

File No. 250167

Committee Item No. 8

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

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Committee: Budget and Finance Committee Date March 12, 2025

Board of Supervisors Meeting Date \_\_\_\_\_

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Completed by: Brent Jalipa Date March 6, 2025

Completed by: Brent Jalipa Date \_\_\_\_\_

1 [Contract Amendment - Insight Public Sector, Inc - Technology Marketplace - Not to Exceed  
2 \$53,848,000]

3 **Resolution approving the First Amendment to a contract between the City and County**  
4 **of San Francisco, acting by and through the Office of Contract Administration, and**  
5 **Insight Public Sector, Inc. for the purchase of information technology products and**  
6 **specialized services on an as-needed basis under the Technology Marketplace**  
7 **program, to increase the contract amount by \$33,848,000 for a total not to exceed**  
8 **amount of \$53,848,000 with no changes to the five-year term of January 19, 2024,**  
9 **through December 31, 2028; and to authorize the Office of Contract Administration to**  
10 **make necessary, non-material changes to the Amendment prior to its final execution by**  
11 **all parties that do not materially increase the obligations or liabilities to the City and are**  
12 **necessary or advisable to effectuate the purposes of the Amendment.**

13  
14 WHEREAS, On August 21, 2023, OCA issued two Request for Proposals (“RFP”)  
15 pursuant to Sourcing Events 0000007900 and 0000008618 seeking qualified suppliers to  
16 provide Information Technology (“IT”) commodities and services to City departments on an  
17 as-needed basis under its Technology Marketplace program; and

18 WHEREAS, Insight Public Sector, Inc. submitted a proposal and was one of the top ten  
19 highest ranked Proposers under Sourcing Event 0000007900; and

20 WHEREAS, On January 19, 2024, the Office of Contract Administration and Insight  
21 Public Sector, Inc. entered into an agreement for the purchase of information technology  
22 products and specialized services on an as-needed basis (“Original Agreement”); and

23 WHEREAS, The Original Agreement has a term of January 19, 2024, through  
24 December 31, 2028, and a not to exceed amount of \$20,000,000; and

1           WHEREAS, The Original Agreement is on file with the Clerk of the Board of  
2 Supervisors in File No. 231230, which is hereby declared to be a part of this Resolution as if  
3 set forth fully herein; and

4           WHEREAS, The Office of Contract Administration wishes to amend the Original  
5 Agreement by increasing the maximum expenditure by \$33,848,000 for a total not to exceed  
6 amount of \$53,848,000 (the "First Amendment"); and

7           WHEREAS, Charter Section 9.118(b), requires Board of Supervisors' approval by  
8 Resolution of any contract which, when entered into, extends over 10 years, and of any  
9 contract which, when entered into, costs the City \$10,000,000 or more; and

10          WHEREAS, The proposed Amendment contained in File No. 250167, is substantially  
11 in final form, with all material terms and conditions included, and only remains to be executed  
12 by the parties upon approval of this Resolution; now, therefore, be it

13          RESOLVED, That the Board of Supervisors hereby approves the Amendment in  
14 substantially the form contained in File No. 250167; and, be it

15          FURTHER RESOLVED, That the Board of Supervisors authorizes the Office of  
16 Contract Administration to make any modifications to the Amendment, prior to its final  
17 execution by all parties, that the Office of Contract Administration determines, in consultation  
18 with the City Attorney, are consistent with this Resolution, in the best interest of the City, do  
19 not materially increase the obligations or liabilities of the City, are necessary or advisable to  
20 effectuate the purposes of the Amendment, and are in compliance with all applicable laws,  
21 including City's Charter; and, be it

22          FURTHER RESOLVED, That within 30 days of the Amendment being fully executed by  
23 all parties, the Office of Contract Administration shall submit to the Clerk of the Board of  
24 Supervisors a completely executed copy for inclusion in File No. 250167; this requirement and  
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1 obligation resides with the Department, and is for purposes of having a complete file only, and  
2 in no manner affects the validity of approved Amendment.

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<p><b>Items 6-9 Files 25-0165, 25-0166, 25-0167 &amp; 25-0168</b></p>	<p><b>Department:</b> Office of Contract Administration</p>
<p><b>EXECUTIVE SUMMARY</b></p>	
<p style="text-align: center;"><b>Legislative Objectives</b></p> <ul style="list-style-type: none"> <li>The proposed resolutions approve Amendment No. 1 to the contracts between the Office of Contract Administration (OCA) and four vendors participating in Technology Marketplace 3.0: (1) ISSQUARED, Inc. dba ComputerLand of Silicon Valley (ComputerLand), (2) Cornerstone Technology Partners II JV (Cornerstone), (3) Insight Public Sector, Inc. (Insight), and (4) Xtech JV AIXTEK dba Eaton Associates   21Tech LLC (Xtech). These amendments increase the not-to-exceed (NTE) contract values from \$80 million (\$20 million per contract) to \$242.34 million. Each contract remains in effect through December 31, 2028, with no changes to the term or scope.</li> </ul> <p style="text-align: center;"><b>Key Points</b></p> <ul style="list-style-type: none"> <li>Technology Marketplace 3.0 provides pre-qualified technology vendors for City departments to procure IT hardware, software, and professional services. The original contracts awarded each vendor a \$20 million not-to-exceed contract with five-year terms (CY 2024– CY 2028). Due to high usage rates among these four vendors, the initial spending limits have been nearly reached, necessitating contract expansions.</li> <li>While Board approval of these resolutions sets an upper spending limit for each contract, departments must fund all purchases through their existing budget allocations.</li> <li>Each vendor must subcontract at least 18% of professional services revenue to local business enterprises (LBEs) over the five-year contract term, with current utilization rates at 27% for ComputerLand, 3% for Cornerstone, and 0% for Insight and Xtech, which OCA will monitor to ensure compliance by 2028.</li> </ul> <p style="text-align: center;"><b>Fiscal Impact</b></p> <ul style="list-style-type: none"> <li>The proposed contract increases are as follows: ComputerLand increases from \$20 million to \$61.07 million, Cornerstone increases from \$20 million to \$42.41 million, Insight increases from \$20 million to \$53.85 million, and Xtech increases from \$20 million to \$85.01 million. The total contract value across all four vendors increases from \$80 million to \$242.34 million.</li> <li>Revised spending estimates were calculated using 2024 purchase data, with a 15% contingency applied to projected spending.</li> </ul> <p style="text-align: center;"><b>Recommendation</b></p> <ul style="list-style-type: none"> <li>Approve the proposed resolution.</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**

**Office of Contract Administration and Technology Marketplace 3.0**

The Office of Contract Administration (OCA) is responsible for managing the City’s procurement processes and ensuring compliance with requirements. As part of its procurement efforts, OCA administers the Technology Marketplace, which provides City departments with a streamlined method to procure technology commodities (such as computer hardware and software) and professional technology services (such as software configuration and maintenance).

In August 2023, OCA issued a Request for Proposals for Technology Marketplace 3.0, resulting in multiple five-year contracts from January 1, 2024, through December 31, 2028. Departments can purchase technology products and specialized services from pre-qualified vendors on an as-needed basis. For transactions over \$25,000, OCA conducts a solicitation (for commodities) or requires the requesting department to conduct a competitive selection (for professional services).

**Original Agreements**

When the Technology Marketplace 3.0 contracts were initially approved, ISSQUARED, Inc. dba ComputerLand of Silicon Valley (ComputerLand), Cornerstone Technology Partners II JV (Cornerstone), Insight Public Sector, Inc. (Insight), and Xtech JV (AIXTEK dba Eaton Associates | 21Tech LLC) (Xtech) each received a \$20 million not-to-exceed contract for as-needed technology products and specialized technology services. The \$20 million initial values were established in the Tech Marketplace 3.0 RFP.

Due to high usage and the technology needs of various City departments, these contracts have approached their original \$20 million ceilings. To allow City departments to continue competitively procuring goods and services from these vendors, OCA requests Board of Supervisors approval to increase each contract’s not-to-exceed amount.

**DETAILS OF PROPOSED LEGISLATION**

The proposed resolutions authorize Amendment No. 1 to the contracts between the Office of Contract Administration and Computerland, Cornerstone, Insight, and Xtech, increasing their not-to-exceed amounts to match their projected use during the original five-year term ending December 31, 2028. In particular:

**File 25-0165:** is a resolution that approves an amendment to the City's agreement with ISSQUARED, Inc. dba ComputerLand of Silicon Valley, increasing the contract value from \$20,000,000 to \$61,065,000.

**File 25-0166:** is a resolution that approves an amendment to the City's agreement with Cornerstone Technology Partners II JV, increasing the contract value from \$20,000,000 to \$42,413,000.

**File 25-0167:** is a resolution that approves an amendment to the City's agreement with Insight Public Sector, Inc, increasing the contract value from \$20,000,000 to \$53,848,000.

**File 25-0168:** is a resolution that approves an amendment to the City's agreement with Xtech JV AIXTEK dba Eaton Associates | 21Tech LLC, increasing the contract value from \$20,000,000 to \$85,014,000.

While the Board's approval provides contractual spending authority up to these revised not-to-exceed amounts, each purchase depends on departmental budget availability and the formal submission of purchase orders. All Tech Marketplace transactions are processed by OCA to ensure compliance with the City's procurement procedures.

### **Scope of Services**

Under these amendments, the vendors will continue to offer the same scope of services currently offered under their Technology Marketplace 3.0 contracts, including technology commodities such as computer hardware and software licenses, along with professional services like configuration, integration, and software maintenance/support. There are no material changes to the contracts beyond the increases to the contract values.

### **Local Business Enterprise Requirements**

For professional services work only, each vendor must subcontract at least 18 percent of its total cost to local business enterprises over the entire five-year contract period. This means vendors do not have to meet the 18 percent requirement on every project. Instead, as long as the total dollar value of all subcontracts awarded to LBEs amounts to at least 18 percent of the vendor's overall revenue from professional services under the contract by the end of the five-year term, the requirement is satisfied.

As of January 8, 2025, each vendor's subcontracting utilization rate for LBEs are (1) ComputerLand at 27 percent, (2) Cornerstone at 3 percent, (3) Insight at 0 percent, and (4) Xtech at 0 percent. According to OCA, they plan to coordinate with the contractors to ensure they have fully fulfilled their obligations by the end of the contract term. There is no LBE subcontracting requirement for commodity purchases, such as off-the-shelf hardware or software.

### **Performance**

No formal performance metrics are tracked at the contract level, but the high usage of these vendors suggests strong performance in competitive pricing and service quality. Among all purchase orders issued to these vendors under Technology Marketplace 3.0 to date, 66 percent

of ComputerLand’s, 99 percent of Cornerstone’s, 88 percent of Insight’s, and 68 percent of Xtech’s total purchase orders were awarded through successful competitive solicitations.

**FISCAL IMPACT**

The proposed resolutions approve amendments for four Technology Marketplace vendors: (1) Computerland, (2) Cornerstone, (3) Insight, and (4) Xtech, increasing the total value of the contracts from \$80,000,000 (\$20 million for each contract) to \$242,340,000. Exhibit 1 summarizes the changes to the contract values. OCA calculated new contract values based on average spending through 2024 (the first year of each contract) and applying those averages to the remaining term of each contract, which all end December 31, 2028.

