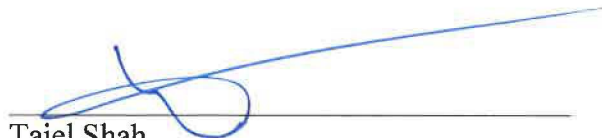
**4. Legal Effect.** Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.



IN WITNESS WHEREOF, Contractor and City have executed this Amendment as of the date first referenced above.

**CITY**

Recommended by:

  
Tajel Shah  
Chief Assistant Treasurer  
Office of the Treasurer & Tax Collector

**CONTRACTOR**

21 Tech, LLC.

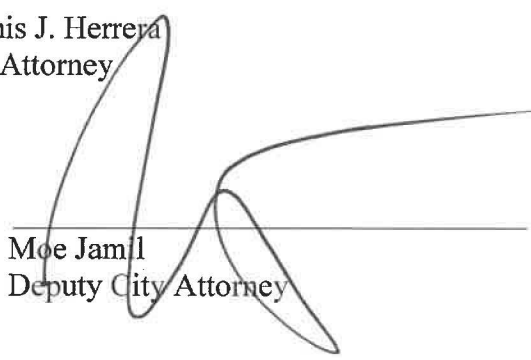
  
Azhar Mahmood  
Managing Manager

City vendor number: 37769

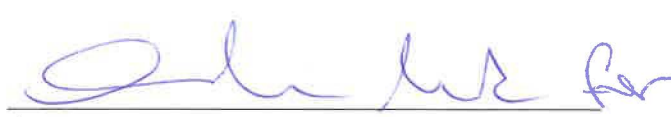
Approved as to Form:

Dennis J. Herrera  
City Attorney

By:

  
Moe Jamil  
Deputy City Attorney

Approved:

  
Alaric Degrafinried  
Director of the Office of Contract  
Administration, and Purchaser

Received By:  
JAN 22 '19 PM 4:22  
Purchasing Department

## **Appendix A-8**

### **Scope of Work for Tax Year 2018 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return, Fiscal Year 2020 Business Registration Renewal Application, Tax Year 2019 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax/Commercial Rent Tax Annual Return, Account Update Application Updates, API configuration help, and Additional Professional Services Hours for Help with Internal Technology Integration Projects.**

#### **1. Project Description:**

The voters of the City and County of San Francisco adopted Proposition E in the November 2012 election, which instituted a gross receipts tax, increased business registration fees, and established a methodology for adjusting gross receipts tax rates and the payroll expense tax rate over the course of a five-year period, commencing January 1, 2014.

The Office of the Treasurer & Tax Collector ("TTX") has previously engaged 21Tech, LLC ("Contractor") to build online forms and databases to facilitate taxpayer submission of tax filings through the TTX website, including the Gross Receipts Tax, Payroll Expense Tax and Administrative Office Tax Annual Filing, Quarterly Filing, Business Registration Renewal, Transient Occupancy Tax Monthly Filing, Parking Tax Monthly Filing, Account Update, and Payment Portal. Contractor is an authorized third party integrator for the Aumentum ("AUM") business tax product licensed by TTX from Thomson Reuters. Contractor will build Online Submission forms, database(s) and reports for the listed project deliverables below. TTX reserves the right to not initiate work with Contractor on any of the listed project deliverables.

#### **2. Project Deliverables:**

Contractor shall complete the following list of project deliverables within the time schedule agreed upon pursuant to section 6, Project Events of this Appendix A-7. Each of the project events will be completed for each of the listed project items below provided the first event is executed.

- a.** Tax year 2018 Gross Receipts Tax / Payroll Expense Tax / Administrative Office Tax Annual Return: Update and refine from the 2017 application to meet the needs for the 2018 filing, include four reports and documentation.
- b.** Fiscal Year 2020 Business Registration Renewal Application: Update and refine from the Fiscal Year 2019 application.
- c.** Account Update Application changes to reflect updated business requirements and functionality.
- d.** Additional professional services hours for change requests related to online applications, the business account number payment portal, API work or other related tasks, if needed.
- e.** Tax year 2019 Gross Receipts Tax / Payroll Expense Tax / Administrative Office Tax / Commercial Rent Tax Annual Return: Update and refine from the 2018

2. Track and manage resolution of project issues and distribute documentation of issue(s) resolution to City project team.
3. Monitor and control project scope, schedule and cost using Contractor Change Control process, if necessary.
  - a. Any activities and/or changes identified as requiring Change Control will require written approval from the City prior to the Change being executed by Contractor.
4. Facilitate regular status meetings.
5. Provide periodic reporting of actual project time used, estimated time to completion, and comparison to estimate of effort as provided in this Scope of Work.

b. Requirements Gathering/Documentation/Integration. Contractor shall do the following:

1. Facilitate a meeting/conference call to determine customer system requirements and configuration specifications.
2. Prepare Customer Requirements Document/Solution Overview and review for City approval.
3. In addition to any items agreed to in the Customer Requirements Document, develop all API and scripts in such a manner to integrate projects with existing solutions (i.e., payment portal).

## 6. Project Events

Contractor and City will agree upon a mutually acceptable project timeline and incorporate it into the project schedule/plan, unless otherwise mutually agreed to by both parties.

Sequence	Event
1	Statement of Work signed by both parties.
2	Requirements gathering session facilitated by Contractor.
3	Customer Requirements Document (CRD) created, including specification for at least one general report compatible with TTX document management and workflow software, and one filing report of all data entered by taxpayers.
4	Customer Requirements Document (CRD) reviewed with the City.
5	Customer Requirements Document (CRD) revised by Contractor.

## Appendix B-6 Calculation of Charges

In accordance with Section 5, "Compensation," of this Agreement, Contractor shall receive an amount not to exceed \$4,844,483 in compensation for professional services rendered. The breakdown of charges for Appendix A-8 **"Scope of Work for Tax Year 2018 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return, Fiscal Year 2020 Business Registration Renewal Application, Tax Year 2019 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax/Commercial Rent Tax Annual Return, Account Update Application Updates, API configuration help, and Additional Professional Services Hours for Help with Internal Technology Integration Projects"** is as detailed below.

### Tax Year 2018 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return

This sub project will be executed as fixed bid project with following fees.

Milestone Number	Key Deliverables	Payment Amount
GR2018-1	<ul style="list-style-type: none"> <li>a) Contractor conducts requirements gathering sessions(s) as needed</li> <li>b) Contractor drafts Customer Requirements Document (CRD)</li> <li>c) CRD is reviewed with the City</li> <li>d) CRD is revised by the Contractor</li> <li>e) Scope of Work (SOW) created by Contractor based on CRD</li> <li>f) City signs off on CRD and SOW</li> <li>g) Project management</li> </ul>	\$9,850
GR2018-2	<ul style="list-style-type: none"> <li>a) Contractor delivers application, database(s), and reports (if applicable) in test environment</li> <li>b) First round of User Acceptance Testing (UAT1) led by City</li> <li>c) Approval of UAT 1 by the City</li> <li>d) Project management</li> </ul>	\$9,850
GR2018-3	<ul style="list-style-type: none"> <li>a) Contractor completes "pre-true up" in preparation for annual form</li> </ul>	\$4,950
GR2018-4	<ul style="list-style-type: none"> <li>a) Pull payments real time from Aumentum to display in the annual form</li> </ul>	\$3,300
GR2018-5	<ul style="list-style-type: none"> <li>a) Add Commercial Rent Informational Return page to form</li> <li>b) Add Commercial Rent Informational Return data to SQL tables</li> </ul>	\$3,960 \$3,960
GR2018-6	<ul style="list-style-type: none"> <li>a) Add workflow trigger data elements to SQL tables</li> </ul>	\$1,650
GR2018-7	<ul style="list-style-type: none"> <li>b) Add construction subcontractor "popup"</li> </ul>	\$6,600
GR2018-8	<ul style="list-style-type: none"> <li>a) Update payment application logic on Obligation Summary page</li> </ul>	\$2,330

RG2020-2	a) Contractor delivers application and database(s) in test environment b) First round of User Acceptance Testing (UAT1) led by City c) Approval of UAT 1 by the City d) Project management	\$12,500
RG2020-3	a) Contractor delivers UAT 1 bug fixes for the application and database(s) in test environment b) Project management	\$12,500
RG2020-4	a) Second Round of User Acceptance Testing (UAT 2) led by the City b) Approval of UAT 2 by the City c) Project management	\$12,500
RG2020-5	a) Contractor delivers application and database(s) in production environment b) Project management	\$12,500
RG2020-6	a) City accepts delivery of the application and database(s) in production environment ("GO LIVE") b) Project management	\$12,500
RG2020-7	a) Contractor completes thirty (30) calendar days of post GO LIVE bug fixes b) Project management	\$12,500
RG2020-8	a) Project closure & knowledge transfer using CRD, SOW, and related Discovery artifacts, including training and technical documentation b) Project management	\$12,500
		\$100,000

Tax Year 2019 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax/Commercial Rent Tax Annual Return

This sub project will be executed as fixed bid project with following fees.

Milestone Number	Key Deliverables	Payment Amount
GR2019-1	h) Contractor conducts requirements gathering sessions(s) as needed i) Contractor drafts Customer Requirements Document (CRD) j) CRD is reviewed with the City k) CRD is revised by the Contractor l) Scope of Work (SOW) created by Contractor based on CRD m) City signs off on CRD and SOW n) Project management	\$9,900

Agreement includes all 300 hours (\$49,500) for these services, the City shall only be liable for payment for the hours used. The hours for API configuration will be documented and approved prior to the usage. The Contractor shall separately bill and invoice these hours upon completion of the documented deliverable. Contractor will provide timely status updates to the City.

Additional Professional Service Hours – Time and Material

This sub project will be executed as Time and Material project with following fees.

Contractor shall receive additional professional services fees not to exceed \$82,500. The Contractor shall charge the City \$165 per hour for such services. Although section 5 “Compensation” of this Agreement includes all 500 additional professional services hours (\$82,500), the City shall only be liable for payment for the hours used. The additional professional services hours will be documented and approved prior to the usage. The Contractor shall separately bill and invoice these additional professional services hours upon completion of the documented deliverable. Contractor will provide timely status updates to the City.



**City and County of San Francisco  
Office of Contract Administration  
Purchasing Division**

**Eighth Amendment**

THIS AMENDMENT (this “Amendment”) is made as of December 2, 2019, in San Francisco, California, by and between 21 Tech, LLC. (“Contractor”), and the City and County of San Francisco, a municipal corporation (“City”), acting by and through its Director of the Office of Contract Administration.

**RECITALS**

WHEREAS, City and Contractor have entered into the Agreement (as defined below);  
and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to extend the performance period and increase the contract amount;

NOW, THEREFORE, Contractor and the City agree as follows:

**1. Definitions.** The following definitions shall apply to this Amendment:

**1a. Agreement.** The term “Agreement” shall mean the Agreement dated June 18, 2013 between Contractor and City, as amended by the:

First amendment,	dated March 3, 2014,
Second amendment,	dated March 1, 2015,
Third amendment,	dated July 28, 2015,
Fourth amendment,	dated August 15, 2016,
Fifth amendment,	dated March 20, 2017,
Sixth amendment,	dated May 15, 2018, and
Seventh amendment,	dated November 1, 2018.

**1b. Contract Monitoring Division.** Effective July 28, 2012, with the exception of Sections 14B.9(D) and 14B.17(F), all of the duties and functions of the Human Rights Commission under Chapter 14B of the Administrative Code (LBE Ordinance) were transferred to the City Administrator, Contract Monitoring Division (“CMD”). Wherever “Human Rights Commission” or “HRC” appears in the Agreement in reference to Chapter 14B of the Administrative Code or its implementing Rules and Regulations, it shall be construed to mean “Contract Monitoring Division” or “CMD” respectively.

**1c. Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

**2. Modifications to the Agreement.** The Agreement is hereby modified as follows:

**2a. Section 2.** Section 2, **Term of the Agreement**, currently reads as follows:

**2. Term of Agreement.** Subject to Section I, the term of this Agreement shall be from May 31, 2013 to December 31, 2020.

**Such section is hereby amended in its entirety to read as follows:**

**2. Term of Agreement.** Subject to Section I, the term of this Agreement shall be from May 31, 2013 to June 30, 2022.

**2b. Section 4.** Section 4, **Services Contractor Agrees to Perform**, of the Agreement currently reads as follows:

**4. Services Contractor Agrees to Perform.** The Contractor agrees to perform the services provided for in Appendices A, "Description of Services," A-3, "Change Requests," A-4, "Change Requests 7, 9, 10, and 11," A-5, "Scope of Work for Online Applications for Gross Receipts Tax/Payroll Expense Tax/ Administrative Office Tax Annual Filing, Quarterly Filing, and Business Registration Renewal," A-6, "Scope of Work for Account Update, LICA - Unified Licensing, Online Applications for Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Filing 2016, and Additional Professional Services Hours," A-7, "Scope of Work for Tax Year 2017 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return, Fiscal Year 2018 Business Registration Renewal Application, Fiscal Year 2019 Business Registration Renewal Application, Posting 2017 Estimated Tax Payment Obligations into Aumentum, Account Update Application Updates, and Additional Professional Services Hours for Help with Internal Technology Integration Projects," and A-8, "Scope of Work for Tax Year 2018 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return, Fiscal Year 2020 Business Registration Renewal Application, Tax Year 2019 Gross Receipts Tax/Payroll Expense Tax/ Administrative Office Tax/Commercial Rent Tax Annual Return, Account Update Application Updates, API configuration help, and Additional Professional Services Hours for Help with Internal Technology Integration Projects," attached hereto and incorporated by reference as though fully set forth herein.

**Such section is hereby amended in its entirety to read as follows:**

**4. Services Contractor Agrees to Perform.** The Contractor agrees to perform the services provided for in Appendices A, "Description of Services," A-3, "Change Requests," A-4, "Change Requests 7, 9, 10, and 11," A-5, "Scope of Work for Online Applications for Gross Receipts Tax/Payroll Expense Tax/ Administrative Office Tax Annual Filing, Quarterly Filing, and Business Registration Renewal," A-6, "Scope of Work for Account Update, LICA - Unified

Licensing, Online Applications for Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Filing 2016, and Additional Professional Services Hours," A-7, "Scope of Work for Tax Year 2017 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return, Fiscal Year 2018 Business Registration Renewal Application, Fiscal Year 2019 Business Registration Renewal Application, Posting 2017 Estimated Tax Payment Obligations into Aumentum, Account Update Application Updates, and Additional Professional Services Hours for Help with Internal Technology Integration Projects," A-8, "Scope of Work for Tax Year 2018 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return, Fiscal Year 2020 Business Registration Renewal Application, Tax Year 2019 Gross Receipts Tax/Payroll Expense Tax/ Administrative Office Tax/Commercial Rent Tax Annual Return, Account Update Application Updates, API configuration help, and Additional Professional Services Hours for Help with Internal Technology Integration Projects," and A-9, "Change to Scope of Work for Tax Year 2019 Annual Business Tax Return and Fiscal Year 2021 Business Registration Renewal Application," attached hereto and incorporated by reference as though fully set forth herein.