**Exhibit 1: Proposed Changes to Contract Values**

<b>Contractor</b>	<b>Actual Encumbrances</b>	<b>Remaining Spending</b>	<b>Contingency (15%)</b>	<b>Proposed NTE (Rounded)</b>
ComputerLand	\$11,144,147	\$43,409,111	\$6,511,367	\$61,065,000
Cornerstone	\$7,739,955	\$30,150,546	\$4,522,582	\$42,413,000
Insight	\$9,956,955	\$38,166,379	\$5,724,957	\$53,848,000
Xtech	\$15,612,501	\$60,348,789	\$9,052,318	\$85,014,000
<b>Total</b>	<b>\$44,453,558</b>	<b>\$172,074,825</b>	<b>\$25,811,224</b>	<b>\$242,340,000</b>

Source: OCA

Notes: Contingency values are fifteen percent of remaining spending, as projected by 2024 actual spending.

**Source of Funds**

Purchases made through these contracts are funded by the respective City departments that require the technology goods and services. Departments use their approved budgets to issue purchase orders under these Technology Marketplace contracts. No additional General Fund allocation is requested beyond each department’s existing Board-approved budgetary authority.

**RECOMMENDATION**

Approve the proposed resolutions.



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

**First Amendment**

THIS FIRST AMENDMENT (“Amendment”) is made as of **[insert date]**, in San Francisco, California, by and between **Insight Public Sector, 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 increase the contract amount and update standard contractual clauses; and

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WHEREAS, Contractor was competitively selected pursuant to a Request for Proposals (“RFP”) entitled, “Formal Request for Proposals for: As-Needed IT Commodities and Professional Services (Technology Marketplace 3.0)” issued through Sourcing Event ID 0000007900 and this Amendment is consistent with the terms of the RFP and the awarded Contract; and

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WHEREAS, the Local Business Enterprise (“LBE”) subcontracting participation requirement with respect to the Services under this Agreement is eighteen percent (18%), and this Amendment is consistent with that requirement; and

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WHEREAS, this Amendment is consistent with an approval obtained on September 18, 2023 from the Civil Service Commission under PSC number 44539-22/23 which authorizes the award of multiple agreements, the total value of which cannot exceed \$180,000,000 and the individual duration of which cannot exceed five (5) years; and

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WHEREAS, the City’s Board of Supervisors approved the Agreement by Resolution No. 008-24 on January 19, 2024; and

WHEREAS, this Amendment is consistent with an approval obtained from the City’s Board of Supervisors under **[insert resolution number]** approved on **[insert date of Commission or Board action]** in the amount of **[insert Dollar Amount]** for the period commencing **[Insert Start Date]** and ending **[Insert End Date]**; and

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WHEREAS, the Department has filed Ethics Form 126f4 (Notification of Contract Approval) because this Agreement, as amended herein, has a value of \$100,000 or more in a fiscal year and will require the approval of the Board of Supervisors; and

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Now, THEREFORE, the parties agree as follows:

## **Article 1      Definitions**

The following definitions shall apply to this Amendment:

1.1      **Agreement.** The term “Agreement” shall mean the Agreement dated January 19, 2024 between Contractor and City.

1.2      **San Francisco Labor and Employment Code.** As of January 4, 2024, San Francisco Administrative Code Chapters 21C (Miscellaneous Prevailing Wage Requirements), 12B (Nondiscrimination in Contracts), 12C (Nondiscrimination in Property Contracts), 12K (Salary History), 12P (Minimum Compensation), 12Q (Health Care Accountability), 12T (City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions), and 12U (Sweatfree Contracting) are redesignated as Articles 102 (Miscellaneous Prevailing Wage Requirements), 131 (Nondiscrimination in Contracts), 132 (Nondiscrimination in Property Contracts), 141 (Salary History), 111 (Minimum Compensation), 121 (Health Care Accountability), 142 (City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions), and 151 (Sweatfree Contracting) of the San Francisco Labor and Employment Code, respectively. Wherever this Agreement refers to San Francisco Administrative Code Chapters 21C, 12B, 12C, 12K, 12P, 12Q, 12T, and 12U, it shall be construed to mean San Francisco Labor and Employment Code Articles 102, 131, 132, 141, 111, 121, 142, and 151, respectively.

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

## **Article 2      Modifications of Scope to the Agreement**

The Agreement is hereby modified as follows:

2.1      **Calculation of Charges.** *Section 3.3.1 “Calculation of Charges” of the Agreement currently reads as follows:*

**3.3.1 Calculation of Charges.** Contractor shall provide an invoice to the City for Goods delivered and/or Services completed in accordance with the accompanying Purchase Order and corresponding documents. Compensation shall be made for Goods and Services identified in the invoice that the City, in its sole discretion, concludes has been satisfactorily delivered and/or performed. In no event shall the amount of this Agreement exceed TWENTY MILLION DOLLARS (\$20,000,000). The breakdown of charges associated with this Agreement appears in the accompanying Purchase Order and corresponding documents. In no event shall City be liable for interest or late charges for any late payments. City will not honor minimum service order charges for any Services and Goods covered under this Agreement.

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

**3.3.1 Calculation of Charges.** Contractor shall provide an invoice to the City for Goods delivered and/or Services completed in accordance with the accompanying Purchase Order and corresponding documents. Compensation shall be made for Goods and Services identified in the invoice that the City, in its sole discretion, concludes has been satisfactorily delivered and/or performed. In no event shall the amount of this Agreement exceed FIFTY-THREE MILLION EIGHT HUNDRED FORTY-EIGHT THOUSAND DOLLARS (\$53,848,000). The breakdown of charges associated with this Agreement appears in the accompanying Purchase Order and corresponding documents. In no event shall City be liable for interest or late charges for any late payments. City will not honor minimum service order charges for any Services and Goods covered under this Agreement.

### **Article 3 Updates of Standard Terms to the Agreement**

The Agreement is hereby modified as follows:

3.1 **Section 10.15 Public Access to Nonprofit Records and Meetings.** *Section 10.15 of the Agreement is replaced in its entirety to read as follows:*

#### **10.15. Nonprofit Contractor Requirements.**

**10.15.1. Good Standing.** If Contractor is a nonprofit organization, Contractor represents that it is in good standing with the California Attorney General's Registry of Charitable Trusts and will remain in good standing during the term of this Agreement. Contractor shall immediately notify City of any change in its eligibility to perform under the Agreement. Upon City's request, Contractor shall provide documentation demonstrating its compliance with applicable legal requirements. If Contractor will use any subcontractors to perform the Agreement, Contractor is responsible for ensuring they are also in compliance with the California Attorney General's Registry of Charitable Trusts for the duration of the Agreement. Any failure by Contractor or its subcontractors to remain in good standing with applicable requirements shall be a material breach of this Agreement.

**10.15.2. Public Access to Nonprofit Records and Meetings.** If Contractor is a nonprofit organization; provides Services that do not include services or benefits to City employees (and/or to their family members, dependents, or their other designated beneficiaries); and receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds, Contractor must comply with the City's Public Access to Nonprofit Records and Meetings requirements, as set forth in Chapter 12L of the San Francisco Administrative Code, including the remedies provided therein.

### **Article 4 Effective Date**

Each of the modifications set forth in Articles 2 and 3 shall be effective on and after the date of this Amendment.

## **Article 5      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:

CONTRACTOR  
**Insight Public Sector, Inc**

\_\_\_\_\_  
Daniel Sanchez  
Procurement Manager  
Office of Contract Administration

\_\_\_\_\_  
Scott Friedlander  
President

City Supplier number: 0000040338

Approved as to Form:

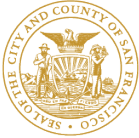
David Chiu  
City Attorney

By: \_\_\_\_\_  
Dee Nguyen  
Deputy City Attorney

Approved:

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

By: \_\_\_\_\_  
Sailaja Kurella



**San Francisco Office of the City Administrator  
City Administrator Carmen Chu**

# **Proposed Amendments to Technology Marketplace 3.0 Contract for As-Needed IT Commodities and Services (TC 99410)**

*File **25-0165** through **25-0168***

Office of Contract Administration

Board of Supervisors' Budget and Finance Committee

**March 12, 2025**

# Request Summary

- Authorize the Office of Contract Administration (“OCA”) to increase the not-to-exceed (“NTE”) amounts for four as-needed contracts for the purchase of technology goods and services under the Technology Marketplace 3.0 (“TM3.0”)

Supplier Name	Contract ID	Contract Term	Original NTE	Revised NTE
ISSQUARED, Inc. dba ComputerLand of Silicon Valley	1000033753	1/1/24 – 12/31/28	\$20,000,000	\$61,065,000
Cornerstone Technology Partners II JV	1000031408	1/1/24 – 12/31/28	\$20,000,000	\$42,413,000
Insight Public Sector, Inc.	1000031409	1/1/24 – 12/31/28	\$20,000,000	\$53,848,000
Xtech JV (AIXTEK dba Eaton Associates   21Tech LLC)	1000031412	1/1/24 – 12/31/28	\$20,000,000	\$85,014,000

# Purchasing Authority

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- Pursuant to a Request for Proposals (“RFP”) issued on August 21, 2023 by OCA under Sourcing Event 0000007900, awards were made as follows:
  1. 10 Contracts with initial NTE amounts of \$20 million each.
  2. 44 Contracts with initial NTE amounts of \$9 million each.
- Pursuant to a Request for Proposals (“RFP”) issued on August 21, 2023 by OCA under Sourcing Event 0000008618, awards were made as follows:
  1. 37 Micro LBE Set-Aside contract with NTE amounts of \$200,000 each



# What is the Technology Marketplace?



- The Technology Marketplace consists of a **pool of suppliers** from whom City can purchase **technology products and services**, including software licenses, computer hardware, configuration/integration services, and software maintenance/support.
- It **originated in the 1990's** as an efficient purchasing model and **can reduce the time required to complete a transaction** from several months to 1-2 weeks.
- Since its inception, the Technology Marketplace has **expanded from a handful of suppliers to more than 50** in its most recent iteration.

# Technology Marketplace 3.0: Structure

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- **61 Suppliers**, including 27 Micro LBEs.
- **As-needed** contracts available to all City Departments to purchase technology goods and services based on Departments' business needs.  
*\* See Table 1 for a breakdown of spend by City department.*
- All transactions **capped at \$2.5 million**.
- **Competitive solicitations required** for all transactions above established thresholds.  
*\* See Table 2 for a breakdown of % of PO Awards made via a solicitation*
- **18% LBE subcontracting requirements** on professional services
- **Administered by OCA** who ensures all City Requirements are satisfied by each purchase.
- By reducing procurement time from months to weeks, **provides an efficient process for procuring essential hardware, software, support, and services**, thereby saving City staff resources and time.

# Determining When to Amend a Contract

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- OCA routinely monitors contract usage. Amendments are sought when OCA determines the contract will run out of funds before its contract end date based on usage to date.
- Based on this analysis, the NTE for each contract here must be increased to ensure they have adequate funds through their contract end date.

*\*See Tables 3-6 for NTE Calculations for each Proposed Amendment*

- Approval of these amendments will ensure each Technology Marketplace contractor can fairly compete for each transaction for the full duration of its contract.
- It also allows City departments to continue receiving competitive pricing when procuring technology goods and services.

# Recommendation

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- Authorize the Office of Contract Administration to amend the as-needed contracts with the four (4) aforementioned Contractors for the purchase of as-needed technology products and specialized services.

# Reference Materials

# Table 1: PO Encumbrances for Proposed Amendments by Department

City Department	PO Encumbrances through January 8, 2025
Airport	\$9,932,584.81
Public Utilities Commission	\$7,560,630.35
Department of Technology	\$7,196,299.17
Human Services Agency	\$3,101,599.00
Public Library	\$2,565,831.55
Public Works	\$2,477,166.57
Public Health	\$1,421,489.98
City Administrator's Office	\$1,282,019.02
MTA	\$898,880.00
GEN	\$862,308.58
POL	\$828,891.85
FIR	\$791,125.04
REC	\$583,621.38
CPC	\$540,859.04
CON	\$531,011.34
Other City Departments (less than \$500k in PO Encumbrances)	\$3,599,057.00
Grand Total	\$44,173,374.68

**Table 2: % of PO Encumbrances Awarded via a solicitation for Proposed Amendments**

Supplier Name	Total Awarded PO Amounts (\$)	Total Awarded PO Amounts (\$) from a Solicitation	Total Awarded PO Amounts (%) from a Solicitation
ISSQUARED, Inc. dba ComputerLand of Silicon Valley	\$11,144,146.83	\$ 7,305,546.00	66%
Cornerstone Technology Partners II JV	\$7,739,955.46	\$ 7,678,513.00	99%
Insight Public Sector, Inc.	\$ 9,956,955.00	\$ 8,729,813.00	88%
Xtech JV (AIXTEK dba Eaton Associates   21Tech LLC)	\$15,612,501.00	\$10,685,330.00	68%

**Table 3: Computerland Contract NTE Calculations based on Total Spend by City Departments**

<b>Total Encumbered Funds as of Data Cutoff Date (January 8, 2025)</b>	\$11,143,564
<b>Average Monthly PO Encumbrances since Contract Start Date</b>	\$908,813
<b>Number of Months to Contract End Date</b>	48
<b>Total Additional Funds Needed through Contract End Date</b>	\$43,409,111
Less Available Contract Balance in Peoplesoft	(\$8,855,853)
Plus Contingency (15%)	\$6,511,367
<b>Current Executed Contract NTE</b>	<b>\$20,000,000</b>
<b>Total Additional Funds Needed through Contract End Date</b>	<b>\$41,064,625</b>
<b>Proposed Revised Executed Contract NTE</b> (Rounded to nearest ten thousand)	<b>\$61,065,000</b>



**Table 4: Cornerstone Contract NTE Calculations based on Total Spend by City Departments**

<b>Total Encumbered Funds as of Data Cutoff Date (January 8, 2025)</b>	\$7,739,955
<b>Average Monthly PO Encumbrances since Contract Start Date</b>	\$631,232
<b>Number of Months to Contract End Date</b>	48
<b>Total Additional Funds Needed through Contract End Date</b>	\$30,150,549
Less Available Contract Balance in Peoplesoft	(\$12,260,045)
Plus Contingency (15%)	\$4,522,582
<b>Current Executed Contract NTE</b>	<b>\$20,000,000</b>
<b>Total Additional Funds Needed through Contract End Date</b>	<b>\$22,413,086</b>
<b>Proposed Revised Executed Contract NTE</b> (Rounded to nearest ten thousand)	<b>\$42,413,000</b>

**Table 5: Insight Contract NTE Calculations based on Total Spend by City Departments**

<b>Total Encumbered Funds as of Data Cutoff Date (January 8, 2025)</b>	\$9,797,701
<b>Average Monthly PO Encumbrances since Contract Start Date</b>	\$799,051
<b>Number of Months to Contract End Date</b>	48
<b>Total Additional Funds Needed through Contract End Date</b>	\$38,166,379
Less Available Contract Balance in Peoplesoft	(\$10,043,045)
Plus Contingency (15%)	\$5,724,957
<b>Current Executed Contract NTE</b>	<b>\$20,000,000</b>
<b>Total Additional Funds Needed through Contract End Date</b>	<b>\$33,848,291</b>
<b>Proposed Revised Executed Contract NTE</b> (Rounded to nearest ten thousand)	<b>\$53,848,000</b>

**Table 6: Xtech Contract NTE Calculations based on Total Spend by City Departments**

<b>Total Encumbered Funds as of Data Cutoff Date (January 8, 2025)</b>	\$15,492,153
<b>Average Monthly PO Encumbrances since Contract Start Date</b>	\$1,263,462
<b>Number of Months to Contract End Date</b>	48
<b>Total Additional Funds Needed through Contract End Date</b>	\$60,348,789
Less Available Contract Balance in Peoplesoft	(\$4,387,499)
Plus Contingency (15%)	\$9,052,318
<b>Current Executed Contract NTE</b>	<b>\$20,000,000</b>
<b>Total Additional Funds Needed through Contract End Date</b>	<b>\$65,013,608</b>
<b>Proposed Revised Executed Contract NTE</b> (Rounded to nearest ten thousand)	<b>\$85,014,000</b>

**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**

**OCA Technology Marketplace Master Agreement for Technology Goods and Services  
between the City and County of San Francisco**

**and**

**Insight Public Sector, Inc.**

**TC 99410**

**1000031409**

**AGREEMENT**

This Agreement is made this 19<sup>th</sup> day of January, 2024, in the City and County of San Francisco (“City”), State of California, by and between Insight Public Sector, Inc. (“Contractor”) and City.

**Recitals**

WHEREAS, the Office of Contract Administration (“Department”) wishes to procure information technology products and services on an as-needed basis through the Technology Marketplace (as defined below) from Contractor; and

WHEREAS, Contractor represents and warrants that it is qualified to deliver the Goods and perform the Services required by City as set forth under this Agreement; and

WHEREAS, Contractor was competitively selected pursuant to San Francisco Sourcing Event ID 7900; and

WHEREAS, the Local Business Entity (“LBE”) subcontracting participation requirement with respect to the Services under this Agreement is eighteen percent (18%); and

WHEREAS, approval for the Agreement was obtained on September 18, 2023 from the Civil Service Commission under PSC number 44539-22/23 in the amount of \$180,000,000 for the period of five (5) years; and

WHEREAS, the City’s Board of Supervisors approved this Agreement by resolution number 008-24 on January 19, 2024.

Now, THEREFORE, the parties agree as follows:

**Article 1 Definitions**

The following definitions apply to this Agreement:

1.1 “Agreement” means this contract document, including all attached appendices, and all applicable City Ordinances and Mandatory City Requirements specifically incorporated into this Agreement by reference as provided herein.

1.2 “City” or “the City” means the City and County of San Francisco, a municipal corporation, acting by and through both its Director of the Office of Contract Administration or the Director’s designated agent, hereinafter referred to as “Purchasing” and all City departments authorized to utilize this Agreement for the purpose of securing the Goods and/or Services described herein.

1.3 “City Data” means that data as described in Article 13 of this Agreement which includes, without limitation, all data collected, used, maintained, processed, stored, or generated by or on behalf of the City in connection with this Agreement. City Data includes, without limitation, Confidential Information.

1.4 “CMD” means the Contract Monitoring Division of the City.

1.5 “Confidential Information” means confidential City information including, but not limited to, personal identifiable information (“PII”), protected health information (“PHI”), or individual financial information (collectively, “Proprietary or Confidential Information”) that is subject to local, state, or federal laws restricting the use and disclosure of such information including, but not limited to, Article 1, section 1 of the California Constitution; the California Information Practices Act (Civil Code § 1798 et seq.); the California Confidentiality of Medical Information Act (Civil Code § 56 et seq.); the federal Gramm-Leach-Bliley Act (15 U.S.C. §§ 6801(b) and 6805(b)(2)); the privacy and information security aspects of the Administrative Simplification provisions of the federal Health Insurance Portability and Accountability Act (45 CFR Part 160 and Subparts A, C, and E of part 164); and San Francisco Administrative Code Chapter 12M (“Chapter 12M”).

1.6 “Contractor” or “Consultant” means Contractor as defined above and any sub-Contractor(s) providing services under this Agreement (“Sub-Contractor”), accompanying Purchase Order (as defined under Chapter 21) and corresponding documents of the services to be performed under this Agreement.

1.7 “Deliverables” means Contractor’s work product resulting from the Services provided by Contractor to City during the course of Contractor’s performance of the Agreement including, without limitation, the work product as described in attached Appendices and any Purchase Orders executed under this Agreement.

1.8 “Goods” or “Commodities” means the products, materials, equipment, or supplies to be provided by Contractor under this Agreement.

1.9 “Mandatory City Requirements” means those City laws set forth in the San Francisco Municipal Code, including the duly authorized rules, regulations, and guidelines implementing such laws that impose specific duties and obligations upon Contractor.

1.10 “Party” and “Parties” means the City and Contractor either individually or collectively.

1.11 “Purchase Order” means the authorization document designated as such by the Purchaser for a procurement resulting from a Technology Marketplace Transaction, whether

issued in a paper or electronic format, including blanket purchase orders for purchases involving multiple payments, and shall also include the scope of work for that particular purchase.

1.12 “Services” means the work performed by Contractor under this Agreement including all services, labor, supervision, maintenance, materials, equipment, actions, and other requirements to be performed and furnished by Contractor under this Agreement.

1.13 “Technology Marketplace” means a virtual marketplace comprised of the multiple award pool of contracts made available to City ordering departments and other governmental agencies and jurisdictions for the efficient and cost-effective procurement of IT Goods and Services.

1.14 “Technology Marketplace Transaction” means an event resulting in a purchase of Goods and/or Services through the Technology Marketplace.

1.15 “Term Sheet” means a document that may be attached to a Purchase Order issued under this Agreement containing terms specific to an individual purchase of Goods and Services through the Technology Marketplace.

## **Article 2 Term of the Agreement**

2.1 The term of this Agreement shall commence on January 19, 2024 and expire on December 31, 2028, unless earlier terminated as otherwise provided herein.

## **Article 3 Financial Matters**

3.1 **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 Section 3.105 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.

3.2 **Maximum Costs.** The City’s payment obligation to Contractor cannot at any time exceed the amount certified by City’s Controller for the purpose and period stated in such certification. Absent an authorized emergency per the City Charter or applicable Code, no City representative is authorized to offer or promise, nor is the City required to honor, any offered or promised payments to Contractor under this Agreement in excess of the certified maximum amount without the Controller having first certified the additional promised amount and the Parties having modified this Agreement as provided in Section 11.5, “Modification of this Agreement.”

### 3.3 Compensation.

3.3.1 **Calculation of Charges.** Contractor shall provide an invoice to the City for Goods delivered and/or Services completed in accordance with the accompanying Purchase Order and corresponding documents. Compensation shall be made for Goods and Services identified in the invoice that the City, in its sole discretion, concludes has been satisfactorily delivered and/or performed. In no event shall the amount of this Agreement exceed **TWENTY MILLION DOLLARS (\$20,000,000)**. The breakdown of charges associated with this Agreement appears in the accompanying Purchase Order and corresponding documents. In no event shall City be liable for interest or late charges for any late payments. City will not honor minimum service order charges for any Services and Goods covered under this Agreement.

3.3.2 **Payment Limited to Satisfactory Services and Delivery of Goods.** Contractor is not entitled to any payments from City until City approves the Goods and Services delivered pursuant to this Agreement. Payments to Contractor by City shall not excuse Contractor from its obligation to replace unsatisfactory Goods and/or cure Services provided in an unsatisfactory manner, even if the unsatisfactory character may have been apparent or detected at the time such payment was made. Goods and Services delivered pursuant to this Agreement 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 at no cost to the City.

3.3.3 **Withhold Payments.** If Contractor fails to provide Goods and Services in accordance with Contractor's obligations under this Agreement, the City may withhold any and all payments due Contractor until such failure to perform is cured. Contractor shall not stop providing Goods and Services as a result of City's withholding of payments, as provided herein.