**2c. Section 5.** Section 5, **Compensation**, currently reads as follows:

**5. Compensation.** Compensation shall be made according to the payment schedule identified in Appendices B "Calculations for Professional Services," B-1 "Calculation of Charges - Change Requests," B-2 "Calculation of Charges - Change Requests 7, 9, 10, and 11," B-3 "Calculation of Charges," B-4 "Calculation of Charges," and B-5 "Calculation of Charges" attached hereto and incorporated by reference as though fully set forth herein, for deliverables that Treasurer, or his or her authorized representative, in his or her sole discretion, concludes have been performed. Sign-off of a deliverable by the Treasurer's authorized representative or use of any material produced as part of a deliverable in the implementation process or use in production is considered acceptance of that deliverable and obligates the City to pay for that deliverable when accompanied by an accompanying Contractor invoice. Each key deliverable will require a sign-off by the client manager on the project. The sign-off process should not take more than 5 business days without an acceptable reason for delay. The City will make a good faith attempt to pay all invoices within 30 days of billing. However, in no event shall City be liable for interest or late charges for any late payments made after such 30-day period. In no event shall the amount of this Agreement exceed **\$4,844,483**. The breakdown of costs associated with this Agreement appears in Appendices B "Calculations of Professional Services," B-1 "Calculation of Charges -Change Requests," B-2 "Calculation of Charges - Change Requests 7, 9, 10, and 11," B-3 "Calculation of Charges," B-4 "Calculation of Charges," B-5 "Calculation of Charges," B-6 "Calculation of Charges" attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Office of the Treasurer & Tax Collector as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

If City is more than 60 days in arrears on its payment obligation to Contractor, and Contractor has notified the City in writing after the City is more than 30 days in arrears on that payment

obligation, Contractor may suspend Services hereunder until such time as City is current on its payment obligations.

**Such section is hereby amended in its entirety to read as follows:**

**5. Compensation.** Compensation shall be made according to the payment schedule identified in Appendices B "Calculations for Professional Services," B-1 "Calculation of Charges - Change Requests," B-2 "Calculation of Charges - Change Requests 7, 9, 10, and 11," B-3 "Calculation of Charges," B-4 "Calculation of Charges," and B-5 "Calculation of Charges" attached hereto and incorporated by reference as though fully set forth herein, for deliverables that Treasurer, or his or her authorized representative, in his or her sole discretion, concludes have been performed. Sign-off of a deliverable by the Treasurer's authorized representative or use of any material produced as part of a deliverable in the implementation process or use in production is considered acceptance of that deliverable and obligates the City to pay for that deliverable when accompanied by an accompanying Contractor invoice. Each key deliverable will require a sign-off by the client manager on the project. The sign-off process should not take more than 5 business days without an acceptable reason for delay. The City will make a good faith attempt to pay all invoices within 30 days of billing. However, in no event shall City be liable for interest or late charges for any late payments made after such 30-day period. In no event shall the amount of this Agreement exceed **\$5,202,483**. The breakdown of costs associated with this Agreement appears in Appendices B "Calculations of Professional Services," B-1 "Calculation of Charges -Change Requests," B-2 "Calculation of Charges - Change Requests 7, 9, 10, and 11," B-3 "Calculation of Charges," B-4 "Calculation of Charges," B-5 "Calculation of Charges," B-6 "Calculation of Charges," and B-7 "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Office of the Treasurer & Tax Collector as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

If City is more than 60 days in arrears on its payment obligation to Contractor, and Contractor has notified the City in writing after the City is more than 30 days in arrears on that payment obligation, Contractor may suspend Services hereunder until such time as City is current on its payment obligations.

**2d. Appendix A-9.** "Change to Scope of Work for Tax Year 2019 Annual Business Tax Return and Fiscal Year 2021 Business Registration Renewal Application," attached, is hereby added to the Agreement.

**2e. Appendix B-7.** Appendix B-7, "Calculation of Charges," attached, is hereby added to the Agreement.

**2f. Distribution of Beverages and Water.** Section 62 is hereby added to the Agreement as follows:

**62. Distribution of Beverages and Water.**

**62a. Sugar-Sweetened Beverage Prohibition.** Contractor agrees that it shall not sell, provide, or otherwise distribute Sugar-Sweetened Beverages, as defined by San Francisco Administrative Code Chapter 101, as part of its performance of this Agreement.

**62b. Packaged Water Prohibition.** Contractor agrees that it shall not sell, provide, or otherwise distribute Packaged Water, as defined by San Francisco Environment Code Chapter 24, as part of its performance of this Agreement.

**2g. Limitations on Contributions.** Section 42 is hereby replaced in its entirety as follows:

**42. Limitations on Contributions.** By executing this Agreement, Contractor acknowledges its obligations under section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with, or is seeking a contract with, any department of the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, for a grant, loan or loan guarantee, or for a development agreement, from making any campaign contribution to (i) a City elected official if the contract must be approved by that official, a board on which that official serves, or the board of a state agency on which an appointee of that official serves, (ii) a candidate for that City elective office, or (iii) a committee controlled by such elected official or a candidate for that office, at any time from the submission of a proposal for the contract until the later of either the termination of negotiations for such contract or twelve months after the date the City approves the contract. The prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 10% in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Contractor certifies that it has informed each such person of the limitation on contributions imposed by Section 1.126 by the time it submitted a proposal for the contract, and has provided the names of the persons required to be informed to the City department with whom it is contracting.

**2h. Withholding.** Section 10 is hereby added to "Taxes" to read as follows:

**10.c. Withholding.** Contractor agrees that it is obligated to pay all amounts due to the City under the San Francisco Business and Tax Regulations Code during the term of this Agreement. Pursuant to Section 6.10-2 of the San Francisco Business and Tax Regulations Code, Contractor further acknowledges and agrees that City may withhold any payments due to Contractor under this Agreement if Contractor is delinquent in the payment of any amount required to be paid to the City under the San Francisco Business and Tax Regulations Code. Any payments withheld under this paragraph shall be made to Contractor, without interest, upon Contractor coming back into compliance with its obligations.

**3. Effective Date.** Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.

**4. Legal Effect.** Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.



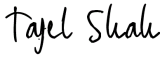
IN WITNESS WHEREOF, Contractor and City have executed this Amendment as of the date first referenced above.

**CITY**

**CONTRACTOR**

Recommended by:

21 Tech LLC.


DocuSigned by:  
  
F45D3F78545F404...  
Tajel Shah  
Chief Assistant Treasurer  
Office of the Treasurer and Tax Collector

DocuSigned by:  
  
0A7299E6FB8D446...  
Azhar Mahmood  
Managing Manager  
1390 Market Street, Suite 1202  
San Francisco, CA 94102


Approved as to Form:

City vendor number: 37769  
City supplier number: 1000003753

Dennis J. Herrera  
City Attorney

By:   
DBDA121BAB35448...  
Moe Jamil  
Deputy City Attorney

Approved:

DocuSigned by:  
  
9AFA44694D514E7...  
Alaric Degrafinried  
Director of the Office of Contract  
Administration, and Purchaser

## **Appendix A-9**

### **Change to Scope of Work for Tax Year 2019 Annual Business Tax Return and Fiscal Year 2021 Business Registration Renewal Application**

#### **1. Project Description:**

The voters of the City and County of San Francisco adopted Proposition E in the November 2012 election, which instituted a gross receipts tax, increased business registration fees, and established a methodology for adjusting gross receipts tax rates and the payroll expense tax rate over the course of a five-year period, commencing January 1, 2014.

The Office of the Treasurer & Tax Collector (“TTX”) has previously engaged 21Tech, LLC (“Contractor”) to build online forms and databases to facilitate taxpayer submission of tax filings through the TTX website, including the Gross Receipts Tax, Payroll Expense Tax and Administrative Office Tax Annual Filing, Quarterly Filing, Business Registration Renewal, Transient Occupancy Tax Monthly Filing, Parking Tax Monthly Filing, Account Update, and Payment Portal. Contractor is an authorized third party integrator for the Aumentum (“AUM”) business tax product licensed by TTX from Thomson Reuters. Contractor will build Online Submission forms, database(s) and reports for the listed project deliverables below. TTX reserves the right to not initiate work with Contractor on any of the listed project deliverables.

#### **2. Project Deliverables:**

Contractor shall complete the following list of project deliverables within the time schedule agreed upon pursuant to section 6, Project Events of this Appendix A-7. Each of the project events will be completed for each of the listed project items below provided the first event is executed.

- a. Tax Year 2019 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax/Homelessness Gross Receipts/Homelessness Administrative Office Tax/Commercial Rent Tax Annual Return (Annual Business Tax Return)
- b. Fiscal Year 2021 Business Registration Renewal Application

#### **3. Testing, Training and Other Support**

- a. Contractor shall modify authored Technical Specification document for support purposes.
- b. This may include supplemental artifacts authored by Contractor as deemed necessary by the project team, with the supplemental artifact request and effort estimated and documented through the established Change Control process.

#### **4. TTX Roles & Responsibilities**

- a. TTX will make available subject matter expert resources for each project phase and engagement team members to participate in the gathering of requirements prior to and during the scheduled onsite Discovery Meeting, as well as any remote Discovery-related Meetings. This includes third party resources, including AUM, as well as the TTX internal resources.

- b. TTX and, as needed, any contracted third-party vendors, including AUM, will provide prior to and during the Discovery Meeting complete and accurate technical specifications with the related business rules. Delayed delivery of the technical specifications and the business rules, as well as incomplete, implied, ambiguous, or conflicting technical specifications and business rules will impact the project schedule and will create Change Control.
- c. TTX will provide samples of documents necessary for Discovery and for testing.
- d. TTX will provide samples of report(s) necessary for Discovery.
- e. TTX will provide requested information and work with Contractor to develop the project schedule and any Change Orders needed.
- f. TTX will provide specifications for Contractor to create reports compatible with TTX document management and workflow software.
- g. TTX will create and execute a User Acceptance Test Plan (“UAT”) for all applications as well as any integration, regression, downstream (file/report validation) or other third-party testing. This UAT coupled with the Customer Requirements Document will be used by Contractor to test basic functionality/end-to-end testing before turning the system over to the City for UAT 1 and UAT 2.
- h. Alanna Wheatley will be the TTX point of contact for Contractor. Questions, deliverable acceptance forms, invoices and other questions and approvals related to this amendment will be routed through her. She will escalate as appropriate within TTX.

## 5. Contractor’s Roles & Responsibilities

- a. Project Management. Contractor shall do the following:
  - 1. Deliver and maintain a project plan of activities, events, and milestones.
  - 2. Track and manage resolution of project issues and distribute documentation of issue(s) resolution to City project team.
  - 3. Monitor and control project scope, schedule and cost using Contractor Change Control process, if necessary.
    - a. Any activities and/or changes identified as requiring Change Control will require written approval from the City prior to the Change being executed by Contractor.
  - 4. Facilitate regular status meetings.
  - 5. Provide periodic reporting of actual project time used, estimated time to completion, and comparison to estimate of effort as provided in this Scope of Work.
- b. Requirements Gathering/Documentation/Integration. Contractor shall do the following:
  - 1. Facilitate a meeting/conference call to determine customer system requirements and configuration specifications.

2. Prepare Customer Requirements Document/Solution Overview and review for City approval.
3. In addition to any items agreed to in the Customer Requirements Document, develop all API and scripts in such a manner to integrate projects with existing solutions (i.e., payment portal).

## 6. Project Events

Contractor and City will agree upon a mutually acceptable project timeline and incorporate it into the project schedule/plan, unless otherwise mutually agreed to by both parties.

Sequence	Event
1	Statement of Work signed by both parties.
2	Requirements gathering session facilitated by Contractor.
3	Customer Requirements Document (CRD) created, including specification for at least one general report compatible with TTX document management and workflow software, and one filing report of all data entered by taxpayers.
4	Customer Requirements Document (CRD) reviewed with the City.
5	Customer Requirements Document (CRD) revised by Contractor.
6	Scope of Work (SOW) created by Contractor based on the CRD.
7	CRD and SOW signed by the City and returned to Contractor. Requirements complete.
8	Contractor delivers application, database(s), and reports in test environment.
9	First round of User Acceptance Testing (UAT I) lead by TTX.
10	Approval of UAT 1 by TTX.
11	Contractor delivers UAT I bug fixes for application database(s) and reports in test environment.
12	Second round of User Acceptance Testing (UAT 2) lead by TTX.
13	Approval of UAT 2 by TTX.
14	Contractor delivers application, database(s), and reports in production

	environment.
15	TTX accepts delivery of application and database(s) in production environment (“GO LIVE”).
16	Contractor completes thirty (30) days of post GO LIVE bug fixes.
17	Project closure & knowledge transfer using the CRD, the SOW, and any related Discovery artifacts, including training and technical documentation.

## **7. Acceptance Criteria**

The acceptance of each Project will be based on successful completion of the test plans and delivery of all items detailed in the Project Events section.

## **Appendix B-7**

### **Calculation of Charges**

In accordance with Section 5, “Compensation,” of this Agreement, Contractor shall receive an amount not to exceed **\$5,202,483** in compensation for professional services rendered. The breakdown of charges for Appendix A-9 “Change to Scope of Work for Tax Year 2019 Annual Business Tax Return and Fiscal Year 2021 Business Registration Renewal Application” is as detailed below.

#### **Change to Scope of Work for Tax Year 2019 Annual Business Tax Return**

This sub project will be executed as fixed bid project with following fees.

Milestone Number	Key Deliverables	Payment Amount
ABT2019-1	Modify online form flow from one user engagement to siloed filings	\$65,000
ABT2019-2	Pull tax and penalty details back from Aumentum to display on courtesy calculation pages	\$25,000
ABT2019-3	Modify Quarterly posting logic	\$15,000
ABT2019-4	Modify API posting logic and flow	\$20,000
ABT2019-5	Prescribed form flow related to extension filers	\$10,000
ABT2019-6	Prescribed form flow for Combined Groups	\$10,000
ABT2019-7	Prescribed form flow for Residential Lessors	\$5,000
ABT2019-8	Prescribed form flow for Tax Credits & Exclusions	\$10,000
ABT2019-9	Build flow, triggers and logic related to Homelessness Gross Receipts Tax	\$6,000
ABT2019-10	Build flow, triggers and logic related to Homelessness Administrative Office Tax	\$6,000
ABT2019-11	Build flow, triggers and logic related to Homelessness Gross Receipts and AOT Tax Gift and Waivers	\$6,000
ABT2019-12	Add survey questions page	\$10,000
ABT2019-13	Revamp the HTML of the filing	\$6,000
ABT2019-14	Additional reports for Commercial Rent, Homelessness Gross Receipts, Homelessness AOT	\$18,000
ABT2019-15	Add Commercial Rent Tax Filing <ul style="list-style-type: none"> <li>a. Add filing by location</li> <li>b. Pull location data from Aumentum to display for selection</li> </ul>	\$16,000



	c. Add upload function for documentation d. Workflow triggers related to Commercial Rent Tax	
ABT2019-16	Change Construction Subcontractor Exclusion a. Change the flow to mitigate performance issues b. Add upload function for data (mimic parking tax online)	\$10,000
ABT2019-17	Add Combined Group functionality to AOT filing	\$20,000
<b>Total</b>		<b>\$258,000</b>

### **Fiscal Year 2021 Business Registration Renewal Application**

This sub project will be executed as fixed bid project with following fees.