3.3.4 **Invoice Format.** Invoices furnished by Contractor under this Agreement for Goods delivered and Services performed under Purchase Orders must be in a form acceptable to the Controller and City, and include a unique invoice number and a specific invoice date. Contractor's invoices shall include detailed time sheets to support all hourly rate charges or, for fixed-price Purchase Orders, detailed list(s) of completed or partially-completed Deliverables with reference to the schedule in the scope of work. Payment shall be made by City as specified in Section 3.3.8, or in such alternate manner as the Parties have mutually agreed upon in writing. All invoices must show the PeopleSoft Purchase Order ID Number, PeopleSoft Supplier Name and ID, Item numbers (if applicable), complete description of Goods delivered or Services performed, sales/use tax (if applicable), contract payment terms, and contract price. Invoices that do not include all required information or contain inaccurate information may not be processed for payment.

3.3.5 **LBE Payment and Utilization Tracking System.** If LBE Subcontracting Participation Requirements apply to a contract awarded pursuant to this Solicitation, the awarded Contractor shall: (a) within three (3) business days of City's payment of any invoice to Contractor, pay LBE subcontractors as provided under Chapter 14B.7(H)(9); and (b) within ten (10) business days of City's payment of any invoice to Contractor, confirm its payment to subcontractors using the City's Supplier Portal Payment Module, unless instructed otherwise by CMD. Failure to submit all required payment information to the City's Supplier Portal Payment Module with each payment request may result in the withholding of twenty percent (20%) of subsequent payments due. Self-Service Training is located at this link: <https://sfcitypartnersfgov.org/pages/training.aspx>.

### 3.3.6 **Getting paid by the City for Goods and Services.**

(a) The City and County of San Francisco utilizes the Paymode-X<sup>®</sup> service offered by Bank of America Merrill Lynch to pay City contractors. Contractor must sign up to receive electronic payments to be paid under this Agreement. To sign up for electronic payments, visit [http://portal.paymode.com/city\\_countyofsanfrancisco](http://portal.paymode.com/city_countyofsanfrancisco).

(b) At the option of the City, Contractor may be required to submit invoices directly in the City's financial and procurement system (PeopleSoft) via eSettlement. Refer to <https://sfcitypartner.sfgov.org/pages/training.aspx> for more information on eSettlement. For access to PeopleSoft eSettlement, submit a request through [sfemployeeportalsupport@sfgov.org](mailto:sfemployeeportalsupport@sfgov.org).

### 3.3.7 **Reserved (Grant Funded Contracts).**

### 3.3.8 **Payment Terms.**

(a) **Payment Due Date.** Unless City notifies the Contractor that a dispute exists, Payment shall be made within thirty (30) calendar days, measured from (1) the delivery of Goods and/or the rendering of Services or (2) the date of receipt of the invoice, whichever is later. Payment is deemed to be made on the date on which City has issued a check to Contractor or, if Contractor has agreed to electronic payment, the date on which City has posted electronic payment to Contractor.

### (b) **Reserved (Payment Discount Terms).**

3.4 **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 the Goods and Services. Contractor will permit City to audit, examine and make copies of 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 (5) years, unless required for a longer duration due to Federal, State, or local requirements of which the City will notify Contractor in writing, 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 as conferred upon City by this Section. Contractor shall include the same audit and inspection rights and record retention requirements in all subcontracts.

3.5 **Submitting False Claims.** The full text of San Francisco Administrative Code Chapter 21, Section 21.35, including the enforcement and penalty provisions, is incorporated into this Agreement. Pursuant to San Francisco Administrative Code § 21.35, any contractor or subcontractor who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. A contractor or subcontractor will be deemed to have submitted a false claim to the City if the contractor or subcontractor: (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.

### 3.6 **Payment of Prevailing Wages.**

3.6.1 **Covered Services.** Any Purchase Order issued under this Agreement that includes services valued in excess of one thousand dollars (\$1,000) for either (a) maintenance of a public facility, or (b) installation of machinery and equipment that becomes affixed to a public facility (“Covered Services”) shall be subject to California Labor Code sections 1720 and 1782, as incorporated within Section 6.22(e) of the San Francisco Administrative Code. Contractor shall pay the prevailing wage rates for the work as set by the San Francisco Board of Supervisors and the Director of the California Department of Industrial Relations (“DIR”).

3.6.2 **Wage Rates.** The latest prevailing wage rates for private employment on public contracts as determined by the San Francisco Board of Supervisors and DIR, as such prevailing wage rates may be changed during the term of this Agreement, are hereby incorporated as provisions of this Agreement. Copies of the applicable prevailing wage rates are available from the Office of Labor Standards and Enforcement (“OLSE”). See also <https://sf.gov/resource/2022/citywide-contractor-labor-laws>. Contractor agrees that it shall pay not less than the prevailing wage rates, as determined by the Board of Supervisors and DIR, to all workers employed by Contractor who perform Covered Services under this Agreement.

3.6.3 **Subcontract Requirements.** Contractor shall insert in every subcontract made for the performance of Covered Services under this Agreement a provision that said subcontractor shall pay to all persons performing labor in connection with Covered Services not less than the highest general prevailing rate of wages as determined by the Board of Supervisors and DIR for such labor and services.

3.6.4 **Posted Notices.** As required by section 1771.4 of the California Labor Code, Contractor shall post job site notices prescribed by DIR at all job sites where Covered Services are to be performed.

3.6.5 **Payroll Records.** Contractor shall keep or cause to be kept complete and accurate payroll records for all workers performing Covered Services. Such records shall include the name, address, and social security number of each worker who provided Covered Services including apprentices, their classification, a general description of the services each worker performed each day, the rate of pay (including rates of contributions for, or costs assumed to provide fringe benefits), daily and weekly number of hours worked, deductions made, and actual wages paid. Every subcontractor who shall perform any part of Covered Services shall keep a like record of each person engaged in the execution of Covered Services under the subcontract. All such records shall at all times be available for inspection of and examination by the City and its authorized representatives and DIR.

3.6.6 **Certified Payrolls.** Contractor shall prepare certified payrolls pursuant to California Labor Code section 1776 for the period involved for all employees, including those of subcontractors, who performed the Covered Services. Contractor and each subcontractor performing Covered Services shall electronically submit certified payrolls to the City and to DIR as specified by the City and DIR. Contractor and all subcontractors that will perform Covered Services shall attend a training session provided by the City. Contractor and applicable

subcontractors shall comply with electronic certified payroll requirements (including training) at no additional cost to the City.

**3.6.7 Compliance Monitoring.** Covered Services performed under this Agreement are subject to compliance monitoring and enforcement of prevailing wage requirements by DIR and/or OLSE. Contractor and any subcontractors performing Covered Services will cooperate fully with DIR and/or OLSE and other City employees and agents authorized to assist in the administration and enforcement of the prevailing wage requirements. Contractor agrees that (i) OLSE shall have the right to engage in random inspections of job sites and have access to the employees of the Contractor, employee time sheets, inspection logs, payroll records and employee paychecks; (ii) Contractor shall maintain a sign-in and sign-out sheet showing which employees are present on the job site; (iii) Contractor shall prominently post at each job-site a sign informing employees that the project is subject to the City's prevailing wage requirements and that these requirements are enforced by OLSE; and (iv) OLSE may audit such records of Contractor as it reasonably deems necessary. Failure to comply with these requirements may result in penalties and forfeitures pursuant to the California Labor Code, including section 1776(g), as amended from time to time, and San Francisco Administrative Code Section 6.22(e).

**3.6.8 Remedies.** Should Contractor, or any subcontractor performing Covered Services, fail or neglect to pay to the persons who perform Covered Services under this Agreement or subcontract for the Covered Services, the general prevailing rate of wages as herein specified, Contractor shall forfeit and, in the case of any subcontractor so failing or neglecting to pay said wage, Contractor and the subcontractor shall jointly and severally forfeit back wages due plus the penalties set forth in Administrative Code Section 6.22(e) and/or California Labor Code section 1775. The City, when certifying any payment which may become due under the terms of this Agreement, shall deduct from the amount that would otherwise be due on such payment the amount of said forfeiture.

**3.7 Reserved (Displaced Worker Protection Act).**

**Article 4 Goods and Services**

**4.1 Reserved (Primary and Secondary Contractors).**

**4.2 Reserved (Term Agreement – Indefinite Quantities).**

**4.3 Qualified Personnel.** Contractor shall utilize only competent personnel under the supervision of, and in the employment of, Contractor (or Contractor's authorized subcontractors) to perform the Services. Contractor will comply with City's reasonable requests regarding assignment and/or removal of personnel, but all personnel, including those assigned at City's request, must be supervised by Contractor. Contractor shall commit adequate resources to allow timely completion within the project schedule specified in this Agreement.

**4.4 Goods.**

**4.4.1 Place of Manufacture.** No article furnished hereunder shall have been made in prison or by convict labor, except Goods purchased for use by City's detention facilities. The City may require Contractor to provide within seven (7) working business days from the date they are requested to do so, information and documentation requested by Purchaser including, but not limited to: sources of supply, distribution, dealership or agency agreements

and authorizations from manufacturer(s) they claim to represent, lines of credit with financial institutions for manufacturer(s) they claim to represent, lines of credit with financial institutions and suppliers, numbers of employees, trade references, and any other information to determine the Contractor's fitness to supply the Agreement requirements.

4.4.2 **Electrical Products.** Goods must comply with all applicable laws, ordinances, and other legal requirements including (among others) the Cal-OSHA regulations in Title 8 of the Code of Regulations and, for electrical products, Sections 110.2 and 110.3 (B) of the S.F. Electrical Code.

4.4.3 **Condition of Goods.** Goods offered and furnished must be new and previously unused, and of manufacturer's latest model, unless otherwise specified herein. Contractor shall establish quality control measures, as applicable to department's operations, and promptly provide documented reports to City of any product defects or premature failures.

4.4.4 **Inspection.** All Goods supplied shall be subject to inspection and acceptance or rejection by Purchasing or any department official responsible for inspection. Non-conforming or rejected Goods may be subject to reasonable storage fees.

4.4.5 **F.O.B.** Goods shall be shipped Freight on Board, to any destination named in a Purchase Order issued by City against this Agreement. *The cost of shipment must be incorporated into the offered unit costs.*

4.4.6 **Failure to Deliver.** If Contractor fails to deliver Goods of the quality, in the manner or within the time called for by this Agreement, then City may cancel the order at no cost to the City and acquire such Goods from any source. If City is required to pay a price that exceeds the price agreed upon by this Agreement, the excess price may be charged to and collected from Contractor (or sureties on its bond, if bond has been required); the City may terminate the Agreement for default; or the City may return deliveries already made and receive a refund.

4.4.7 **Safety Data Sheets.** Where required by law or by City, Contractor will include Safety Data Sheets (SDSs) with delivery for applicable items. Failure to include the SDSs for such items will constitute a material breach of contract and may result in refusal to accept delivery.

4.4.8 **Awarded Goods.** If during the term of the Agreement, a contract item is determined to be unacceptable for a particular use, and such is documented by a City department and as determined by Purchasing, it is understood and agreed that the item will be canceled and removed from the Agreement without penalty to the City. The City's sole obligation to the supplier is payment of deliveries made prior to the cancellation date. City shall give the supplier ten (10) days' notice prior to any cancellation. The City will purchase the required replacement item from any source and in the manner as determined by Purchasing. If a contracted item has been discontinued by the manufacturer or is deemed temporarily unavailable, it will be the responsibility of the Contractor to search the marketplace and find an acceptable equal substitute in the time required for delivery and at the Agreement price. Contractor must notify Purchasing in writing, which can include email, certified mail, registered mail, or other trackable mail, of any changes in the description of article, brand, product code, or packaging. Any changes made without the approval of City will constitute a Default.

4.4.9 **Warranty.** Contractor warrants to City that the manufacturer's warranty and service will be passed on to the City at the time of delivery.

#### 4.5 **Services.**

4.5.1 **Services Contractor Agrees to Perform.** Contractor agrees to provide the Goods and perform the Services stated in the Appendices attached to this Agreement, and each Purchase Order executed pursuant to this Agreement. Officers and employees of the City are not authorized to request, and the City is not required to reimburse the Contractor for, Goods and Services beyond the Goods and Services listed in the Appendices and executed Purchase Order, unless the Appendices are modified as provided in Section 11.5, "Modification of this Agreement", or the Purchase Order is modified in writing by the City and Contractor.

4.5.2 **Subcontracting.** Contractor may subcontract portions of the Services only upon prior written approval of City. Contractor is responsible for its subcontractors throughout the course of the work required to perform the Services. All Subcontracts must incorporate the terms of Article 10 "Additional Requirements Incorporated by Reference" of this Agreement, unless inapplicable. Contractor agrees City shall have the right to communicate directly with any subcontractor(s) in connection with Technology Marketplace Transactions under this Agreement. Neither Party shall, on the basis of this Agreement, contract on behalf of, or in the name of, the other Party. In connection with performing work under this Agreement, Contractor and any authorized subcontractors shall not enter non-compete agreements prohibited by California Business and Professions Code section 16600 in which either Contractor or subcontractor are prohibited from entering into or starting a similar profession or trade in competition against the other related to the Services Contractor or any subcontractor(s) have agreed to perform under this Agreement. Services performed by Contractor or any subcontractor(s) outside of the United States must be disclosed to City with all quotes and scopes of work and shall not be permitted without prior written approval of City. Any agreement made in violation of this provision shall be null and void.

4.5.3 **Awarded Services.** If, during the term of the Agreement, a contract service is determined to be unacceptable for a particular department, and such is documented by Purchasing, it is understood and agreed that the service will be canceled and removed from the Agreement without penalty to City. City's sole obligation to Contractor is payment for Services performed prior to the cancellation date. City shall give Contractor ten (10) days' notice prior to any cancellation. City will contract for the required service from any source and in the manner as determined by Purchasing. Contractor must notify Purchasing in writing, which can include email, certified mail, registered mail, or other trackable mail, thirty (30) days in advance of any changes in the Services required in the Agreement. Any changes made without the approval of Purchasing will constitute a default.

#### 4.5.4 **Independent Contractor; Payment of Employment Taxes and Other Expenses.**

(a) **Independent Contractor.** For the purposes of this Section 4.5, "Contractor" shall be deemed to include not only Contractor, but also any agent or employee of Contractor. Contractor acknowledges and agrees that, at all times, 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 delivers the Goods and Services required by this Agreement and work requested by City under this Agreement. Contractor, its agents, and

employees will not represent or hold themselves out to be employees of the City at any time. 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 performing any of the obligations pursuant to this Agreement, 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. Contractor agrees to maintain and make available to City, upon request and during regular business hours, accurate books and accounting records demonstrating Contractor's compliance with this Section. Should City determine that Contractor, or any agent or employee of Contractor, is not performing in accordance with the requirements of this Agreement, City shall provide Contractor with written notice of such failure. Within five (5) business days of Contractor's receipt of such notice, and in accordance with Contractor policy and procedure, Contractor shall remedy the deficiency. Notwithstanding, if City believes that an action of Contractor, or any agent or employee of Contractor, warrants immediate remedial action by Contractor, City shall contact Contractor and provide Contractor in writing with the reason for requesting such immediate action.

**(b) Payment of Employment 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 this Section 4.5 shall be solely limited to 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, Contractor agrees to indemnify and hold harmless City and its officers, agents, and employees from and, if requested, shall defend them against any and all claims, losses, costs, damages, and expenses, including attorneys' fees, arising from this Section.

**4.6 Assignment.** The Services to be performed and Goods to be delivered by Contractor are personal in character. Neither this Agreement, nor any duties or obligations hereunder, may be directly or indirectly assigned, novated, hypothecated, transferred, or

delegated by Contractor, or its agents or employees unless first approved by City by written instrument executed and approved in the same manner as this Agreement in accordance with the Administrative Code. The City's approval of any such Assignment is subject to the Contractor demonstrating to City's reasonable satisfaction that the proposed transferee is: (i) reputable and capable, financially and otherwise, of performing each of Contractor's obligations under this Agreement and any other documents to be assigned; (ii) not forbidden by applicable law from transacting business or entering into contracts with City; and (iii) subject to the jurisdiction of the courts of the State of California. A change of ownership or control of Contractor, or a sale or transfer of substantially all of the assets of Contractor shall be deemed an Assignment for purposes of this Agreement. Contractor shall immediately notify City about any Assignment. Any purported Assignment made in violation of this provision shall be null and void.

**4.7 Liquidated Damages.** Contractor acknowledges that certain Technology Marketplace Transactions may require that Contractor meet specific dates for providing Deliverables under the Agreement. In such cases, Contractor agrees that its failure to adhere to the schedule specified in the Purchase Order may subject City to actual damages that are impractical or extremely difficult to ascertain. Contractor understands and agrees that City may specify in the Purchase Order, as a reasonable estimate of the loss City will incur because of Contractor's delay, a daily rate of liquidated damages. By accepting the Purchase Order, Contractor agrees that this sum shall not be considered a penalty and is an agreed upon sum of monetary damages sustained by City because of Contractor's failure to furnish Deliverables to City within the time period fixed or such extensions of time permitted in writing by City.

**4.8 Bonding Requirements.** The Contractor may be required on a case-by-case basis to furnish a performance bond in a form acceptable to the City, to guarantee the faithful performance of this Agreement. The bonds must be approved as to sufficiency and qualifications of the surety by the Controller and City Attorney.

**4.9 Reserved (Fidelity Bond).**

**4.10 Emergency - Priority 1 Service.** In case of an emergency that affects any part of the San Francisco Bay Area, Contractor will give the City and County of San Francisco Priority 1 service with regard to the Goods and Services procured under this Agreement unless preempted by State and/or Federal laws. Contractor will make every good faith effort in attempting to deliver products using all modes of transportation available. Contractor shall provide a twenty-four (24) hour emergency telephone number of a company representative who is able to receive and process orders for immediate delivery or will call in the event of an emergency. In addition, the Contractor shall charge fair and competitive prices for Goods and Services ordered during an emergency and not covered under the awarded Agreement.

**4.11 Usage Reports by Contractor.**

4.11.1 Upon request, Contractor shall prepare and submit to City an electronic report of the total Goods delivered and/or Services rendered under this Agreement during the period of time requested by City. The report must list by City department the following: (1) all Goods and Services ordered ("Order"); (2) all Goods and Services delivered; (3) the date on which each Order was placed; (4) the date on which each Order was delivered; and (5) total quantity and unit price of the Goods and/or Services contained within each Order. Contractor

must also furnish a separate similar report for the total of all items and/or Services ordered by City, which are not part of this Agreement.

4.11.2 Reserved.

4.11.3 Reserved.

4.12 **Warranty.** If equipment maintenance is required under this Agreement, Contractor warrants to City that the maintenance services will be performed with the degree of skill and care that is required by current, good, and sound professional procedures and practices, and in conformance with generally accepted professional standards prevailing at the time the maintenance services are performed so as to ensure that all maintenance services performed are correct and appropriate for the purposes contemplated in this Agreement. Contractor warrants to City that the manufacturer's warranty and service will be passed on to the City at the time of delivery.

## **Article 5 Insurance and Indemnity**

### **5.1 Insurance.**

5.1.1 The following insurance requirements are the minimum coverages required under this Agreement. At the individual purchase level, on a project-by-project basis, these requirements may be modified based on the Goods and/or Services the City is procuring under this Agreement. Such modifications may include the type of insurance, the required minimum limits of insurance, as well as exclusions or inclusions related to coverage. Any such changes will be stated in the accompanying Purchase Order issued under this Agreement.

5.1.2 **Required Coverages.** 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:

(a) Commercial General Liability Insurance with limits not less than \$2,000,000 or more as determined by the Department each occurrence for Bodily Injury and Property Damage including Contractual Liability, Personal Injury, and Products and Completed Operations.

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

(c) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than \$1,000,000 or more as determined by the Department each accident, injury, or illness.

(d) Technology Errors and Omissions Liability coverage, with limits of \$5,000,000 or more as determined by the Department for each claim and each loss. The policy shall, at a minimum, cover professional misconduct or lack of the requisite skill required for the performance of the Agreement and shall also provide coverage for the following risks:

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

(ii) 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.

(e) Cyber and Privacy Insurance with limits of not less than \$5,000,000 or more as determined by the Department per claim. Such insurance shall include coverage for 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.

(f) Reserved (Pollution Liability Insurance).

#### 5.1.3 **Additional Insured Endorsements.**

(a) The Commercial General Liability policy must be endorsed to name as Additional Insured the City and County of San Francisco, its officers, agents, and employees.

(b) The Commercial Automobile Liability Insurance policy must be endorsed to name as Additional Insured the City and County of San Francisco, its officers, agents, and employees.

(c) Reserved (Pollution Auto Liability Insurance Additional Insured Endorsement).

#### 5.1.4 **Waiver of Subrogation Endorsements.**

(a) 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.

#### 5.1.5 **Primary Insurance Endorsements.**

(a) The Commercial General Liability policy shall provide 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 the insurance applies separately to each insured against whom claim is made or suit is brought.

(b) The Commercial Automobile Liability Insurance policy shall provide 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 the insurance applies separately to each insured against whom claim is made or suit is brought.

(c) Reserved (Pollution Liability Insurance Primary Insurance Endorsement).

#### 5.1.6 **Other Insurance Requirements.**

(a) Thirty (30) days' advance written notice shall be provided to the City of cancellation, intended non-renewal, or reduction in coverages, except for non-payment for which no less than ten (10) days' notice shall be provided to City. Notices shall be sent to the City address set forth in Section 11.1 entitled, "Notices to the Parties."



(b) 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 (3) years beyond the expiration of this Agreement, to the effect that, should occurrences during the Agreement term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

(c) 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.

(d) 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.

(e) Before delivering any Goods and/or 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.

(f) If Contractor will use any subcontractor(s) to deliver Goods and/or 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.

## 5.2 Indemnification.

5.2.1 Contractor shall indemnify and hold harmless City and its officers, agents and employees from and, if requested, shall defend them from and against any and all claims, demands, losses, damages, costs, expenses, and liability (legal, contractual, or otherwise) arising from or in any way connected with any: (i) injury to or death of a person, including employees of City or Contractor; (ii) loss of or damage to property; (iii) violation of local, state, or federal common law, statute, or regulation including, but not limited to, privacy or personal identifiable information, health information, disability, and labor laws or regulations; (iv) strict liability imposed by any law or regulation; or (v) losses arising from Contractor's execution of subcontracts not in accordance with the requirements of this Agreement applicable to subcontractors; so long as such injury, violation, loss, or strict liability (as set forth in subsections (i) – (v) above) arises 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, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of City and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors, or either's agent or employee. 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.

5.2.2 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.

5.2.3 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 arising directly or indirectly from the receipt by City, or any of its officers or agents, of Contractor's Services and/or delivery of Goods pursuant to this Agreement.