Milestone Number	Key Deliverables	Payment Amount
RG2021-1	a) Contractor conducts requirements gathering sessions(s) as needed b) Contractor drafts Customer Requirements Document (CRD) c) CRD is reviewed with the City d) CRD is revised by the Contractor e) Scope of Work (SOW) created by Contractor based on CRD f) City signs off on CRD and SOW g) Project management	\$12,500
RG2021-2	a) Contractor delivers application and database(s) in test environment b) First round of User Acceptance Testing (UAT1) led by City c) Approval of UAT 1 by the City d) Project management	\$12,500
RG2021-3	a) Contractor delivers UAT 1 bug fixes for the application and database(s) in test environment b) Project management	\$12,500
RG2021-4	a) Second Round of User Acceptance Testing (UAT 2) led by the City b) Approval of UAT 2 by the City c) Project management	\$12,500
RG2021-5	a) Contractor delivers application and database(s) in production environment b) Project management	\$12,500
RG2021-6	a) City accepts delivery of the application and database(s) in	\$12,500

	production environment (“GO LIVE”) b) Project management	
RG2021-7	a) Contractor completes thirty (30) calendar days of post GO LIVE bug fixes b) Project management	\$12,500
RG2021-8	a) Project closure & knowledge transfer using CRD, SOW, and related Discovery artifacts, including training and technical documentation b) Project management	\$12,500
<b>Total</b>		<b>\$100,000</b>

**City and County of San Francisco  
Office of Contract Administration  
Purchasing Division**

**Ninth Amendment**

THIS AMENDMENT (this “Amendment”) is made as of October 15, 2020 in San Francisco, California, by and between **21 Tech, LLC** (“Contractor”), and the City and County of San Francisco, a municipal corporation (“City”), acting by and through its Director of the Office of Contract Administration.

**RECITALS**

WHEREAS, City and Contractor have entered into the Agreement (as defined below); and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to increase the contract amount;

NOW, THEREFORE, Contractor and the City agree as follows:

**1. Definitions.** The following definitions shall apply to this Amendment:

**1a. Agreement.** The term “Agreement” shall mean the Agreement dated June 18, 2013 between Contractor and City, as amended by the:

First amendment,	dated March 3, 2014,
Second amendment,	dated March 1, 2015,
Third amendment,	dated July 28, 2015,
Fourth amendment,	dated August 15, 2016,
Fifth amendment,	dated March 20, 2017,
Sixth amendment,	dated May 15, 2018,
Seventh amendment,	dated November 1, 2018, and
Eighth amendment,	dated November 6, 2019.

**1b. Contract Monitoring Division.** Effective July 28, 2012, with the exception of Sections 14B.9(D) and 14B.17(F), all of the duties and functions of the Human Rights Commission under Chapter 14B of the Administrative Code (LBE Ordinance) were transferred to the City Administrator, Contract Monitoring Division (“CMD”). Wherever “Human Rights Commission” or “HRC” appears in the Agreement in reference to Chapter 14B of the Administrative Code or its implementing Rules and Regulations, it shall be construed to mean “Contract Monitoring Division” or “CMD” respectively.

**1c. Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

**2. Modifications to the Agreement.** The Agreement is hereby modified as follows:

**2a. Section 4.** Section **Services Contractor Agrees to Perform** of the Agreement currently reads as follows:

**4. Services Contractor Agrees to Perform.** The Contractor agrees to perform the services provided for in Appendices A, "Description of Services," A-3, "Change Requests," A-4, "Change Requests 7, 9, 10, and 11," A-5, "Scope of Work for Online Applications for Gross Receipts Tax/Payroll Expense Tax/ Administrative Office Tax Annual Filing, Quarterly Filing, and Business Registration Renewal," A-6, "Scope of Work for Account Update, LICA - Unified Licensing, Online Applications for Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Filing 2016, and Additional Professional Services Hours," A-7, "Scope of Work for Tax Year 2017 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return, Fiscal Year 2018 Business Registration Renewal Application, Fiscal Year 2019 Business Registration Renewal Application, Posting 2017 Estimated Tax Payment Obligations into Aumentum, Account Update Application Updates, and Additional Professional Services Hours for Help with Internal Technology Integration Projects," A-8, "Scope of Work for Tax Year 2018 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return, Fiscal Year 2020 Business Registration Renewal Application, Tax Year 2019 Gross Receipts Tax/Payroll Expense Tax/ Administrative Office Tax/Commercial Rent Tax Annual Return, Account Update Application Updates, API configuration help, and Additional Professional Services Hours for Help with Internal Technology Integration Projects," and A-9, "Change to Scope of Work for Tax Year 2019 Annual Business Tax Return and Fiscal Year 2021 Business Registration Renewal Application," attached hereto and incorporated by reference as though fully set forth herein

**Such section is hereby amended in its entirety to read as follows:**

**4. Services Contractor Agrees to Perform.** The Contractor agrees to perform the services provided for in Appendices A, "Description of Services," A-3, "Change Requests," A-4, "Change Requests 7, 9, 10, and 11," A-5, "Scope of Work for Online Applications for Gross Receipts Tax/Payroll Expense Tax/ Administrative Office Tax Annual Filing, Quarterly Filing, and Business Registration Renewal," A-6, "Scope of Work for Account Update, LICA - Unified Licensing, Online Applications for Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Filing 2016, and Additional Professional Services Hours," A-7, "Scope of Work for Tax Year 2017 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return, Fiscal Year 2018 Business Registration Renewal Application, Fiscal Year 2019 Business Registration Renewal Application, Posting 2017 Estimated Tax Payment Obligations into Aumentum, Account Update Application Updates, and Additional Professional Services Hours for Help with Internal Technology Integration Projects," A-8, "Scope of Work for Tax Year 2018 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return, Fiscal Year 2020 Business Registration Renewal Application, Tax Year 2019 Gross Receipts Tax/Payroll Expense Tax/ Administrative Office Tax/Commercial Rent Tax Annual Return,

Account Update Application Updates, API configuration help, and Additional Professional Services Hours for Help with Internal Technology Integration Projects," A-9, "Change to Scope of Work for Tax Year 2019 Annual Business Tax Return and Fiscal Year 2021 Business Registration Renewal Application," and A-10 "Scope of Work for Tax Year 2020 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax/Commercial Rents Tax/Homelessness Gross Receipts Tax/Homelessness Administrative Office Tax/Cannabis Tax Annual Return, Account Update Application, Fiscal Year 2022 Business Registration Renewal Application, and Additional Professional Services Hours for Help with Internal Technology Integration Projects," attached hereto and incorporated by reference as though fully set forth herein

**2b. Section 5.** Section **Compensation** of the Agreement currently reads as follows:

**5. Compensation.** Compensation shall be made according to the payment schedule identified in Appendices B "Calculations for Professional Services," B-1 "Calculation of Charges - Change Requests," B-2 "Calculation of Charges - Change Requests 7, 9, 10, and 11," B-3 "Calculation of Charges," B-4 "Calculation of Charges," and B-5 "Calculation of Charges" attached hereto and incorporated by reference as though fully set forth herein, for deliverables that Treasurer, or his or her authorized representative, in his or her sole discretion, concludes have been performed. Sign-off of a deliverable by the Treasurer's authorized representative or use of any material produced as part of a deliverable in the implementation process or use in production is considered acceptance of that deliverable and obligates the City to pay for that deliverable when accompanied by an accompanying Contractor invoice. Each key deliverable will require a sign-off by the client manager on the project. The sign-off process should not take more than 5 business days without an acceptable reason for delay. The City will make a good faith attempt to pay all invoices within 30 days of billing. However, in no event shall City be liable for interest or late charges for any late payments made after such 30-day period. In no event shall the amount of this Agreement exceed **\$5,202,483**. The breakdown of costs associated with this Agreement appears in Appendices B "Calculations of Professional Services," B-1 "Calculation of Charges -Change Requests," B-2 "Calculation of Charges - Change Requests 7, 9, 10, and 11," B-3 "Calculation of Charges," B-4 "Calculation of Charges," B-5 "Calculation of Charges," B-6 "Calculation of Charges," and B-7 "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Office of the Treasurer & Tax Collector as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

If City is more than 60 days in arrears on its payment obligation to Contractor, and Contractor has notified the City in writing after the City is more than 30 days in arrears on that payment obligation, Contractor may suspend Services hereunder until such time as City is current on its payment obligations.

**Such section is hereby amended in its entirety to read as follows:**

**5. Compensation.** Compensation shall be made according to the payment schedule identified in Appendices B "Calculations for Professional Services," B-1 "Calculation of Charges - Change Requests," B-2 "Calculation of Charges - Change Requests 7, 9, 10, and 11," B-3 "Calculation of Charges," B-4 "Calculation of Charges," and B-5 "Calculation of Charges" attached hereto and incorporated by reference as though fully set forth herein, for deliverables that Treasurer, or his or her authorized representative, in his or her sole discretion, concludes have been performed. Sign-off of a deliverable by the Treasurer's authorized representative or use of any material produced as part of a deliverable in the implementation process or use in production is considered acceptance of that deliverable and obligates the City to pay for that deliverable when accompanied by an accompanying Contractor invoice. Each key deliverable will require a sign-off by the client manager on the project. The sign-off process should not take more than 5 business days without an acceptable reason for delay. The City will make a good faith attempt to pay all invoices within 30 days of billing. However, in no event shall City be liable for interest or late charges for any late payments made after such 30-day period. In no event shall the amount of this Agreement exceed **\$5,890,323.00**. The breakdown of costs associated with this Agreement appears in Appendices B "Calculations of Professional Services," B-1 "Calculation of Charges -Change Requests," B-2 "Calculation of Charges - Change Requests 7, 9, 10, and 11," B-3 "Calculation of Charges," B-4 "Calculation of Charges," B-5 "Calculation of Charges," B-6 "Calculation of Charges," and B-7 "Calculation of Charges," and B-8 "Calculation of Charges" attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Office of the Treasurer & Tax Collector as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

If City is more than 60 days in arrears on its payment obligation to Contractor, and Contractor has notified the City in writing after the City is more than 30 days in arrears on that payment obligation, Contractor may suspend Services hereunder until such time as City is current on its payment obligations.

**2c. Appendix A-10.** Appendix A-10, "Scope of Work for Tax Year 2020 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax/Commercial Rents Tax/Homelessness Gross Receipts Tax/Homelessness Administrative Office Tax/Cannabis Tax Annual Return, Account Update Application, Fiscal Year 2022 Business Registration Renewal Application, and Additional Professional Services Hours for Help with Internal Technology Integration Projects," attached, is hereby added to the Agreement.

**2d. Appendix B-8.** Appendix B-8, "Calculation of Charges," attached, is hereby added to the Agreement.

**2i. First Source Hiring Program.** Section 45 is hereby replaced in its entirety to read as follows:



## **45. First Source Hiring Program**

### **a. Incorporation of Administrative Code Provisions by Reference.**

The provisions of Chapter 83 of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with, and be bound by, all of the provisions that apply to this Agreement under such Chapter, including but not limited to the remedies provided therein. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 83.

### **b. First Source Hiring Agreement.**

As an essential term of, and consideration for, any contract or property contract with the City, not exempted by the FSHA, the Contractor shall enter into a first source hiring agreement ("agreement") with the City, on or before the effective date of the contract or property contract. Contractors shall also enter into an agreement with the City for any other work that it performs in the City. Such agreement shall:

1) Set appropriate hiring and retention goals for entry level positions. The employer shall agree to achieve these hiring and retention goals, or, if unable to achieve these goals, to establish good faith efforts as to its attempts to do so, as set forth in the agreement. The agreement shall take into consideration the employer's participation in existing job training, referral and/or brokerage programs. Within the discretion of the FSHA, subject to appropriate modifications, participation in such programs may be certified as meeting the requirements of this Chapter. Failure either to achieve the specified goal, or to establish good faith efforts will constitute noncompliance and will subject the employer to the provisions of Section 83.10 of this Chapter.

2) Set first source interviewing, recruitment and hiring requirements, which will provide the San Francisco Workforce Development System with the first opportunity to provide qualified economically disadvantaged individuals for consideration for employment for entry level positions. Employers shall consider all applications of qualified economically disadvantaged individuals referred by the System for employment; provided however, if the employer utilizes nondiscriminatory screening criteria, the employer shall have the sole discretion to interview and/or hire individuals referred or certified by the San Francisco Workforce Development System as being qualified economically disadvantaged individuals. The duration of the first source interviewing requirement shall be determined by the FSHA and shall be set forth in each agreement, but shall not exceed 10 days. During that period, the employer may publicize the entry level positions in accordance with the agreement. A need for urgent or temporary hires must be evaluated, and appropriate provisions for such a situation must be made in the agreement.

3) Set appropriate requirements for providing notification of available entry level positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of qualified economically disadvantaged individuals to participating employers. Notification should include such information as employment needs by occupational title, skills, and/or experience required, the hours required, wage scale and duration of employment, identification of entry level and training positions, identification of English

language proficiency requirements, or absence thereof, and the projected schedule and procedures for hiring for each occupation. Employers should provide both long-term job need projections and notice before initiating the interviewing and hiring process. These notification requirements will take into consideration any need to protect the employer's proprietary information.

4) Set appropriate record keeping and monitoring requirements. The First Source Hiring Administration shall develop easy-to-use forms and record keeping requirements for documenting compliance with the agreement. To the greatest extent possible, these requirements shall utilize the employer's existing record keeping systems, be nonduplicative, and facilitate a coordinated flow of information and referrals.

5) Establish guidelines for employer good faith efforts to comply with the first source hiring requirements of this Chapter. The FSHA will work with City departments to develop employer good faith effort requirements appropriate to the types of contracts and property contracts handled by each department. Employers shall appoint a liaison for dealing with the development and implementation of the employer's agreement. In the event that the FSHA finds that the employer under a City contract or property contract has taken actions primarily for the purpose of circumventing the requirements of this Chapter, that employer shall be subject to the sanctions set forth in Section 83.10 of this Chapter.