5.2.4 Under no circumstances will the City indemnify or hold harmless Contractor.

## **Article 6 Liability of the Parties**

6.1 **Liability of City.** CITY'S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR IN SECTION 3.3.1, "PAYMENT," 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 OR GOODS DELIVERED IN CONNECTION WITH THIS AGREEMENT.

6.2 **Liability for Use of Equipment.** City shall not be liable for any damage to persons or property as a result of the use, misuse, or failure of any equipment used by Contractor or any of its subcontractors, or by any of their employees, even though such equipment is furnished, rented, or loaned by City.

6.3 **Liability for 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.

## **Article 7 Payment of Taxes**

7.1 **Contractor to Pay All Taxes.** Except for any applicable California sales and use taxes charged by Contractor to City, Contractor shall pay all taxes, including possessory interest taxes levied upon or as a result of this Agreement, or the Goods and Services delivered pursuant hereto. Contractor shall remit to the State of California any sales or use taxes paid by City to Contractor under this Agreement. Contractor agrees to promptly provide information requested by the City to verify Contractor's compliance with any State requirements for reporting sales and use tax paid by City under this Agreement.

**7.2 Possessory Interest Taxes.** Contractor acknowledges 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.

7.2.1 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.

7.2.2 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.

7.2.3 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 § 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.

7.2.4 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.

**7.3 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.

## **Article 8 Termination and Default**

### **8.1 Termination for Convenience.**

8.1.1 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 written notice of termination (“Notice of Termination”). The Notice of Termination shall specify the date on which termination of the Agreement shall become effective (“Termination Date”).

8.1.2 Upon receipt of the Notice of Termination, Contractor shall commence and perform, with diligence, all actions necessary on the part of Contractor to effect the termination of this Agreement on the Termination Date 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 may include any or all of the following, without limitation:

- (a) Halting the performance of all obligations under this Agreement on and after the Termination Date.
- (b) Terminating all existing orders and subcontracts by the Termination Date, and not placing any further orders or subcontracts for Goods, materials, Services, equipment, or other items.
- (c) At City's direction, assigning to City any or all of Contractor's right, title, and interest under the orders and subcontracts terminated. Upon such assignment, City shall have the right, in its sole discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.
- (d) Subject to City's approval, settling all outstanding liabilities and all claims arising out of the termination of orders and subcontracts.
- (e) Completing performance of any obligations that City requires Contractor to complete prior to the Termination Date.
- (f) 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.

8.1.3 Within thirty (30) days after the Termination Date, Contractor shall submit to City an invoice, which shall set forth the cost of all Goods and Services delivered prior to City's Notice of Termination. City's payment obligation pursuant to this Section 8.1.3 shall be subject to Section 3.3.2 of this Agreement. With respect to reimbursement for Contractor's services in connection with the maintenance of equipment, in no event will the compensation paid for the month in which termination occurs be greater than the scheduled monthly fee multiplied by a fraction, the numerator of which will be the days in the month elapsed prior to the Termination Date and the denominator of which shall be thirty-one (31). Upon approval and payment of this invoice by City, City shall be under no further obligation to Contractor monetarily or otherwise.

8.1.4 In no event shall City be liable for costs incurred by Contractor or any of its subcontractors after the Termination Date, except for those costs specifically listed in Section 8.1.3. Such non-recoverable costs include, but are not limited to, anticipated profits on the Goods delivered and/or Services rendered by Contractor under 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 Section 8.1.3.

8.1.5 In arriving at the amount due to Contractor under this Section, City may deduct: (i) all payments previously made by City for the Goods delivered and/or Services rendered by Contractor's final invoice; (ii) any claim, which City may have against Contractor in connection with this Agreement; (iii) any invoiced costs or expenses excluded pursuant to the immediately preceding Section 8.1.4; and (iv) in instances in which, in the opinion of the City, the cost of any Goods delivered and/or Service rendered by Contractor under this Agreement is excessively high due to costs incurred to remedy or replace defective or rejected Goods and

Services, the difference between the invoiced amount and City’s estimate of the reasonable cost of delivering the invoiced Goods and/or performing the invoiced Services in compliance with the requirements of this Agreement.

8.1.6 City’s payment obligation under this Section shall survive termination of this Agreement.

8.1.7 Contractor agrees and acknowledges that cancellation or termination of any Purchase Orders issued under this Agreement are governed by provisions stated in Appendix A.

## 8.2 Termination for Default; Remedies.

8.2.1 Each of the following shall constitute an immediate event of default (“Event of Default”) under this Agreement or any Purchase Order issued under this Agreement:

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

3.5	Submitting False Claims.	10.10	Alcohol and Drug-Free Workplace
4.6	Assignment	10.13	Working with Minors
Article 5	Insurance and Indemnity	11.10	Compliance with Laws
Article 7	Payment of Taxes	Article 13	Data and Security

(b) Contractor fails or refuses to perform or observe any other term, covenant, or condition contained in this Agreement, including any obligation imposed by ordinance or statute and incorporated by reference herein, and such default is not cured within ten (10) days after written notice thereof from City to Contractor. If Contractor defaults a second time in the same manner as a prior default cured by Contractor, City may, in its sole discretion, immediately terminate this Agreement for default or grant an additional period not to exceed five (5) days for Contractor to cure the default.

(c) Contractor (i) is generally not paying its debts as they become due; (ii) 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; (iii) makes an assignment for the benefit of its creditors; (iv) 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 (v) takes action for the purpose of any of the foregoing.

(d) A court or government authority enters an order (i) 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; (ii) constituting an order for relief or approving a petition for relief, or reorganization, 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 (iii) ordering the dissolution, winding-up, or liquidation of Contractor.

8.2.2 On and after any Event of Default, 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, where applicable, 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 pay to City on demand all costs and expenses incurred by City in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. City shall have the right to offset from any amounts due to Contractor under this Agreement or any other agreement between City and Contractor: (i) all damages, losses, costs, or expenses incurred by City as a result of an Event of Default; (ii) any liquidated damages levied upon Contractor pursuant to the terms of this Agreement; and (iii) any damages imposed by any ordinance or statute that is incorporated into this Agreement by reference, or into any other agreement with the City. This Section 8.2.2 shall survive termination of this Agreement.

8.2.3 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. Nothing in this Agreement shall constitute a waiver or limitation of any rights that City may have under applicable law.

8.2.4 Any notice of default must be sent by registered mail to the address set forth in Article 11.

8.2.5 Contractor agrees and acknowledges that cancellation or termination of any Purchase Orders issued under this Agreement are governed by provisions stated in Appendix A.

8.3 **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 or of any Purchase Order issued under this Agreement 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.

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

8.4.1 This Section, and the following sections of this Agreement listed below, shall survive termination or expiration of this Agreement or any Purchase Order issued under this Agreement:

3.3.2	Payment Limited to Satisfactory Services and Delivery of Goods		9.2	Works for Hire
3.3.7	Grant Funded Contracts		11.6	Dispute Resolution Procedure
3.4	Audit and Inspection of Records		11.7	Agreement Made in California; Venue
3.5	Submitting False Claims		11.8	Construction
Article 5	Insurance and Indemnity		11.9	Entire Agreement
6.1	Liability of City		11.10	Compliance with Laws

6.3	Liability for Incidental and Consequential Damages		11.11	Severability
Article 7	Payment of Taxes		Article 12	Department Specific Terms
8.1.6	Payment Obligation		Article 13	Data and Security
9.1	Ownership of Results		Appendix B	Business Associate Agreement

8.4.2 Subject to the survival of the sections identified in Section 8.4.1 above, if this Agreement or any Purchase Order issued under this Agreement is terminated prior to expiration of the term specified in Article 2, this Agreement or any Purchase Order issued under this Agreement shall 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, other materials produced as a part of, or acquired in connection with the performance of this Agreement or any Purchase Order issued under this Agreement, and any completed or partially completed work, which, if this Agreement or any Purchase Order issued under this Agreement had been completed, would have been required to be furnished to City.

## **Article 9 Rights in Deliverables**

9.1 **Ownership of Results.** Any interest of Contractor or its subcontractors, in the Deliverables, including any drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files, and media or other documents prepared by Contractor or its subcontractors for the purposes of this Agreement, shall become the property of and will be transmitted to City. However, unless expressly prohibited elsewhere in this Agreement, Contractor may retain and use copies for reference and as documentation of its experience and capabilities.

9.2 **Works for Hire.** If, in connection with Services, Contractor or its subcontractors creates Deliverables including, without limitation, artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, blueprints, source codes, or any other original works of authorship, whether in digital or any other format, such works of authorship shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works shall be the property of the City. If any Deliverables created by Contractor or its subcontractor(s) under this Agreement are ever determined not to be works for hire under U.S. law, Contractor hereby assigns all Contractor's copyrights to such Deliverables to the City, agrees to provide any material and execute any documents necessary to effectuate such assignment, and agrees to include a clause in every subcontract imposing the same duties upon subcontractor(s). With City's prior written approval, Contractor and its subcontractor(s) may retain and use copies of such works for reference and as documentation of their respective experience and capabilities.

## **Article 10 Additional Requirements Incorporated by Reference**

10.1 **Laws Incorporated by Reference.** The full text of the laws listed in this Article 10, including enforcement and penalty provisions, are incorporated by reference into this Agreement. The full text of the San Francisco Municipal Code provisions incorporated by

reference in this Article and elsewhere in the Agreement (“Mandatory City Requirements”) are available at [http://www.amlegal.com/codes/client/san-francisco\\_ca/](http://www.amlegal.com/codes/client/san-francisco_ca/).

**10.2 Conflict of Interest.** By executing this Agreement, Contractor certifies that it does not know of any fact which constitutes a violation of Section 15.103 of the City’s Charter; Article III, Chapter 2 of City’s Campaign and Governmental Conduct Code; Title 9, Chapter 7 of the California Government Code (section 87100 *et seq.*); or Title 1, Division 4, Chapter 1, Article 4 of the California Government Code (section 1090 *et seq.*), and further agrees promptly to notify the City if it becomes aware of any such fact during the term of this Agreement.

**10.3 Prohibition on Use of Public Funds for Political Activity.** In performing the Services or delivering the Goods, Contractor shall comply with San Francisco Administrative Code Chapter 12G, which prohibits funds appropriated by the City for this Agreement from being expended to participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure. Contractor is subject to the enforcement and penalty provisions in Chapter 12G.

**10.4 Consideration of Salary History.** Contractor shall comply with San Francisco Administrative Code Chapter 12K, the Consideration of Salary History Ordinance or “Pay Parity Act.” Contractor is prohibited from considering current or past salary of an applicant in determining whether to hire the applicant or what salary to offer the applicant to the extent that such applicant is applying for employment to be performed on this Agreement or in furtherance of this Agreement, and whose application, in whole or part, will be solicited, received, processed or considered, whether or not through an interview, in the City or on City property. The ordinance also prohibits employers from (1) asking such applicants about their current or past salary or (2) disclosing a current or former employee’s salary history without that employee’s authorization unless the salary history is publicly available. Contractor is subject to the enforcement and penalty provisions in Chapter 12K. Information about and the text of Chapter 12K is available on the web at <https://sfgov.org/olse/consideration-salary-history>. Contractor is required to comply with all of the applicable provisions of 12K, irrespective of the listing of obligations in this Section.

#### **10.5 Nondiscrimination Requirements.**

**10.5.1 Nondiscrimination in Contracts.** Contractor shall comply with the provisions of Chapters 12B and 12C of the San Francisco Administrative Code. Contractor shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. Contractor is subject to the enforcement and penalty provisions in Chapters 12B and 12C.

**10.5.2 Nondiscrimination in the Provision of Employee Benefits.** San Francisco Administrative Code Section 12B.2 applies to this Agreement. 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 employee benefits between employees with domestic partners and employees with spouses and/or between the domestic partners and spouses of such employees, subject to the conditions set forth in San Francisco Administrative Code Section 12B.2.



#### 10.6 **Local Business Enterprise and Non-Discrimination in Contracting**

**Ordinance.** Contractor shall comply with all applicable provisions of Chapter 14B (“LBE Ordinance”). Contractor is subject to the enforcement and penalty provisions in Chapter 14B. If LBE subcontracting participation applies, Contractor shall incorporate the requirements of the LBE Ordinance in each subcontract made in the fulfillment of Contractor’s LBE subcontracting commitments.

**10.7 Minimum Compensation Ordinance.** If Administrative Code Chapter 12P applies to this Agreement, Contractor shall pay covered employees no less than the minimum compensation required by San Francisco Administrative Code Chapter 12P, including a minimum hourly gross compensation, compensated time off, and uncompensated time off. Contractor is subject to the enforcement and penalty provisions in Chapter 12P. Information about and the text of the Chapter 12P is available on the web at <http://sfgov.org/olse/mco>. Contractor is required to comply with all of the applicable provisions of 12P, irrespective of the listing of obligations in this Section. By signing and executing this Agreement, Contractor certifies that it complies with Chapter 12P.

**10.8 Health Care Accountability Ordinance.** If Administrative Code Chapter 12Q applies to this Agreement, Contractor shall comply with the requirements of Chapter 12Q. 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. Information about and the text of the Chapter 12Q, as well as the Health Commission’s minimum standards, is available on the web at <http://sfgov.org/olse/hcao>. Contractor is subject to the enforcement and penalty provisions in Chapter 12Q. Any subcontract entered into by Contractor shall require any subcontractor with twenty (20) or more employees to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section.

**10.9 First Source Hiring Program.** If Chapter 83 of the San Francisco Administrative Code applies to this Agreement, Contractor must comply with all of the provisions of the First Source Hiring Program, and Contractor is subject to the enforcement and penalty provisions in Chapter 83.

**10.10 Alcohol and Drug-Free Workplace.** City reserves the right to deny access to, or require Contractor to remove from City facilities personnel of any Contractor or subcontractor who City has reasonable grounds to believe has engaged in alcohol abuse or illegal drug activity, which in any way impairs City’s ability to maintain safe work facilities or to protect the health and well-being of City employees and the general public. City shall have the right of final approval for the entry or re-entry of any such person previously denied access to, or removed from City facilities. Illegal drug activity means possessing, furnishing, selling, offering, purchasing, using, or being under the influence of illegal drugs or other controlled substances for which the individual lacks a valid prescription. Alcohol abuse means possessing, furnishing, selling, offering or using alcoholic beverages, or being under the influence of alcohol.

**10.11 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 (12) 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 ten percent (10%) in Contractor; any subcontractor listed in the bid, proposal, 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.

**10.12 Reserved (Slavery Era Disclosure).**

**10.13 Reserved (Working with Minors).**

**10.14 Consideration of Criminal History in Hiring and Employment Decisions.**

10.14.1 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 Chapter 12T is available on the web at <http://sfgov.org/olse/fco>. Contractor is required to comply with all of the applicable provisions of Chapter 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.

10.14.2 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, and shall apply when the physical location of the employment or prospective employment of an individual is wholly or substantially within the City of San Francisco. Chapter 12T 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.

**10.15 Public Access to Nonprofit Records and Meetings.** If Contractor is a non-profit organization; provides Services that do not include services or benefits to City employees (and/or to their family members, dependents, or their other designated beneficiaries); and receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds, Contractor must comply with the City's Public Access to Nonprofit Records and Meetings requirements, as set forth in Chapter 12L of the San Francisco Administrative Code, including the remedies provided therein.

10.16 **Food Service Waste Reduction Requirements.** Contractor shall comply with the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16 including, but not limited to, the remedies for noncompliance provided therein.

10.17 **Reserved (Distribution of Beverages and Water).**

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

10.18.1 Reserved.

10.19 **Reserved (Preservative Treated Wood Products).**

10.20 **Reserved (Sweat Free Procurement).**

10.21 **Environment Code Chapter 5, Resource Conservation Ordinance.**

10.21.1 **Reserved (Printing Services and/or Writing Paper Products).**

10.21.2 **Reserved (Collection of Recyclable Materials).**

10.22 **Reserved (Prop J Approval).**

10.23 **Use of City Opinion.** Contractor shall not quote, paraphrase, or otherwise refer to or use any opinion of City, its officers or agents, regarding Contractor or Contractor’s performance under this Agreement without prior written permission of Purchasing.

**Article 11 General Provisions**

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

To City:	<b>Jonathan Jew, Senior Purchaser</b> <b>Office of Contract Administration</b> <b>1 Dr. Carlton B. Goodlett Place, Rm 430</b> <b>San Francisco, CA 94110</b> <u><a href="mailto:Jonathan.jew@sfgov.org">Jonathan.jew@sfgov.org</a></u>
To Contractor:	Kathy Perez Client Executive Insight Public Sector, Inc. 2701 E. Insight Way Chandler, AZ 85286 <a href="mailto:kathy.perez@insight.com">kathy.perez@insight.com</a> (408) 221-4099

Any notice of default must be sent by certified mail or other trackable overnight mail. Either Party may change the address to which notice is to be sent by giving written notice thereof to the other Party. If email notification is used, the sender must specify a receipt notice.

11.2 **Compliance with Americans with Disabilities Act.** Contractor shall provide the Services and/or Goods in a manner that complies with the Americans with Disabilities Act

(ADA), including but not limited to Title II's program access requirements, and all other applicable federal, state, and local disability rights legislation.

**11.3 Incorporation of Recitals.** The matters recited above are hereby incorporated into and made part of this Agreement.

**11.4 Sunshine Ordinance.** Contractor acknowledges that this Agreement and all records related to its formation, Contractor's performance of Services or delivery of the Goods, and City's payment are subject to the California Public Records Act, (California Government Code § 7920 et seq.), and the San Francisco Sunshine Ordinance, (San Francisco Administrative Code Chapter 67). Such records are subject to public inspection and copying unless exempt from disclosure under federal, state, or local law.

**11.5 Modification of this Agreement.** This Agreement may not be modified, nor may compliance with any of its terms be waived, except as noted in Section 11.1, "Notices to Parties," regarding change in personnel or place, and except by written instrument executed and approved in the same manner as this Agreement. If LBE subcontracting goals apply and the contract amount is fifty thousand dollars (\$50,000) or more, Contractor shall cooperate with the Department to submit to the Director of CMD any amendment, modification, supplement, or change order that would result in a cumulative increase of the original amount of this Agreement by more than twenty percent (20%) (CMD Contract Modification Form).

**11.6 Dispute Resolution Procedure.**

**11.6.1 Negotiation; Alternative Dispute Resolution.** The Parties will attempt in good faith to resolve any dispute or controversy arising out of or relating to the performance of Services or delivery of the Goods under this Agreement. If the Parties are unable to resolve the dispute, then, pursuant to San Francisco Administrative Code Section 21.36, Contractor may submit to the Contracting Officer a written request for administrative review and documentation of the Contractor's claim(s). Upon such request, the Contracting Officer shall promptly issue an administrative decision in writing, stating the reasons for the action taken and informing the Contractor of its right to judicial review. If agreed by both Parties in writing, disputes may be resolved by a mutually agreed-upon alternative dispute resolution process. If the Parties do not mutually agree to an alternative dispute resolution process or such efforts do not resolve the dispute, then either Party may pursue any remedy available under California law. The status of any dispute or controversy notwithstanding, Contractor shall proceed diligently with the performance of its obligations under this Agreement in accordance with the Agreement and the written directions of the City. Neither Party will be entitled to legal fees or costs for matters resolved under this Section.

**11.6.2 Government Code Claim Requirement.** No suit for money or damages may be brought against the City until a written claim therefor has been presented to and rejected by the City in conformity with the provisions of San Francisco Administrative Code Chapter 10 and California Government Code section 900, et seq. Nothing set forth in this Agreement shall operate to toll, waive, or excuse Contractor's compliance with the California Government Code Claim requirements set forth in San Francisco Administrative Code Chapter 10 and California Government Code section 900, et seq.

**11.6.3 Reserved (Health and Human Service Contract Dispute Resolution Procedure).**

11.7 **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.

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

11.9 **Entire Agreement.** This contract sets forth the entire Agreement between the Parties, and supersedes all other oral or written provisions. This Agreement may be modified only as provided in Section 11.5, "Modification of this Agreement."

11.10 **Compliance with Laws.** Contractor shall keep itself fully informed of the City's Charter, codes, ordinances, and duly adopted rules 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.

11.11 **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 (i) the validity of other provisions of this Agreement shall not be affected or impaired thereby; and (ii) 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.

11.12 **Cooperative Drafting.** This Agreement has been drafted through a cooperative effort of City and Contractor, 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.

11.13 **Order of Precedence.** Contractor's obligations for Technology Marketplace Transactions occurring under this Agreement are set forth in the following documents: this Agreement; the Purchase Order issued under this Agreement; any Term Sheets incorporated into the Purchase Order; Contractor's bid, quote, or proposal accepted by the City and incorporated into the Purchase Order (collectively, "TMBid"); Contractor's terms of use and support if applicable and accepted by the City; and, if applicable, any scope of work agreed upon between the City and Contractor for Services. Contractor agrees that in the event of discrepancy, inconsistency, gap, ambiguity, or conflicting language between the City's terms and conditions and Contractor's terms included in the TMBid or Contractor's terms of use, the City's terms shall take precedence. When applicable and upon City's sole and absolute discretion, City reserves the right to incorporate additional terms and conditions to each accompanying Purchase Order and applicable Term Sheet(s). All changes to Purchase Orders must be done in writing through the re-issuance of a revised Purchase Order.

11.14 **Notification of Legal Requests.** Contractor shall immediately notify City upon receipt of any subpoenas, service of process, litigation holds, discovery requests, and other legal requests ("Legal Requests") related to all data given to Contractor by City in the performance of this Agreement ("City Data" or "Data"), or which in any way might reasonably require access to City's Data, and in no event later than twenty-four (24) hours after it receives the request.

Contractor shall not respond to Legal Requests related to City without first notifying City other than to notify the requestor that the information sought is potentially covered under a non-disclosure agreement. Contractor shall retain and preserve City Data in accordance with the City's instruction and requests including, without limitation, any retention schedules and/or litigation hold orders provided by the City to Contractor, independent of where the City Data is stored.

11.15 **Cooperative Agreement.** Contractor agrees that during the term of this Agreement and any authorized extension, the Director of Purchasing may allow other public agencies or non-profits made up of multiple public agencies to utilize this Agreement to obtain some or all of the Services and/or Goods to be provided by Contractor under the same terms and conditions as the City.

## **Article 12 Department Specific Terms**

12.1 **Third-Party Beneficiaries.** No third parties are intended by the Parties hereto to be third-party beneficiaries under this Agreement, and no action to enforce the terms of this Agreement may be brought against either Party by any person who is not a party hereto.