6) Set the term of the requirements.

7) Set appropriate enforcement and sanctioning standards consistent with this Chapter.

8) Set forth the City's obligations to develop training programs, job applicant referrals, technical assistance, and information systems that assist the employer in complying with this Chapter.

9) Require the developer to include notice of the requirements of this Chapter in leases, subleases, and other occupancy contracts.

**c. Hiring Decisions.**

Contractor shall make the final determination of whether an Economically Disadvantaged Individual referred by the System is "qualified" for the position.

**d. Exceptions.**

Upon application by Employer, the First Source Hiring Administration may grant an exception to any or all of the requirements of Chapter 83 in any situation where it concludes that compliance with this Chapter would cause economic hardship.

**e. Liquidated Damages.**

Contractor agrees:

- 1) To be liable to the City for liquidated damages as provided in this section;
- 2) To be subject to the procedures governing enforcement of breaches of contracts based on violations of contract provisions required by this Chapter as set forth in this section;

3) That the contractor's commitment to comply with this Chapter is a material element of the City's consideration for this contract; that the failure of the contractor to comply with the contract provisions required by this Chapter will cause harm to the City and the public which is significant and substantial but extremely difficult to quantify; that the harm to the City includes not only the financial cost of funding public assistance programs but also the insidious but impossible to quantify harm that this community and its families suffer as a result of unemployment; and that the assessment of liquidated damages of up to \$5,000 for every notice of a new hire for an entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.

4) That the continued failure by a contractor to comply with its first source referral contractual obligations will cause further significant and substantial harm to the City and the public, and that a second assessment of liquidated damages of up to \$10,000 for each entry level position improperly withheld from the FSHA, from the time of the conclusion of the first investigation forward, does not exceed the financial and other damages that the City suffers as a result of the contractor's continued failure to comply with its first source referral contractual obligations;

5) That in addition to the cost of investigating alleged violations under this Section, the computation of liquidated damages for purposes of this section is based on the following data:

(a) The average length of stay on public assistance in San Francisco's County Adult Assistance Program is approximately 41 months at an average monthly grant of \$348 per month, totaling approximately \$14,379; and

(b) In 2004, the retention rate of adults placed in employment programs funded under the Workforce Investment Act for at least the first six months of employment was 84.4%. Since qualified individuals under the First Source program face far fewer barriers to employment than their counterparts in programs funded by the Workforce Investment Act, it is reasonable to conclude that the average length of employment for an individual whom the First Source Program refers to an employer and who is hired in an entry level position is at least one year;

Therefore, liquidated damages that total \$5,000 for first violations and \$10,000 for subsequent violations as determined by FSHA constitute a fair, reasonable, and conservative attempt to quantify the harm caused to the City by the failure of a contractor to comply with its first source referral contractual obligations.

6) That the failure of contractors to comply with this Chapter, except property contractors, may be subject to the debarment and monetary penalties set forth in Sections 6.80 et seq. of the San Francisco Administrative Code, as well as any other remedies available under the contract or at law; and

Violation of the requirements of Chapter 83 is subject to an assessment of liquidated damages in the amount of \$5,000 for every new hire for an Entry Level Position improperly withheld from the first source hiring process. The assessment of liquidated damages and the evaluation of any defenses or mitigating factors shall be made by the FSHA.

f. **Subcontracts.**

Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of Chapter 83 and shall contain contractual obligations substantially the same as those set forth in this Section.

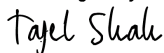
**3. Effective Date.** Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.

**4. Legal Effect.** Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and City have executed this Amendment as of the date first referenced above.

**CITY**

Recommended by:

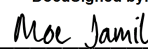
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Tajel Shah  
Chief Assistant Treasurer  
Office of the Treasurer and Tax Collector

Approved as to Form:

Dennis J. Herrera  
City Attorney

By:

DocuSigned by:  
  
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Moe Jamil  
Deputy City Attorney

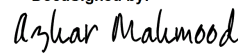
Approved:

DocuSigned by:  
  
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Sailaja Kurella  
Acting Director of the Office of Contract  
Administration, and Purchaser

**CONTRACTOR**

21 Tech, LLC.

DocuSigned by:  
  
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Azhar Mahmood  
Managing Partner  
9000 Crow Canyon Road, Suite s391  
Danville, CA 94506

City vendor number: 37769  
City supplier number: 0000026644

## **Appendix A-10**

Scope of Work for Tax Year 2020 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax/Commercial Rents Tax/Homelessness Gross Receipts Tax/Homelessness Administrative Office Tax/Cannabis Tax Annual Return, Account Update Application, Fiscal Year 2022 Business Registration Renewal Application, and Additional Professional Services Hours for Help with Internal Technology Integration Projects

### **1. Project Description:**

The voters of the City and County of San Francisco adopted Proposition E in the November 2012 election, which instituted a gross receipts tax, increased business registration fees, and established a methodology for adjusting gross receipts tax rates and the payroll expense tax rate over the course of a five-year period, commencing January 1, 2014.

The Office of the Treasurer & Tax Collector (“TTX”) has previously engaged 21Tech, LLC (“Contractor”) to build online forms and databases to facilitate taxpayer submission of tax filings through the TTX website, including the Gross Receipts Tax, Payroll Expense Tax and Administrative Office Tax Annual Filing, Quarterly Filing, Business Registration Renewal, Transient Occupancy Tax Monthly Filing, Parking Tax Monthly Filing, Account Update, and Payment Portal. Contractor is an authorized third party integrator for the Aumentum (“AUM”) business tax product licensed by TTX from Thomson Reuters. Contractor will build Online Submission forms, database(s) and reports for the listed project deliverables below. TTX reserves the right to not initiate work with Contractor on any of the listed project deliverables.

### **2. Project Deliverables:**

Contractor shall complete the following list of project deliverables within the time schedule agreed upon pursuant to section 6, Project Events of this Appendix A-10. Each of the project events will be completed for each of the listed project items below provided the first event is executed.

- a. Tax Year 2020 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax/Homelessness Gross Receipts/Homelessness Administrative Office Tax/Commercial Rents Tax/Cannabis Tax Annual Return (Annual Business Tax Return)
- b. Account Update Application
- c. Fiscal Year 2022 Business Registration Renewal Application

### **3. Testing, Training and Other Support**

- a. Contractor shall modify authored Technical Specification document for support purposes.
- b. This may include supplemental artifacts authored by Contractor as deemed necessary by the project team, with the supplemental artifact request and effort estimated and documented through the established Change Control process.

### **4. TTX Roles & Responsibilities**

- a. TTX will make available subject matter expert resources for each project phase and engagement team members to participate in the gathering of requirements prior to and during the scheduled onsite Discovery Meeting, as well as any remote Discovery-related Meetings. This includes third party resources, including AUM, as well as the TTX internal resources.
- b. TTX and, as needed, any contracted third-party vendors, including AUM, will provide prior to and during the Discovery Meeting complete and accurate technical specifications with the related business rules. Delayed delivery of the technical specifications and the business rules, as well as incomplete, implied, ambiguous, or conflicting technical specifications and business rules will impact the project schedule and will create Change Control.
- c. TTX will provide samples of documents necessary for Discovery and for testing.
- d. TTX will provide samples of report(s) necessary for Discovery.
- e. TTX will provide requested information and work with Contractor to develop the project schedule and any Change Orders needed.
- f. TTX will provide specifications for Contractor to create reports compatible with TTX document management and workflow software.
- g. TTX will create and execute a User Acceptance Test Plan (“UAT”) for all applications as well as any integration, regression, downstream (file/report validation) or other third-party testing. This UAT coupled with the Customer Requirements Document will be used by Contractor to test basic functionality/end-to-end testing before turning the system over to the City for UAT 1 and UAT 2.
- h. Alanna Wheatley will be the TTX point of contact for Contractor. Questions, deliverable acceptance forms, invoices and other questions and approvals related to this amendment will be routed through her. She will escalate as appropriate within TTX.

## **5. Contractor’s Roles & Responsibilities**

- a. Project Management. Contractor shall do the following:
  - 1. Deliver and maintain a project plan of activities, events, and milestones.
  - 2. Track and manage resolution of project issues and distribute documentation of issue(s) resolution to City project team.
  - 3. Monitor and control project scope, schedule and cost using Contractor Change Control process, if necessary.
    - a. Any activities and/or changes identified as requiring Change Control will require written approval from the City prior to the Change being executed by Contractor.
  - 4. Facilitate regular status meetings.
  - 5. Provide periodic reporting of actual project time used, estimated time to completion, and comparison to estimate of effort as provided in this Scope of Work.
- b. Requirements Gathering/Documentation/Integration. Contractor shall do the following:



1. Facilitate a meeting/conference call to determine customer system requirements and configuration specifications.
2. Prepare Customer Requirements Document/Solution Overview and review for City approval.
3. In addition to any items agreed to in the Customer Requirements Document, develop all API and scripts in such a manner to integrate projects with existing solutions (i.e., payment portal).

## 6. Project Events

Contractor and City will agree upon a mutually acceptable project timeline and incorporate it into the project schedule/plan, unless otherwise mutually agreed to by both parties.

Sequence	Event
1	Statement of Work signed by both parties.
2	Requirements gathering session facilitated by Contractor.
3	Customer Requirements Document (CRD) created, including specification for at least one general report compatible with TTX document management and workflow software, and one filing report of all data entered by taxpayers.
4	Customer Requirements Document (CRD) reviewed with the City.
5	Customer Requirements Document (CRD) revised by Contractor.
6	Scope of Work (SOW) created by Contractor based on the CRD.
7	CRD and SOW signed by the City and returned to Contractor. Requirements complete.
8	Contractor delivers application, database(s), and reports in test environment.
9	First round of User Acceptance Testing (UAT I) lead by TTX.
10	Approval of UAT 1 by TTX.
11	Contractor delivers UAT I bug fixes for application database(s) and reports in test environment.
12	Second round of User Acceptance Testing (UAT 2) lead by TTX.

13	Approval of UAT 2 by TTX.
14	Contractor delivers application, database(s), and reports in production environment.
15	TTX accepts delivery of application and database(s) in production environment (“GO LIVE”).
16	Contractor completes thirty (30) days of post GO LIVE bug fixes.
17	Project closure & knowledge transfer using the CRD, the SOW, and any related Discovery artifacts, including training and technical documentation.

## **7. Acceptance Criteria**

The acceptance of each Project will be based on successful completion of the test plans and delivery of all items detailed in the Project Events section.

## Appendix B-8 Calculation of Charges

In accordance with Section 5, "Compensation," of this Agreement, Contractor shall receive an amount not to exceed **\$5,890,323.00** in compensation for professional services rendered. The breakdown of charges for Appendix A-10 "Scope of Work for Tax Year 2020 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax/Commercial Rents Tax/Homelessness Gross Receipts Tax/Homelessness Administrative Office Tax/Cannabis Tax Annual Return, Account Update Application, Fiscal Year 2022 Business Registration Renewal Application, and Additional Professional Services Hours for Help with Internal Technology Integration Projects" is as detailed below.

### **Scope of Work for Tax Year 2020 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax/Commercial Rents Tax/Homelessness Gross Receipts Tax/Homelessness Administrative Office Tax/Cannabis Tax Annual Return**

This sub project will be executed as fixed bid project with following fees.

Milestone Number	Key Deliverables	Payment Amount
ABT2020-1	Requirement gathering	\$10,500.00
ABT2020-2	Create an exact clone of ABT19 for ABT20 test (and DE) (same workflow triggers, includes all of the data pulls from Aumentum and posting to Aumentum, etc.)	\$10,500.00
ABT2020-3	Database set up and linking to reports (including GRMErrorReport)	\$8,700.00
ABT2020-4	Update language (form and pdf/html), PY rate, SBE thresholds	\$12,000.00
ABT2020-5	Update payment pull datapoints (2020 payments instead of 2019 payments)	\$3,600.00
ABT2020-6	Add Stock based compensation tax type	\$6,900.00
ABT2020-7	Add Cannabis tax type	\$6,900.00
ABT2020-8	Update Quarterly tax types and tax calculation logic	\$7,200.00
ABT2020-9	Add workflow triggers to SQL tables and DAT logic: <ul style="list-style-type: none"> <li>late amendments where payments exist</li> <li>substantially similar tax credit</li> <li>CG filings where Aum CG is same/different</li> <li>CG filing payments on members yes/no</li> </ul>	\$ 10,800.00
ABT2020-10	Pre-true up	\$ 7,800.00
ABT2020-11	Extensions form: <ul style="list-style-type: none"> <li>allow TP to select or not select tax types (don't require Extension submission for all tax types) - discuss in requirements gathering</li> <li>Post to Q4 instead of just using Q4 bill number</li> </ul>	\$ 7,080.00
ABT2020-12	Gross Receipts: <ul style="list-style-type: none"> <li>Sum the columns that don't contribute to tax calculation</li> <li>Apportionment logic dependent on answers to "Are all activities within SF" question</li> <li>Show math for allocation &amp; apportionment</li> <li>If GR submission has GR less than \$50m and BAN has payments on HGR, also post a \$0 HGR for the</li> </ul>	\$ 10,500.00

	BAN and create a \$0 HGR filing in SQL data	
ABT2020-13	Construction Subcontractor: <ul style="list-style-type: none"> <li>• Add a "delete all" button to delete all entries entered so far in the subcontractor payments</li> </ul>	\$ 1,320.00
ABT2020-14	HTML: <ul style="list-style-type: none"> <li>• Append uploads to the filing html (for onbase and for email)</li> </ul>	\$ 1,320.00
ABT2020-15	Commercial Rent: <ul style="list-style-type: none"> <li>• Change design of page (new design TBD in requirements gathering)</li> <li>• Allow TP to add location via the form (using "add location" API from AU)</li> <li>• Do not display 000 location in drop down box</li> <li>• Add logic to prevent/flag (pop up box for TP?) residential lessors or GR SBE who try to file Commercial</li> </ul>	\$ 14,400.00
ABT2020-16	HGR/HAOT: <ul style="list-style-type: none"> <li>• minor modifications to waiver/gift logic possibly</li> </ul>	\$ 4,200.00
ABT2020-17	EZTC calculations corrections	\$ 4,200.00
ABT2020-18	Update DE form to sync with the changes to TP form	\$ 7,200.00
ABT2020-19	UAT 1 Bug Fixes	\$ 10,500.00
ABT2020-20	UAT 2 Bug Fixes	\$ 10,500.00
ABT2020-21	Move code, database and reports to production	\$ 10,500.00
ABT2020-22	Go-live in production environment	\$ 10,500.00
ABT2020-23	Post Go-Live support	\$ 11,550.00
ABT2020-24	Project Closure and knowledge transfer	\$ 11,550.00
<b>Total</b>		<b>\$ 200,220.00</b>

### **Scope of Work for Account Update Application**

This sub project will be executed as fixed bid project with following fees.

Milestone Number	Key Deliverables	Payment Amount
AU-1	Requirements review session(s)	\$19,080.00
AU-2	View Business Details <ul style="list-style-type: none"> <li>- Display mailing address (edit button)</li> <li>- Display taxes/fees (edit button)</li> <li>- Display business activities (not editable)</li> <li>- Ownership details button</li> </ul>	\$23,040.00
AU-3	Ownership detail page <ul style="list-style-type: none"> <li>- Collect ownership details</li> <li>- Docusign</li> </ul>	\$23,040.00
AU-4	Mailing Address Edit/Update page <ul style="list-style-type: none"> <li>- Mailing address validation via Smarty Streets</li> <li>- Docusign</li> <li>- Mailing address update APIs to Aumentum</li> </ul>	\$23,040.00
AU-5	Add/Remove Tax types <ul style="list-style-type: none"> <li>- Start/end dates</li> <li>- API to Aum</li> <li>- Docusign</li> </ul>	\$28,800.00

AU-6	Location Trade Name Change - Close/Open flow with pre-populated "open loc" - Docusign	\$28,800.00
AU-7	Location Closure - Closure reason - Check for UL - Docusign - Close Loc API	\$29,280.00
AU-8	Business Closure - Validate "New BAN" if provided - Yes/No question accordion logic - Check for UL status - Add Closure Reason(s) - Pull back CG member details - Docusign - Business Closure API to Aum - For org type change without new BAN, return to NBR page after AU submission	\$10,200.00
AU-9	Email to Business Closure if outstanding obligations (submission email and Aum email)	\$10,200.00
AU-10	Email to Business if AU submission and BAN has 99999 mailing address (submission email and Aum email)	\$10,200.00
AU-11	DAT file and workflow triggers	\$10,200.00
AU-12	UAT 1 - Contractor delivers application and database in test environment - First round of UAT - UAT 1 bug fixes	\$10,200.00
AU-13	UAT 2 - Contractor delivers application and database in test environment - Second round of UAT - Language review and changes - UAT 2 bug fixes	\$10,200.00
AU-14	DE portal - Process without docusign for staff entry	\$10,200.00
AU-15	Reports	\$5,760.00
AU-16	Email confirmations (HTML/PDF)	\$2,640.00
AU-17	Contractor delivers application and database in production environment	\$2,640.00
AU-18	City accepts delivery of application and database in production environment ("Go Live")	\$2,640.00
AU-19	Contractor completes thirty (30) calendar days of post GO LIVE bug fixes	\$52,440.00
AU-20	Project closure & knowledge transfer, including training and technical documentation	\$1,320.00
<b>Total</b>		<b>\$313,920.00</b>

**Fiscal Year 2022 Business Registration Renewal Application**

This sub project will be executed as fixed bid project with following fees.

Milestone Number	Key Deliverables	Payment Amount
RG2022-1	Requirement gathering	\$13,800.00
RG2022-2	Remove/Update COVID-19 related changes	\$13,800.00
RG2022-3	Development, UAT 1 for vanilla environment from RG21	\$13,800.00
RG2022-4	UAT 1 bug fixes	\$13,800.00
RG2022-5	UAT 2	\$13,800.00
RG2022-6	Prod – Execution	\$13,800.00
RG2022-7	Go-Live bug fixes	\$13,800.00
RG2022-8	Post Go-Live support	\$13,800.00
RG2022-9	Closure	\$13,800.00
<b>Total</b>		<b>\$124,200.00</b>

#### Additional Professional Service Hours – Time and Material

This sub project will be executed as Time and Material project with following fees.

Contractor shall receive additional professional services fees not to exceed \$49,500. The Contractor shall charge the City \$165 per hour for such services. Although section 5 “Compensation” of this Agreement includes all 300 additional professional services hours (\$49,500), the City shall only be liable for payment for the hours used. The additional professional services hours will be documented and approved prior to the usage. The Contractor shall separately bill and invoice these additional professional services hours upon completion of the documented deliverable. Contractor will provide timely status updates to the City.

**City and County of San Francisco  
Office of Contract Administration  
Purchasing Division**

**Tenth Amendment**

THIS AMENDMENT (this “Amendment”) is made as of August 18, 2021 in San Francisco, California, by and between **21 Tech, LLC** (“Contractor”), and the City and County of San Francisco, a municipal corporation (“City”), acting by and through its Director of the Office of Contract Administration.

**RECITALS**

WHEREAS, City and Contractor have entered into the Agreement (as defined below);  
and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to extend the performance period and increase the contract amount;

NOW, THEREFORE, Contractor and the City agree as follows:

**1. Definitions.** The following definitions shall apply to this Amendment:

**1a. Agreement.** The term “Agreement” shall mean the Agreement dated June 18, 2013 between Contractor and City, as amended by the:

First amendment,	dated March 3, 2014,
Second amendment,	dated March 1, 2015,
Third amendment,	dated July 28, 2015,
Fourth amendment,	dated August 15, 2016,
Fifth amendment,	dated March 20, 2017,
Sixth amendment,	dated May 15, 2018,
Seventh amendment,	dated November 1, 2018,
Eighth amendment,	dated November 6, 2019, and
Ninth amendment	dates October 15, 2020.

**1b. Contract Monitoring Division.** Effective July 28, 2012, with the exception of Sections 14B.9(D) and 14B.17(F), all of the duties and functions of the Human Rights Commission under Chapter 14B of the Administrative Code (LBE Ordinance) were transferred to the City Administrator, Contract Monitoring Division (“CMD”). Wherever “Human Rights Commission” or “HRC” appears in the Agreement in reference to Chapter 14B of the



Administrative Code or its implementing Rules and Regulations, it shall be construed to mean “Contract Monitoring Division” or “CMD” respectively.

**1c. Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

**2. Modifications to the Agreement.** The Agreement is hereby modified as follows:

**2a. Section 2.** Section 2, **Term of the Agreement**, currently reads as follows:

**2. Term of Agreement.** Subject to Section I, the term of this Agreement shall be from May 31, 2013 to June 30, 2022.

**Such section is hereby amended in its entirety to read as follows:**

**2. Term of Agreement.** Subject to Section I, the term of this Agreement shall be from May 31, 2013 to May 30, 2023.

**2b. Section 4.** Section Services Contractor Agrees to Perform of the Agreement currently reads as follows:

**4. Services Contractor Agrees to Perform.** The Contractor agrees to perform the services provided for in Appendices A, "Description of Services," A-3, "Change Requests," A-4, "Change Requests 7, 9, 10, and 11," A-5, "Scope of Work for Online Applications for Gross Receipts Tax/Payroll Expense Tax/ Administrative Office Tax Annual Filing, Quarterly Filing, and Business Registration Renewal," A-6, "Scope of Work for Account Update, LICA - Unified Licensing, Online Applications for Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Filing 2016, and Additional Professional Services Hours," A-7, "Scope of Work for Tax Year 2017 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return, Fiscal Year 2018 Business Registration Renewal Application, Fiscal Year 2019 Business Registration Renewal Application, Posting 2017 Estimated Tax Payment Obligations into Aumentum, Account Update Application Updates, and Additional Professional Services Hours for Help with Internal Technology Integration Projects," A-8, "Scope of Work for Tax Year 2018 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return, Fiscal Year 2020 Business Registration Renewal Application, Tax Year 2019 Gross Receipts Tax/Payroll Expense Tax/ Administrative Office Tax/Commercial Rent Tax Annual Return, Account Update Application Updates, API configuration help, and Additional Professional Services Hours for Help with Internal Technology Integration Projects," A-9, "Change to Scope of Work for Tax Year 2019 Annual Business Tax Return and Fiscal Year 2021 Business Registration Renewal Application," and A-10 "Scope of Work for Tax Year 2020 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax/Commercial Rents Tax/Homelessness Gross Receipts Tax/Homelessness Administrative Office Tax/Cannabis Tax Annual Return, Account Update Application, Fiscal Year 2022 Business Registration Renewal Application, and

Additional Professional Services Hours for Help with Internal Technology Integration Projects,” attached hereto and incorporated by reference as though fully set forth herein.

**Such section is hereby amended in its entirety to read as follows:**

**4. Services Contractor Agrees to Perform.** The Contractor agrees to perform the services provided for in Appendices A, "Description of Services," A-3, "Change Requests," A-4, "Change Requests 7, 9, 10, and 11," A-5, "Scope of Work for Online Applications for Gross Receipts Tax/Payroll Expense Tax/ Administrative Office Tax Annual Filing, Quarterly Filing, and Business Registration Renewal," A-6, "Scope of Work for Account Update, LICA - Unified Licensing, Online Applications for Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Filing 2016, and Additional Professional Services Hours," A-7, "Scope of Work for Tax Year 2017 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return, Fiscal Year 2018 Business Registration Renewal Application, Fiscal Year 2019 Business Registration Renewal Application, Posting 2017 Estimated Tax Payment Obligations into Aumentum, Account Update Application Updates, and Additional Professional Services Hours for Help with Internal Technology Integration Projects," A-8, "Scope of Work for Tax Year 2018 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return, Fiscal Year 2020 Business Registration Renewal Application, Tax Year 2019 Gross Receipts Tax/Payroll Expense Tax/ Administrative Office Tax/Commercial Rent Tax Annual Return, Account Update Application Updates, API configuration help, and Additional Professional Services Hours for Help with Internal Technology Integration Projects," A-9, "Change to Scope of Work for Tax Year 2019 Annual Business Tax Return and Fiscal Year 2021 Business Registration Renewal Application," A-10 "Scope of Work for Tax Year 2020 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax/Commercial Rents Tax/Homelessness Gross Receipts Tax/Homelessness Administrative Office Tax/Cannabis Tax Annual Return, Account Update Application, Fiscal Year 2022 Business Registration Renewal Application, and Additional Professional Services Hours for Help with Internal Technology Integration Projects,” and A-11, "Scope of Work for Tax Year 2021 Gross Receipts Tax/Administrative Office Tax/Commercial Rents Tax/Homelessness Gross Receipts Tax/Homelessness Administrative Office Tax Annual Return and Cannabis Tax/Overpaid Executive Tax Informational Annual Return, and the Business Tax Payment Portal Refresh, and Additional Professional Services hours for database consultation, and Additional Professional Services hours for OnBase Configuration” attached hereto and incorporated by reference as though fully set forth herein.

**2c. Section 5.** Section 5 **Compensation** of the Agreement currently reads as follows:

**5. Compensation.** Compensation shall be made according to the payment schedule identified in Appendices B "Calculations for Professional Services," B-1 "Calculation of Charges - Change Requests," B-2 "Calculation of Charges - Change Requests 7, 9, 10, and 11," B-3 "Calculation of Charges," B-4 "Calculation of Charges," and B-5 "Calculation of Charges" attached hereto and incorporated by reference as though fully set forth herein, for deliverables that Treasurer, or his or her authorized representative, in his or her sole discretion, concludes have been performed. Sign-off of a deliverable by the Treasurer's authorized representative or

use of any material produced as part of a deliverable in the implementation process or use in production is considered acceptance of that deliverable and obligates the City to pay for that deliverable when accompanied by an accompanying Contractor invoice. Each key deliverable will require a sign-off by the client manager on the project. The sign-off process should not take more than 5 business days without an acceptable reason for delay. The City will make a good faith attempt to pay all invoices within 30 days of billing. However, in no event shall City be liable for interest or late charges for any late payments made after such 30-day period. In no event shall the amount of this Agreement exceed **\$5,890,323.00**. The breakdown of costs associated with this Agreement appears in Appendices B "Calculations of Professional Services," B-1 "Calculation of Charges -Change Requests," B-2 "Calculation of Charges - Change Requests 7, 9, 10, and 11," B-3 "Calculation of Charges," B-4 "Calculation of Charges," B-5 "Calculation of Charges," B-6 "Calculation of Charges," and B-7 "Calculation of Charges," and B-8 "Calculation of Charges" attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Office of the Treasurer & Tax Collector as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

If City is more than 60 days in arrears on its payment obligation to Contractor, and Contractor has notified the City in writing after the City is more than 30 days in arrears on that payment obligation, Contractor may suspend Services hereunder until such time as City is current on its payment obligations.

**Such section is hereby amended in its entirety to read as follows:**

**5. Compensation.** Compensation shall be made according to the payment schedule identified in Appendices B "Calculations for Professional Services," B-1 "Calculation of Charges - Change Requests," B-2 "Calculation of Charges - Change Requests 7, 9, 10, and 11," B-3 "Calculation of Charges," B-4 "Calculation of Charges," and B-5 "Calculation of Charges" attached hereto and incorporated by reference as though fully set forth herein, for deliverables that Treasurer, or his or her authorized representative, in his or her sole discretion, concludes have been performed. Sign-off of a deliverable by the Treasurer's authorized representative or use of any material produced as part of a deliverable in the implementation process or use in production is considered acceptance of that deliverable and obligates the City to pay for that deliverable when accompanied by an accompanying Contractor invoice. Each key deliverable will require a sign-off by the client manager on the project. The sign-off process should not take more than 5 business days without an acceptable reason for delay. The City will make a good faith attempt to pay all invoices within 30 days of billing. However, in no event shall City be liable for interest or late charges for any late payments made after such 30-day period. In no event shall the amount of this Agreement exceed **\$6,354,563.00**. The breakdown of costs associated with this Agreement appears in Appendices B "Calculations of Professional Services," B-1 "Calculation of Charges -Change Requests," B-2 "Calculation of Charges - Change Requests 7, 9, 10, and 11," B-3 "Calculation of Charges," B-4 "Calculation of Charges," B-5 "Calculation of Charges," B-6 "Calculation of Charges," and B-7 "Calculation of Charges," B-8 "Calculation

of Charges” and B-9 “Calculation of Charges” attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Office of the Treasurer & Tax Collector as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

If City is more than 60 days in arrears on its payment obligation to Contractor, and Contractor has notified the City in writing after the City is more than 30 days in arrears on that payment obligation, Contractor may suspend Services hereunder until such time as City is current on its payment obligations.

**2d. Appendix A-11.** Appendix A-11, “Scope of Work for Tax Year 2021 Gross Receipts Tax/Administrative Office Tax/Commercial Rents Tax/Homelessness Gross Receipts Tax/Homelessness Administrative Office Tax Annual Return and Cannabis Tax/Overpaid Executive Tax Informational Annual Return, and the Business Tax Payment Portal Refresh, and Additional Professional Services hours for database consultation, and Additional Professional Services hours for OnBase Configuration”, attached, is hereby added to the Agreement.

**2e. Appendix B-9.** Appendix B-9, “Calculation of Charges,” attached, is hereby added to the Agreement.

**3. Effective Date.** Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.

**4. Legal Effect.** Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and City have executed this Amendment as of the date first referenced above.

**CITY**

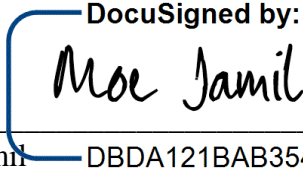
Recommended by:

DocuSigned by:  
*Tajel Shah*  
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Tajel Shah  
Chief Assistant Treasurer  
Office of the Treasurer and Tax Collector

Approved as to Form:

Dennis J. Herrera  
City Attorney

By:   
Moe Jamil DBDA121BAB35448...  
Deputy City Attorney

Approved:

DocuSigned by:  
*Saravali Moayed*  
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Sailaja Kurella  
Acting Director of the Office of Contract  
Administration, and Purchaser

**CONTRACTOR**

21 Tech, LLC.

DocuSigned by:  
*Azhar Mahmood*  
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Azhar Mahmood  
Managing Partner  
9000 Crow Canyon Road, Suite s391  
Danville, CA 94506

City vendor number: 37769  
City supplier number: 0000026644

## **Appendix A-11**

### **Scope of Work for Tax Year 2021**

Work for Tax Year 2021 includes the following: Gross Receipts Tax, Administrative Office Tax, Commercial Rents Tax, Homelessness Gross Receipts Tax, Homelessness Administrative Office Tax Annual Return and Cannabis Tax, Overpaid Executive Tax Informational Annual Return, Business Tax Payment Portal Refresh, Additional Professional Services hours for database consultation, and Additional Professional Services hours for OnBase Configuration.

#### **1. Project Description:**

The voters of the City and County of San Francisco adopted Proposition E in the November 2012 election, which instituted a gross receipts tax, increased business registration fees, and established a methodology for adjusting gross receipts tax rates and the payroll expense tax rate over the course of a five-year period, commencing January 1, 2014.

The voters of the City and County of San Francisco adopted Proposition F (changes to the gross receipts tax and registration renewal and elimination of the payroll expense tax) and Proposition L (instituted Overpaid Executive Tax) in the November 2020 election.

The Office of the Treasurer & Tax Collector (“TTX”) has previously engaged 21Tech, LLC (“Contractor”) to build online forms and databases to facilitate taxpayer submission of tax filings through the TTX website, including the Gross Receipts Tax, Payroll Expense Tax and Administrative Office Tax Annual Filing, Quarterly Filing, Business Registration Renewal, Transient Occupancy Tax Monthly Filing, Parking Tax Monthly Filing, Account Update, and Payment Portal. Contractor is an authorized third party integrator for the Aumentum (“AUM”) business tax product licensed by TTX from Thomson Reuters. Contractor will build Online Submission forms, database(s) and reports for the listed project deliverables below. TTX reserves the right to not initiate work with Contractor on any of the listed project deliverables.

#### **2. Project Deliverables:**

Contractor shall complete the following list of project deliverables within the time schedule agreed upon pursuant to section 6, Project Events of this Appendix A-11. Each of the project events will be completed for each of the listed project items below provided the first event is executed.

- a. Tax Year 2021 Gross Receipts Tax /Administrative Office Tax/Homelessness Gross Receipts/Homelessness Administrative Office Tax/Commercial Rents Tax Annual Return and Cannabis Tax/Overpaid Executive Tax Informational Annual Return. (Annual Business Tax Return)
- b. Business Tax Payment Portal Refresh
- c. Additional Professional Services hours for database consultation
- d. Additional Professional Services hours for OnBase Configuration

#### **3. Testing, Training and Other Support**

- a. Contractor shall create Technical Specification documents for support purposes.
- b. This may include supplemental artifacts authored by Contractor as deemed necessary by the project team, with the supplemental artifact request and effort estimated and documented through the established Change Control process.

#### 4. RACI

**R = Responsible** = The person who performs the work.

**A = Accountable** = The person ultimately accountable for the work or decision being made.

**C = Consulted** = Anyone who must be consulted with prior to a decision being made and/or the task being completed.

**I = Informed** = Anyone who must be informed when a decision is made or work is completed.

TTX & 21Tech Roles & Responsibilities Matrix		
	21Tech	TTX
Project Management	R/A	C
Requirements Delivery	C	R/A
Requirements Documentation	C/I	R/A
Infrastructure/ Environment Setup	C	R/A
Development Software Setup	R/A	C/I
Solution UI Design	R/A	A/C
Solution Workflow Design	R/A	A/C
Solution Database Design	R/A	C
Solution Integration Design	R/A	A/C
Solution Development/Build	R/A	C/I
Unit Testing	R/A	I
System Integration Test	R/A	C
System Test/UAT Planning & Execution	C	R/A
System Test/UAT Issue Resolution	R/A	C
Training Development Technical	R/A	C
Training Delivery Technical	R/A	C
Training Development Functional	I	R/A
Training Delivery Functional	C/I	R/A
Solution Documentation	R/A	I
Deployment	R	A/C
Post Deployment Support (X days)	R/A	C



## 5. TTX Roles & Responsibilities

- a. TTX will make available subject matter expert resources for each project phase and engagement team members to participate in the gathering of requirements prior to and during the scheduled onsite Discovery Meeting, as well as any remote Discovery-related Meetings. This includes third party resources, including AUM, as well as the TTX internal resources.
- b. TTX and, as needed, any contracted third-party vendors, including AUM, will provide prior to and during the Discovery Meeting complete and accurate technical specifications with the related business rules. Delayed delivery of the technical specifications and the business rules, as well as incomplete, implied, ambiguous, or conflicting technical specifications and business rules will impact the project schedule and will create Change Control.
- c. TTX will provide samples of documents necessary for Discovery and for testing.
- d. TTX will provide samples of report(s) necessary for Discovery.
- e. TTX will provide requested information and work with Contractor to develop the project schedule and any Change Orders needed.
- f. TTX will provide specifications for Contractor to create reports compatible with TTX document management and workflow software.
- g. Alanna Wheatley will be the TTX point of contact for Contractor. Questions, deliverable acceptance forms, invoices and other questions and approvals related to this amendment will be routed through her. She will escalate as appropriate within TTX.

## 6. Contractor's Roles & Responsibilities

- a. Project Management. Contractor shall do the following:
  - 1. Deliver and maintain a project plan of activities, events, and milestones.
  - 2. Track and manage resolution of project issues and distribute documentation of issue(s) resolution to City project team.
  - 3. Monitor and control project scope, schedule and cost using Contractor Change Control process, if necessary.
    - a. Any activities and/or changes identified as requiring Change Control will require written approval from the City prior to the Change being executed by Contractor.
  - 4. Facilitate regular status meetings and follow up with meeting notes including agreements and next steps.
  - 5. Provide periodic reporting of actual project time used, estimated time to completion, and comparison to estimate of effort as provided in this Scope of Work.
- b. Requirements Gathering/Documentation/Integration. Contractor shall do the following:

1. Facilitate a meeting/conference call to determine customer system requirements and configuration specifications.
2. In addition to any items agreed to in the Customer Requirements Document, develop all API and scripts in such a manner to integrate projects with existing solutions (i.e., payment portal).

## 7. Project Events

Contractor and City will agree upon a mutually acceptable project timeline and incorporate it into the project schedule/plan, unless otherwise mutually agreed to by both parties.

Sequence	Event
1	Statement of Work signed by both parties.
2	TTX drafts Customer Requirements Document (CRD) (example: powerpoint presentation, excel document).
3	Requirements gathering session(s) facilitated by Contractor.
4	Contractor reviews CRD and notes from requirements session, then documents outstanding questions for TTX.
5	Contractor facilitates requirements review session.
6	Scope of Work (SOW) created by Contractor based on the CRD.
7	CRD and SOW signed by the City and returned to Contractor. Requirements complete.
8	Contractor delivers application, database(s), and reports in test environment.
9	First round of User Acceptance Testing (UAT I) lead by TTX.
10	Approval of UAT 1 by TTX.
11	Contractor delivers UAT I bug fixes for application database(s) and reports in test environment.
12	Second round of User Acceptance Testing (UAT 2) lead by TTX.
13	Approval of UAT 2 by TTX.
14	Contractor delivers application, database(s), and reports in production environment.
15	TTX accepts delivery of application and database(s) in production

	environment (“GO LIVE”).
16	Contractor completes thirty (30) days of post GO LIVE bug fixes.
17	Project closure & knowledge transfer using the CRD, the SOW, and any related Discovery artifacts, including training and technical documentation.

## **8. Acceptance Criteria**

The acceptance of each Project will be based on successful completion of the test plans and delivery of all items detailed in the Project Events section.

## Appendix B-9 Calculation of Charges

In accordance with Section 5, “Compensation,” of this Agreement, Contractor shall receive an amount not to exceed **\$6,354,563.00** in compensation for professional services rendered. The breakdown of charges for Appendix A-11 “Scope of Work for Tax Year 2021 Gross Receipts Tax/Administrative Office Tax/Commercial Rents Tax/Homelessness Gross Receipts Tax/Homelessness Administrative Office Tax Annual Return and Cannabis Tax/Overpaid Executive Tax Informational Annual Return, and the Business Tax Payment Portal Refresh, and Additional Professional Services hours for database consultation, and Additional Professional Services hours for OnBase Configuration,” is as detailed below.

**Scope of Work for Tax Year 2021 Gross Receipts Tax/Administrative Office Tax/Commercial Rents Tax/Homelessness Gross Receipts Tax/Homelessness Administrative Office Tax Annual Return and Cannabis Tax/Overpaid Executive Tax Informational Annual Return**

This sub project will be executed as fixed bid project with following fees.

<b>Milestone Number</b>	<b>Key Deliverables</b>	<b>Payment Amount</b>
ABT2021-1	Discovery & Requirements for TP and DE forms	\$15,360.00
ABT2021-2	Development, including: <ul style="list-style-type: none"> <li>• Clone ABT20 to ABT21</li> <li>• Update Gross Receipts tax for 2021 (Prop F)</li> <li>• Homelessness Gross Receipts and Commercial Rents Tax to 2021 tax year</li> <li>• Remove Payroll Tax (Prop F)</li> <li>• Add Cannabis Tax</li> <li>• Add Overpaid Executive Tax</li> <li>• Remove Substantially Similar Tax Credit</li> <li>• Remove Clean Tech</li> </ul>	\$100,840.00
ABT2021-3	HTML updates, including appending uploads to filing	\$1,440.00
ABT2021-4	Database creation and DAT file with updated workflow triggers	\$21,000.00
ABT2021-5	Quarterly 2022 ABT posting (logic, calculations, email)	\$7,800.00
ABT2021-6	All portals ready for UAT 1 in Test	\$11,400.00
ABT2021-7	All portals ready for UAT 2 in Test	\$11,400.00
ABT2021-8	Pre-True Up	\$4,400.00
ABT2021-9	Move code, database and reports to production	\$11,400.00
ABT2021-10	Post go-live support	\$12,600.00
ABT2021-11	Project Closure and knowledge transfer	\$12,600.00
<b>Total</b>		<b>\$210,240.00</b>

**Scope of Work for Business Tax Payment Portal Refresh**

This sub project will be executed as fixed bid project with following fees.

<b>Milestone Number</b>	<b>Key Deliverables</b>	<b>Payment Amount</b>
BTPP-1	Discovery & Requirements for: <ul style="list-style-type: none"> <li>• Taxpayer facing BT Payment Portal</li> <li>• Internal Payment Portal – Audit</li> <li>• Internal Payment Portal – Bill Correction</li> <li>• Internal Payment Portal – DE</li> </ul>	\$15,000.00
BTPP-2	All portals ready for UAT 1 in Test	\$25,000.00
BTPP-3	All portals ready for UAT 2 in Test	\$25,000.00
BTPP-4	Ready to move to production	\$10,000.00
BTPP-5	Move code, database and reports to production	\$15,000.00
BTPP-6	Go live in production environment	\$10,000.00
BTPP-7	Post go-live support	\$15,000.00
BTPP-8	Project Closure and knowledge transfer	\$10,000.00
<b>Total</b>		<b>\$125,000.00</b>

**Additional Professional Service Hours for Database Consultation – Time and Material**

This sub project will be executed as Time and Material project with following fees.

Contractor shall receive additional professional services fees not to exceed \$84,000. The Contractor shall charge the City \$240 per hour for such services. Although section 5 “Compensation” of this Agreement includes all 350 additional professional services hours (\$84,000), the City shall only be liable for payment for the hours used. The additional professional services hours will be documented and approved prior to the usage. The Contractor shall separately bill and invoice these additional professional services hours upon completion of the documented deliverable. Contractor will provide timely status updates to the City.

**OnBase Configuration Updates – Time and Material**

This sub project will be executed as Time and Material project with following fees.

Contractor shall receive fees not to exceed \$45,000 for OnBase Configuration. The Contractor shall charge the City \$180 per hour for such services. Although section 5 “Compensation” of this Agreement includes all 250 hours (\$45,000) for these services, the City shall only be liable for payment for the hours used. The hours will be documented and approved prior to the usage. The Contractor shall separately bill and invoice these hours upon completion of the documented deliverable. Contractor will provide timely status updates to the City.

**City and County of San Francisco  
Office of Contract Administration  
Purchasing Division**

**Eleventh Amendment**

THIS AMENDMENT (this “Amendment”) is made as of October 3, 2022, in San Francisco, California, by and between **21 Tech, LLC** (“Contractor”), and the City and County of San Francisco, a municipal corporation (“City”), acting by and through its Director of the Office of Contract Administration.

**RECITALS**

WHEREAS, City and Contractor have entered into the Agreement (as defined below); and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to increase the contract amount; and

WHEREAS, the Agreement was procured as required by San Francisco Administrative Code Chapter 21.3 through and this modification is consistent therewith; and

WHEREAS, approval for the original Agreement was obtained on March 18, 2013 from the Civil Service Commission under PSC number 4083-12/13 in the amount of \$3,000,000.00 for the period of 5 years; and

WHEREAS, approval for this Amendment was obtained on 9/19/2022 from the Civil Service Commission under PSC number 4083-12/13 in the amount of \$8,200,000.00 for the period of 10 years; and

NOW, THEREFORE, Contractor and the City agree as follows;

NOW, THEREFORE, Contractor and the City agree as follows:

**1. Definitions.** The following definitions shall apply to this Amendment:

**1a. Agreement.** The term “Agreement” shall mean the Agreement dated June 18, 2013 between Contractor and City, as amended by the:

First amendment,	dated March 3, 2014,
Second amendment,	dated March 1, 2015,
Third amendment,	dated July 28, 2015,
Fourth amendment,	dated August 15, 2016,
Fifth amendment,	dated March 20, 2017,
Sixth amendment,	dated May 15, 2018,
Seventh amendment,	dated November 1, 2018,
Eighth amendment,	dated November 6, 2019,
Ninth amendment	dated October 15, 2020,
Tenth amendment	dated August 18, 2021, and

Eleventh amendment dated October 3, 2022.

**1b. Contract Monitoring Division.** Effective July 28, 2012, with the exception of Sections 14B.9(D) and 14B.17(F), all of the duties and functions of the Human Rights Commission under Chapter 14B of the Administrative Code (LBE Ordinance) were transferred to the City Administrator, Contract Monitoring Division (“CMD”). Wherever “Human Rights Commission” or “HRC” appears in the Agreement in reference to Chapter 14B of the Administrative Code or its implementing Rules and Regulations, it shall be construed to mean “Contract Monitoring Division” or “CMD” respectively.

**1c. Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

**2. Modifications to the Agreement.** The Agreement is hereby modified as follows:

**2a. Section 4.** Section 4, **Services Contractor Agrees to Perform**, of the Agreement currently reads as follows:

**4. Services Contractor Agrees to Perform.** The Contractor agrees to perform the services provided for in Appendices A, "Description of Services," A-3, "Change Requests," A-4, "Change Requests 7, 9, 10, and 11," A-5, "Scope of Work for Online Applications for Gross Receipts Tax/Payroll Expense Tax/ Administrative Office Tax Annual Filing, Quarterly Filing, and Business Registration Renewal," A-6, "Scope of Work for Account Update, LICA - Unified Licensing, Online Applications for Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Filing 2016, and Additional Professional Services Hours," A-7, "Scope of Work for Tax Year 2017 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return, Fiscal Year 2018 Business Registration Renewal Application, Fiscal Year 2019 Business Registration Renewal Application, Posting 2017 Estimated Tax Payment Obligations into Aumentum, Account Update Application Updates, and Additional Professional Services Hours for Help with Internal Technology Integration Projects," A-8, "Scope of Work for Tax Year 2018 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return, Fiscal Year 2020 Business Registration Renewal Application, Tax Year 2019 Gross Receipts Tax/Payroll Expense Tax/ Administrative Office Tax/Commercial Rent Tax Annual Return, Account Update Application Updates, API configuration help, and Additional Professional Services Hours for Help with Internal Technology Integration Projects," A-9, “Change to Scope of Work for Tax Year 2019 Annual Business Tax Return and Fiscal Year 2021 Business Registration Renewal Application,” A-10 “Scope of Work for Tax Year 2020 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax/Commercial Rents Tax/Homelessness Gross Receipts Tax/Homelessness Administrative Office Tax/Cannabis Tax Annual Return, Account Update Application, Fiscal Year 2022 Business Registration Renewal Application, and Additional Professional Services Hours for Help with Internal Technology Integration Projects,” and A-11, “Scope of Work for Tax Year 2021 Gross Receipts Tax/Administrative Office Tax/Commercial Rents Tax/Homelessness Gross Receipts Tax/Homelessness Administrative Office Tax Annual Return and Cannabis Tax/Overpaid Executive Tax Informational Annual



Return, and the Business Tax Payment Portal Refresh, and Additional Professional Services hours for database consultation, and Additional Professional Services hours for OnBase Configuration” attached hereto and incorporated by reference as though fully set forth herein.

**Such section is hereby amended in its entirety to read as follows:**

**4. Services Contractor Agrees to Perform.** The Contractor agrees to perform the services provided for in Appendices A, "Description of Services," A-3, "Change Requests," A-4, "Change Requests 7, 9, 10, and 11," A-5, "Scope of Work for Online Applications for Gross Receipts Tax/Payroll Expense Tax/ Administrative Office Tax Annual Filing, Quarterly Filing, and Business Registration Renewal," A-6, "Scope of Work for Account Update, LICA - Unified Licensing, Online Applications for Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Filing 2016, and Additional Professional Services Hours," A-7, "Scope of Work for Tax Year 2017 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return, Fiscal Year 2018 Business Registration Renewal Application, Fiscal Year 2019 Business Registration Renewal Application, Posting 2017 Estimated Tax Payment Obligations into Aumentum, Account Update Application Updates, and Additional Professional Services Hours for Help with Internal Technology Integration Projects," A-8, "Scope of Work for Tax Year 2018 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax Annual Return, Fiscal Year 2020 Business Registration Renewal Application, Tax Year 2019 Gross Receipts Tax/Payroll Expense Tax/ Administrative Office Tax/Commercial Rent Tax Annual Return, Account Update Application Updates, API configuration help, and Additional Professional Services Hours for Help with Internal Technology Integration Projects," A-9, "Change to Scope of Work for Tax Year 2019 Annual Business Tax Return and Fiscal Year 2021 Business Registration Renewal Application," A-10 "Scope of Work for Tax Year 2020 Gross Receipts Tax/Payroll Expense Tax/Administrative Office Tax/Commercial Rents Tax/Homelessness Gross Receipts Tax/Homelessness Administrative Office Tax/Cannabis Tax Annual Return, Account Update Application, Fiscal Year 2022 Business Registration Renewal Application, and Additional Professional Services Hours for Help with Internal Technology Integration Projects," A-11, "Scope of Work for Tax Year 2021 Gross Receipts Tax/Administrative Office Tax/Commercial Rents Tax/Homelessness Gross Receipts Tax/Homelessness Administrative Office Tax Annual Return and Cannabis Tax/Overpaid Executive Tax Informational Annual Return, and the Business Tax Payment Portal Refresh, and Additional Professional Services hours for database consultation, and Additional Professional Services hours for OnBase Configuration," and A-12 "Scope of Work for Tax Year 2022" attached hereto and incorporated by reference as though fully set forth herein.

**2b. Section 5.** Section 5, **Compensation**, of the Agreement currently reads as follows:

**5. Compensation.** Compensation shall be made according to the payment schedule identified in Appendices B "Calculations for Professional Services," B-1 "Calculation of Charges - Change Requests," B-2 "Calculation of Charges - Change Requests 7, 9, 10, and 11," B-3 "Calculation of Charges," B-4 "Calculation of Charges," and B-5 "Calculation of Charges" attached hereto and incorporated by reference as though fully set forth herein, for deliverables that Treasurer, or his or her authorized representative, in his or her sole discretion, concludes

have been performed. Sign-off of a deliverable by the Treasurer's authorized representative or use of any material produced as part of a deliverable in the implementation process or use in production is considered acceptance of that deliverable and obligates the City to pay for that deliverable when accompanied by an accompanying Contractor invoice. Each key deliverable will require a sign-off by the client manager on the project. The sign-off process should not take more than 5 business days without an acceptable reason for delay. The City will make a good faith attempt to pay all invoices within 30 days of billing. However, in no event shall City be liable for interest or late charges for any late payments made after such 30-day period. In no event shall the amount of this Agreement exceed **\$6,354,563.00**. The breakdown of costs associated with this Agreement appears in Appendices B "Calculations of Professional Services," B-1 "Calculation of Charges -Change Requests," B-2 "Calculation of Charges - Change Requests 7, 9, 10, and 11," B-3 "Calculation of Charges," B-4 "Calculation of Charges," B-5 "Calculation of Charges," B-6 "Calculation of Charges," and B-7 "Calculation of Charges," B-8 "Calculation of Charges" and B-9 "Calculation of Charges" attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Office of the Treasurer & Tax Collector as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

If City is more than 60 days in arrears on its payment obligation to Contractor, and Contractor has notified the City in writing after the City is more than 30 days in arrears on that payment obligation, Contractor may suspend Services hereunder until such time as City is current on its payment obligations.

**Such section is hereby amended in its entirety to read as follows:**

**5. Compensation.** Compensation shall be made according to the payment schedule identified in Appendices B "Calculations for Professional Services," B-1 "Calculation of Charges - Change Requests," B-2 "Calculation of Charges - Change Requests 7, 9, 10, and 11," B-3 "Calculation of Charges," B-4 "Calculation of Charges," and B-5 "Calculation of Charges" attached hereto and incorporated by reference as though fully set forth herein, for deliverables that Treasurer, or his or her authorized representative, in his or her sole discretion, concludes have been performed. Sign-off of a deliverable by the Treasurer's authorized representative or use of any material produced as part of a deliverable in the implementation process or use in production is considered acceptance of that deliverable and obligates the City to pay for that deliverable when accompanied by an accompanying Contractor invoice. Each key deliverable will require a sign-off by the client manager on the project. The sign-off process should not take more than 5 business days without an acceptable reason for delay. The City will make a good faith attempt to pay all invoices within 30 days of billing. However, in no event shall City be liable for interest or late charges for any late payments made after such 30-day period. In no event shall the amount of this Agreement exceed **\$8,150,713.00**. The breakdown of costs associated with this Agreement appears in Appendices B "Calculations of Professional Services," B-1 "Calculation of Charges -Change Requests," B-2 "Calculation of Charges - Change Requests

7, 9, 10, and 11," B-3 "Calculation of Charges," B-4 "Calculation of Charges," B-5 "Calculation of Charges," B-6 "Calculation of Charges," B-7 "Calculation of Charges," B-8 "Calculation of Charges," B-9 "Calculation of Charges," and B-10 "Calculation of Charges" attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Office of the Treasurer & Tax Collector as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

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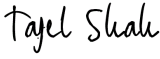
**3. Effective Date.** Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.

**4. Legal Effect.** Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and City have executed this Amendment as of the date first referenced above.

**CITY**

Recommended by:


DocuSigned by:  
  
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Tajel Shah  
Chief Assistant Treasurer  
Office of the Treasurer and Tax Collector

Approved as to Form:

David Chiu  
City Attorney

By:

DocuSigned by:  
  
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Moe Jamil  
Deputy City Attorney

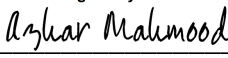
Approved:

DocuSigned by:  
  
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Sailaja Kurella  
Director of the Office of Contract  
Administration, and Purchaser

**CONTRACTOR**

21Tech, LLC.

DocuSigned by:  
  
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Azhar Mahmood  
Managing Partner  
9000 Crow Canyon Road, Suite s391  
Danville, CA 94506

City vendor number: 37769  
City supplier number: 0000026644

## **Appendix A-12**

### **Scope of Work for Tax Year 2022**

Work for Tax Year 2022 includes the following: Gross Receipts Tax, Administrative Office Tax, Commercial Rents Tax, Homelessness Gross Receipts Tax, Homelessness Administrative Office Tax Annual Return, and Overpaid Executive Tax Annual Return, Business Tax Payment Portal refresh (including Audit module and Bill Correction portal), BDR Payment Portal refresh and Alarm Payment Portal creation, Commercial Vacancy Tax online form, Additional Professional Services hours for Commercial Vacancy Tax database consultation, and Additional Professional Services hours for OnBase Configuration.

#### **1. Project Description:**

The voters of the City and County of San Francisco adopted Proposition E in the November 2012 election, which instituted a gross receipts tax, increased business registration fees, and established a methodology for adjusting gross receipts tax rates and the payroll expense tax rate over the course of a five-year period, commencing January 1, 2014.

The voters of the City and County of San Francisco adopted Proposition F (changes to the gross receipts tax and registration renewal and elimination of the payroll expense tax) and Proposition L (instituted Overpaid Executive Tax) in the November 2020 election.

The voters of the City and County of San Francisco adopted Proposition D in the March 2020 election, which instituted the Commercial Vacancy Tax.

The Office of the Treasurer & Tax Collector (“TTX”) has previously engaged 21Tech, LLC (“Contractor”) to build online forms and databases to facilitate taxpayer submission of tax filings through the TTX website, including the Gross Receipts Tax, Payroll Expense Tax and Administrative Office Tax Annual Filing, Quarterly Filing, Business Registration Renewal, Transient Occupancy Tax Monthly Filing, Parking Tax Monthly Filing, Account Update, New Business Registration Portal and Payment Portal. Contractor is an authorized third party integrator for the Aumentum (“AUM”) business tax product licensed by TTX from Thomson Reuters. Contractor will build Online Submission forms, database(s) and reports for the listed project deliverables below. TTX reserves the right to not initiate work with Contractor on any of the listed project deliverables.

#### **2. Project Deliverables:**

Contractor shall complete the following list of project deliverables within the time schedule agreed upon pursuant to section 6, Project Events of this Appendix A-12. Each of the project events will be completed for each of the listed project items below provided the first event is executed.

- a. Tax Year 2022 Gross Receipts Tax /Administrative Office Tax/Homelessness Gross Receipts/Homelessness Administrative Office Tax/Commercial Rents Tax Annual Return/Overpaid Executive Tax Annual Return. (Annual Business Tax Return)
- b. Commercial Vacancy Tax online form
- c. Business Tax Payment Portal refresh (including Audit module, Bill Correction portal)

- d. Bureau of Delinquent Revenue payment portal refresh and Alarm Payment Portal creation
- e. Fiscal Year 2024 Registration Renewal Online Form
- f. Additional Professional Services hours for Commercial Vacancy Tax database consultation
- g. Additional Professional Services hours for OnBase Configuration

### 3. Testing, Training and Other Support

- a. Contractor shall create Technical Specification documents for support purposes.
- b. This may include supplemental artifacts authored by Contractor as deemed necessary by the project team, with the supplemental artifact request and effort estimated and documented through the established Change Control process.

### 4. RACI

**R = Responsible** = The person who performs the work.

**A = Accountable** = The person ultimately accountable for the work or decision being made.

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TTX & 21Tech Roles & Responsibilities Matrix		
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Requirements Delivery	C	R/A
Requirements Documentation	C/I	R/A
Infrastructure/ Environment Setup	C	R/A
Development Software Setup	R/A	C/I
Solution UI Design	R/A	A/C
Solution Workflow Design	R/A	A/C
Solution Database Design	R/A	C
Solution Integration Design	R/A	A/C
Solution Development/Build	R/A	C/I
Unit Testing	R/A	I
System Integration Test	R/A	C
System Test/UAT Planning & Execution	C	R/A
System Test/UAT Issue Resolution	R/A	C
Training Development Technical	R/A	C
Training Delivery Technical	R/A	C
Training Development Functional	I	R/A
Training Delivery Functional	C/I	R/A
Solution Documentation	R/A	I
Deployment	R	A/C
Post Deployment Support (X days)	R/A	C

### 5. TTX Roles & Responsibilities

- a. TTX will make available subject matter expert resources for each project phase and engagement team members to participate in the gathering of requirements prior to and during the scheduled onsite Discovery Meeting, as well as any remote Discovery-related Meetings. This includes third party resources, including AUM, as well as the TTX internal resources.
- b. TTX and, as needed, any contracted third-party vendors, including AUM, will provide prior to and during the Discovery Meeting complete and accurate technical specifications with the related business rules. Delayed delivery of the technical specifications and the business rules, as well as incomplete, implied, ambiguous, or conflicting technical specifications and business rules will impact the project schedule and will create Change Control.
- c. TTX will provide samples of documents necessary for Discovery and for testing.
- d. TTX will provide samples of report(s) necessary for Discovery.
- e. TTX will provide requested information and work with Contractor to develop the project schedule and any Change Orders needed.
- f. TTX will provide specifications for Contractor to create reports compatible with TTX document management and workflow software.
- g. Alanna Olague will be the TTX point of contact for Contractor. Questions, deliverable acceptance forms, invoices and other questions and approvals related to this amendment will be routed through her. She will escalate as appropriate within TTX.

## **6. Contractor's Roles & Responsibilities**

- a. Project Management. Contractor shall do the following:
  - 1. Deliver and maintain a project plan of activities, events, and milestones.
  - 2. Track and manage resolution of project issues and distribute documentation of issue(s) resolution to City project team.
  - 3. Monitor and control project scope, schedule and cost using Contractor Change Control process, if necessary.
    - a. Any activities and/or changes identified as requiring Change Control will require written approval from the City prior to the Change being executed by Contractor.
  - 4. Facilitate regular status meetings and follow up with meeting notes including agreements and next steps.
  - 5. Provide periodic reporting of actual project time used, estimated time to completion, and comparison to estimate of effort as provided in this Scope of Work.
- b. Requirements Gathering/Documentation/Integration. Contractor shall do the following:
  - 1. Facilitate a meeting/conference call to determine customer system requirements and configuration specifications.
  - 2. Prepare Customer Requirements Document/Solution Overview and review for City approval.



3. In addition to any items agreed to in the Customer Requirements Document, develop all API and scripts in such a manner to integrate projects with existing solutions (i.e., payment portal).

## 7. Project Events

Contractor and City will agree upon a mutually acceptable project timeline and incorporate it into the project schedule/plan, unless otherwise mutually agreed to by both parties.

Sequence	Event
1	Statement of Work signed by both parties.
2	Requirements gathering session facilitated by Contractor.
3	Customer Requirements Document (CRD) created, including specification for at least one general report compatible with TTX document management and workflow software, and one filing report of all data entered by taxpayers.
4	Customer Requirements Document (CRD) reviewed with the City.
5	Customer Requirements Document (CRD) revised by Contractor.
6	Scope of Work (SOW) created by Contractor based on the CRD.
7	CRD and SOW signed by the City and returned to Contractor. Requirements complete.
8	Contractor delivers application, database(s), and reports in test environment.
9	First round of User Acceptance Testing (UAT I) lead by TTX.
10	Approval of UAT 1 by TTX.
11	Contractor delivers UAT I bug fixes for application database(s) and reports in test environment.
12	Second round of User Acceptance Testing (UAT 2) lead by TTX.
13	Approval of UAT 2 by TTX.
14	Contractor delivers application, database(s), and reports in production environment.
15	TTX accepts delivery of application and database(s) in production environment (“GO LIVE”).
16	Contractor completes thirty (30) days of post GO LIVE bug fixes.
17	Project closure & knowledge transfer using the CRD, the SOW, and any related Discovery artifacts, including training and technical documentation.

## 8. Acceptance Criteria

The acceptance of each Project will be based on successful completion of the test plans and delivery of all items detailed in the Project Events section.

## **Appendix B-10**

### **Calculation of Charges**

In accordance with Section 5, “Compensation,” of this Agreement, Contractor shall receive an amount not to exceed **\$8,150,713.00** in compensation for professional services rendered. The breakdown of charges for Appendix A-12 “Scope of Work for Tax Year 2022” is as detailed below.

**Scope of Work for Tax Year 2022 Gross Receipts Tax/Administrative Office**  
**Tax/Commercial Rents Tax/Homelessness Gross Receipts Tax/Homelessness**  
**Administrative Office Tax/Commercial Rents Tax/Overpaid Executive Tax Annual Return**  
**(Annual Business Tax Return)**

This sub project will be executed as fixed bid project with following fees.

<b>Milestone #</b>	<b>Key Deliverables</b>	<b>Payment Amount</b>
ABT2022-1	Discovery & Requirements for TP and DE forms	\$35,012.00
ABT2022-2	Form, database and reports development	\$109,988.00
ABT2022-3	HTML updates, including appending uploads to filing	\$14,975.00
ABT2022-4	DAT file (including workflow triggers) ready for end to end OnBase testing	\$15,025.00
ABT2022-5	Quarterly 2023 ABT posting (logic, calculations, email)	\$24,153.00
ABT2022-6	All forms (TP, DE) ready for UAT 1 in Test	\$51,478.00
ABT2022-7	All forms (TP, DE) ready for UAT 2 in Test	\$51,478.00
ABT2022-8	Move code, database and reports to production	\$47,245.80
ABT2022-9	Go live in production environment	\$23,154.00
ABT2022-10	Post go-live support	\$46,313.60
ABT2022-11	Project Closure and knowledge transfer	\$21,156.80
ABT2022-12	Contingency and Change Request (to be used upon agreement and approval)	\$92,627.20
<b>Total</b>		<b>\$532,606.40</b>

**Scope of Work for Commercial Vacancy Tax Online Form**

This sub project will be executed as fixed bid project with following fees.

<b>Milestone #</b>	<b>Key Deliverables</b>	<b>Payment Amount</b>
CVT-1	Discovery & Requirements for Commercial Vacancy Tax Online Form	\$45,000.00
CVT-2	Form, database and reports development	\$95,965.20
CVT-3	HTML creation/updates	\$11,759.00
CVT-4	Form ready for UAT 1 in Test	\$33,152.00
CVT-5	Form ready for UAT 2 in Test	\$33,152.00
CVT-6	DAT file (including workflow triggers) ready for end to end OnBase testing	\$12,932.00
CVT-7	Move form, code, database and reports to production	\$30,814.80
CVT-8	Go live in production environment	\$29,455.00
CVT-9	Post go-live support	\$34,380.00
CVT-10	Project Closure and knowledge transfer	\$17,190.00
CVT-11	Contingency and Change Request (to be used upon agreement and approval)	\$68,760.00
<b>Total</b>		<b>\$412,560.00</b>

**Scope of Work for Business Tax Payment Portal Refresh and Enhancements**

This sub project will be executed as fixed bid project with following fees.

<b>Milestone #</b>	<b>Key Deliverables</b>	<b>Payment Amount</b>
PPR-1	Discovery & Requirements for portals and reports	\$29,372.80
PPR-2	Portals, database and reports development	\$102,804.80
PPR-3	Stub creation	\$14,686.40
PPR-4	Portals ready for UAT 1 in Test	\$29,372.80
PPR-5	Portals ready for UAT 2 in Test	\$29,372.80
PPR-6	Move code, database and reports to production	\$29,372.80
PPR-7	Go live in production environment	\$14,686.40
PPR-8	Post go-live support	\$29,372.80
PPR-9	Project Closure and knowledge transfer	\$14,686.40
	Contingency and Change Request (to be used upon agreement and approval)	\$58,745.60
<b>Total</b>		<b>\$352,473.60</b>

**Scope of Work for Alarm and BDR Payment Portals**

This sub project will be executed as fixed bid project with following fees.

<b>Milestone #</b>	<b>Key Deliverables</b>	<b>Amounts</b>
APP-1	Discovery & Requirements for portals and reports	\$14,420.00
APP-2	Portals, database and reports development	\$50,470.00
APP-3	Stub creation	\$7,210.00
APP-4	Portals ready for UAT 1 in Test	\$14,420.00
APP-5	Portals ready for UAT 2 in Test	\$14,420.00
APP-6	Move code, database and reports to production	\$14,420.00
APP-7	Go live in production environment	\$7,210.00
APP-8	Post go-live support	\$14,420.00
APP-9	Project Closure and knowledge transfer	\$7,210.00
APP-10	Contingency and Change Request (to be used upon agreement and approval)	\$28,840.00
<b>Total</b>		<b>\$173,040.00</b>

**Scope of Work for Fiscal Year 2024 Business Registration Renewal Online Form**

This sub project will be executed as fixed bid project with following fees.

<b>Milestone #</b>	<b>Key Deliverables</b>	<b>Amounts</b>
RG2024-1	Discovery & Requirements for RG2024 (DE & TP)	\$17,190.00
RG2024-2	Form, database and reports development	\$51,570.00
RG2024-3	HTML creation/updates	\$8,595.00
RG2024-4	DAT file (including workflow triggers) ready for end to end OnBase testing	\$17,190.00
RG2024-5	All forms (TP, DE) ready for UAT 1 in Test	\$17,190.00
RG2024-6	All forms (TP, DE) ready for UAT 2 in Test	\$17,190.00
RG2024-7	Move code, database and reports to production	\$8,595.00
RG2024-8	Go live in production environment	\$8,595.00
RG2024-9	Post go-live support	\$17,190.00
RG2024-10	Project Closure and knowledge transfer	\$8,595.00
RG2024-11	Contingency and Change Request (to be used upon agreement and approval)	\$51,570.00
<b>Total</b>		<b>\$223,470.00</b>

**Additional Professional Service Hours for Commercial Vacancy Tax Database Consultation – Time and Material**

This sub project will be executed as Time and Material project with following fees.

Contractor shall receive additional professional services fees not to exceed \$84,000. The Contractor shall charge the City \$240 per hour for such services. Although section 5 “Compensation” of this Agreement includes all 350 additional professional services hours (\$84,000), the City shall only be liable for payment for the hours used. The additional professional services hours will be documented and approved prior to the usage. The Contractor shall separately bill and invoice these additional professional services hours upon completion of the documented deliverable. Contractor will provide timely status updates to the City.

**OnBase Configuration Updates – Time and Material**

This sub project will be executed as Time and Material project with following fees.

Contractor shall receive fees not to exceed \$18,000 for OnBase Configuration. The Contractor shall charge the City \$180 per hour for such services. Although section 5 “Compensation” of this Agreement includes all 100 hours (\$18,000) for these services, the City shall only be liable for payment for the hours used. The hours will be documented and approved prior to the usage. The Contractor shall separately bill and invoice these hours upon completion of the documented deliverable. Contractor will provide timely status updates to the City.



## San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102

Phone: 415.252.3100 . Fax: 415.252.3112

[ethics.commission@sfgov.org](mailto:ethics.commission@sfgov.org) . [www.sfethics.org](http://www.sfethics.org)

Received On:

File #: 230405

Bid/RFP #:

### Notification of Contract Approval

SFEC Form 126(f)4

(S.F. Campaign and Governmental Conduct Code § 1.126(f)4)

A Public Document

Each City elective officer who approves a contract that has a total anticipated or actual value of \$100,000 or more must file this form with the Ethics Commission within five business days of approval by: (a) the City elective officer, (b) any board on which the City elective officer serves, or (c) the board of any state agency on which an appointee of the City elective officer serves. For more information, see: <https://sfethics.org/compliance/city-officers/contract-approval-city-officers>

#### 1. FILING INFORMATION

<b>TYPE OF FILING</b>	<b>DATE OF ORIGINAL FILING (for amendment only)</b>
original	
<b>AMENDMENT DESCRIPTION – Explain reason for amendment</b>	

#### 2. CITY ELECTIVE OFFICE OR BOARD

<b>OFFICE OR BOARD</b>	<b>NAME OF CITY ELECTIVE OFFICER</b>
Board of Supervisors	Members

#### 3. FILER'S CONTACT

<b>NAME OF FILER'S CONTACT</b>	<b>TELEPHONE NUMBER</b>
Angela Calvillo	415-554-5184
<b>FULL DEPARTMENT NAME</b>	<b>EMAIL</b>
office of the clerk of the Board	Board.of.Supervisors@sfgov.org

#### 4. CONTRACTING DEPARTMENT CONTACT

<b>NAME OF DEPARTMENTAL CONTACT</b>	<b>DEPARTMENT CONTACT TELEPHONE NUMBER</b>
Eric Manke	415-350-0700
<b>FULL DEPARTMENT NAME</b>	<b>DEPARTMENT CONTACT EMAIL</b>
TTX Office of the Treasurer & Tax Collector	eric.manke@sfgov.org

5. CONTRACTOR	
<b>NAME OF CONTRACTOR</b> 21 Tech, LLC	<b>TELEPHONE NUMBER</b> 415-810-0953
<b>STREET ADDRESS (including City, State and Zip Code)</b> 9000 Crow Canyon Road, Suite s391, Danville, CA 94506	<b>EMAIL</b> Contracts@21tech.com

6. CONTRACT		
<b>DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)</b>	<b>ORIGINAL BID/RFP NUMBER</b>	<b>FILE NUMBER (If applicable)</b> 230405
<b>DESCRIPTION OF AMOUNT OF CONTRACT</b> \$18,150,173		
<b>NATURE OF THE CONTRACT (Please describe)</b> <p>To build online forms and databases to facilitate taxpayer submission of tax filing through the office of the Treasurer &amp; Tax Collector website, including the Gross Receipts Tax, Homelessness Gross Receipts Tax, Commercial Rents Tax, Overpaid Executive Tax, Commercial Vacancy Tax, Administrative Office Tax Annual Filing and Quarterly filing, Business Registration Renewal, Transient Occupancy Tax Monthly filing, Parking Tax Monthly filing, Account Update, and Payment Portal.</p>		

7. COMMENTS
Description of Amount reflects amendments in Committee.

8. CONTRACT APPROVAL	
This contract was approved by:	
<input type="checkbox"/>	THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM
<input checked="" type="checkbox"/>	A BOARD ON WHICH THE CITY ELECTIVE OFFICER(S) SERVES Board of Supervisors
<input type="checkbox"/>	THE BOARD OF A STATE AGENCY ON WHICH AN APPOINTEE OF THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM SITS



**9. AFFILIATES AND SUBCONTRACTORS**

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
1	Mahmood	Azhar	Other Principal Officer
2	Kahai	Dilraj	Other Principal Officer
3	Mahmood	Azhar	Shareholder
4	Kahai	Dilraj	Shareholder
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**9. AFFILIATES AND SUBCONTRACTORS**

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
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**9. AFFILIATES AND SUBCONTRACTORS**

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
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50			

☐ Check this box if you need to include additional names. Please submit a separate form with complete information. Select "Supplemental" for filing type.

**10. VERIFICATION**

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information I have provided here is true and complete.

**I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.**

**SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK**

**DATE SIGNED**

BOS Clerk of the Board



# Treasurer & Tax Collector

CITY AND COUNTY OF SAN FRANCISCO

José Cisneros  
TREASURER

April 7, 2023

Angela Calvillo, Clerk of the Board  
Board of Supervisors  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102-4689

Dear Ms. Calvillo:

Attached please find a proposed resolution for Board of Supervisors approval, which authorizes the Office of the Treasurer & Tax Collector to enter into a contract extension with 21 Tech, LLC.

The following accompanying documents are included:

- Copy of signed contract amendment between City and County of San Francisco and 21 Tech, LLC.
- Copies of the original contract and all contract amendments between City and County of San Francisco and 21 Tech, LLC.
- Completed Ethics Commission Form SFEC-126

Thank you,

Eric Manke  
Policy and Communications Manager  
(415) 350-0700