### **12.2 Exclusion Lists and Employee Verification.**

12.2.1 Contractor acknowledges that some or all of Services or Commodities that Contractor furnishes to City under this Agreement may be included, directly or indirectly, in whole or in part, in claims submitted by City to Federal or State health care programs. By executing this Agreement Contractor certifies that it is not currently, and shall not during the term of this Agreement become, excluded, directed to be excluded, suspended, ineligible, or otherwise sanctioned from participation in any Federal or State assistance programs. Contractor shall notify City, as provided in Section 11.1 ("Notices to the Parties"), within thirty (30) days of any such exclusion, suspension, ineligibility, or other sanction. This is a material term of this Agreement. Contractor agrees to indemnify and hold harmless City and City's officers, directors, employees, agents, successors, and permitted assigns from and against any and all (including, but not limited to, Federal, State, or third party) civil monetary penalties, assessments, repayment obligations, losses, damages, settlement agreements, and expenses (including reasonable attorneys' fees) arising from the exclusion, suspension, ineligibility, or other sanction of Contractor and/or Contractor's workforce (including those who oversee Contractor's workforce, supervisors, and governing body members) from participation in any Federal or State assistance program.

## **Article 13 Data and Security**

### **13.1 Nondisclosure of Private, Proprietary, or Confidential Information.**

13.1.1 **Protection of Private Information.** If this Agreement requires City to disclose "Private Information" to Contractor within the meaning of Chapter 12M, Contractor and subcontractor shall use such information only in accordance with the restrictions stated in Chapter 12M and in this Agreement, and only as necessary in performing the Services or delivery of the Goods under this Agreement. Contractor is subject to the enforcement and penalty provisions in Chapter 12M.

13.1.2 **Confidential Information.** In the performance of Services or delivery of the Goods pursuant to this Agreement, Contractor may have access to City's proprietary or Confidential Information, the disclosure of which to third parties may damage City. If City discloses proprietary or Confidential Information to Contractor, or Contractor collects such information on City's behalf, such information must be held by Contractor in confidence and used only in performing 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 or Confidential Information.

13.2 **Payment Card Industry ("PCI") Requirements.** Contractors collecting electronic payments on behalf of the City or providing Services and products that handle, transmit, or store cardholder data are subject to the following requirements.

13.2.1 Applications shall be compliant with the Payment Application Data Security Standard (PA-DSS) and validated by a Payment Application Qualified Security Assessor (PA-QSA). A Contractor whose application has achieved PA-DSS certification must then be listed on the PCI Councils list of PA-DSS approved and validated payment applications.

13.2.2 Gateway providers shall have appropriate Payment Card Industry Data Security Standards (PCI DSS) certification as service providers (<https://www.pcisecuritystandards.org/index.shtml>). Compliance with the PCI DSS shall be achieved through a third-party audit process. The Contractor shall comply with Visa Cardholder Information Security Program (CISP) and MasterCard Site Data Protection (SDP) programs.

13.2.3 For any Contractor that processes PIN Debit Cards, payment card devices supplied by Contractor shall be validated against the PCI Council PIN Transaction Security (PTS) program.

13.2.4 For items 13.2.1 to 13.2.3 above, Contractor shall provide a letter from their qualified security assessor (QSA) affirming their compliance and current PCI or PTS compliance certificate.

13.2.5 Contractor shall be responsible for furnishing City with an updated PCI compliance certificate thirty (30) calendar days prior to its expiration.

13.2.6 **Bank Accounts.** Collections that represent funds belonging to the City and County of San Francisco shall be deposited, without detour to a third party's bank account, into a City and County of San Francisco bank account designated by the Office of the Treasurer and Tax Collector.

13.3 **Business Associate Agreement.** The Parties acknowledge that City is a Covered Entity as defined in the Healthcare Insurance Portability and Accountability Act of 1996 ("HIPAA") and is required to comply with the HIPAA Privacy Rule governing the access, use, disclosure, transmission, and storage of protected health information (PHI) and the Security Rule under the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 ("the HITECH Act"). Contractor or, where applicable, its subcontractor(s) will be required to enter into a Business Associate Agreement, substantially in the form attached hereto as Appendix B, if the Contractor or, where applicable, its subcontractor(s) will do at least one or more of the following:

1. Create, receive, maintain, or transmit PHI for or on behalf of City (including storage of PHI, digital or hard copy, even if Contractor does not view the PHI or only does so on a random or infrequent basis);
2. Receive or retain access to PHI, from City or another Business Associate of City, as part of providing Goods and Services to or for City including legal, actuarial, accounting, consulting, data aggregation, management, administrative, accreditation, or financial; or
3. Transmit PHI data for City and require access on a regular basis to such PHI (such as health information exchanges (HIEs), e-prescribing gateways, or electronic health record vendors).

Under such circumstances, and for purposes of this Agreement, Contractor is a Business Associate of City as defined under HIPAA. As such, Contractor must comply with and complete the Business Associate Agreement and attestations attached to this Agreement.

**13.4 Protected Health Information.** Where applicable, Contractor, all subcontractors, all agents and employees of Contractor shall comply with all federal and state laws regarding the transmission, storage, and protection of all private health information, if any, disclosed to Contractor by City in the performance of this Agreement. Contractor agrees that any failure of Contractor to comply with the requirements of federal, and/or state, and/or local privacy laws shall be a material breach of the Agreement. In the event that City pays a regulatory fine, and/or is assessed civil penalties or damages through private rights of action, based on an impermissible use or disclosure of protected health information given to Contractor or its subcontractors or agents by City, Contractor shall indemnify City for the amount of such fine or penalties or damages including costs of notification. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Agreement.

### **13.5 Management of City Data.**

**13.5.1 Use of City Data.** Contractor agrees to hold City Data received from, or created or collected on behalf of the City in strictest confidence. Contractor shall not use or disclose City Data except as permitted or required by the Agreement or as otherwise authorized in writing by the City. Any work by Contractor or its authorized subcontractors using, or sharing or storage of, City Data outside the continental United States is prohibited, absent prior written authorization by the City. Access to City Data must be strictly controlled and limited to Contractor's staff assigned to this project on a need-to-know basis only. City Data shall not be distributed, repurposed, or shared across other applications, environments, or business units of Contractor. Contractor is provided a limited non-exclusive license to use the City Data solely for performing its obligations under the Agreement and not for Contractor's own purposes or later use. Nothing herein shall be construed to confer any license or right to the City Data, by implication, estoppel or otherwise, under copyright or other intellectual property rights, to any third party. Unauthorized use of City Data by Contractor, subcontractors, or other third parties is prohibited. For purpose of this requirement, the phrase "unauthorized use" means the data mining or processing of data, stored or transmitted by the service, for commercial purposes, advertising or advertising-related purposes, or for any purpose other than security or service delivery analysis that is not explicitly authorized.

**13.6 Disposition of City Data.** Upon request of City, or termination or expiration of this Agreement and pursuant to any document retention period required by this Agreement, Contractor shall promptly, but in no event later than thirty (30) calendar days, return all City



Data given to, or collected or created by Contractor on City's behalf, which includes all original media. Once Contractor has received written confirmation from City that City Data has been successfully transferred to City, Contractor shall within ten (10) business days clear or purge all City Data from its servers and any hosted environment Contractor has used in performance of this Agreement including its subcontractor's environment(s), work stations that were used to process the data or for production of the data, and any other work files stored by Contractor in whatever medium. Contractor shall provide City with written certification that such purge occurred within five (5) business days of the purge. Secure disposal shall be accomplished by "clearing," "purging," or "physical destruction" in accordance with National Institute of Standards and Technology (NIST) Special Publication 800-88 or most current industry standard.

**13.7 Ownership of City Data.** The Parties agree that as between them, all rights, including all intellectual property rights, in and to the City Data and any derivative works of the City Data is the exclusive property of the City. Use of Artificial Intelligence (AI) to perform professional services under this Agreement shall be permitted solely upon written approval of City. Use of City Data to train AI under this Agreement shall be permitted solely upon written approval of the City.

**13.8 Cybersecurity Risk Assessment.** Where applicable, City may require Cybersecurity Risk Assessment (CRA) be performed for each entity manufacturing the Goods, performing technical functions related to the performance of the Goods, and/or accessing City's networks and systems under this Agreement. Where Contractor performs an active role in any of these activities, CRA may also be required for Contractor.

To conduct a CRA, City may collect prior to execution or at any time throughout the duration of this Agreement, one of the following two reports:

1. **SOC-2 Type 2 Report:** Report on Controls at a Service Organization Relevant to Security, Availability, Processing Integrity, Confidentiality, or Privacy; or
2. **City's Cyber Risk Assessment Questionnaire:** Contractor's responses to City's Cyber Risk Assessment Questionnaire.

The above reports may be requested prior to execution or at any time throughout the duration of this Agreement. The reports will be evaluated by the awarding department and the City's Department of Technology to identify existing or potential cyber risks to City. Should such risks be identified, City shall afford Contractor an opportunity to cure such risk within a period of time deemed reasonable to City. Failure by Contractor to remedy the identified risks within such period of time shall constitute a material breach of this Agreement, and City may terminate this Agreement for default. Such remediation and continuing compliance shall be subject to City's on-going review and audit through industry-standard methodologies including, but not limited to: on-site visits, review of the entities' cybersecurity program, penetration testing, and/or code reviews.

**13.9 Loss or Unauthorized Access to City's Data; Security Breach Notification.** Contractor shall comply with all applicable laws that require the notification to individuals in the event of unauthorized release of personal identifiable information or other event requiring notification. Contractor shall notify City of any actual or potential exposure or misappropriation of City's Data (any "Leak") within twenty-four (24) hours of the discovery of such, but within twelve (12) hours if the Data Leak involved personal identifiable information. Contractor, at its

own expense, will reasonably cooperate with City and law enforcement authorities to investigate any such Leak and to notify injured or potentially-injured parties. Contractor shall pay for the provision to the affected individuals of twelve (12) months of free credit monitoring services, if the Leak involved information of a nature reasonably necessitating such credit monitoring. The remedies and obligations set forth in this Section are in addition to any other City may have. City shall conduct all media communications related to such Leak.

#### **Article 14 MacBride And Signature**

14.1 **MacBride Principles - Northern Ireland.** The provisions of San Francisco Administrative Code Chapter 12F are incorporated herein by this reference and made part of this Agreement. By signing this Agreement, Contractor confirms that Contractor has read and understood that the City urges companies doing business in Northern Ireland to resolve employment inequities and to abide by the MacBride Principles, and urges San Francisco companies to do business with corporations that abide by the MacBride Principles.

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

**CITY**

**CONTRACTOR**

Recommended by:

**Insight Public Sector, Inc.**

DocuSigned by:  
*Daniel Sanchez*  
36604DF85002453...  
**Daniel Sanchez**  
Supervising Purchaser  
Office of Contract Administration

DocuSigned by:  
*Scott Friedlander*  
7ED39229A7B4451...  
**Scott Friedlander**  
President  
City Supplier Number: **40338**

Approved as to Form:

David Chiu  
City Attorney  
DocuSigned by:  
*Dee Nguyen*  
1A2698E99B824E2...  
**Dee Nguyen**  
Deputy City Attorney

Approved:  
DocuSigned by:  
*Sailaja Kurella*  
9AE444694D514E7...  
**Sailaja Kurella**  
Director of the Office of Contract Administration,  
and Purchaser

A:	Procedures and Requirements
B:	HIPAA Business Associate Agreement, Privacy Attestation, and Data Security Attestation
C:	Technology Specific Term Sheets

## **Appendix A**

### **Procedures and Requirements**

The Technology Marketplace is a pool of IT contractors that provide Goods and/or Services to City departments on an as-needed basis. Contractor is responsible for responding to City's requests for quotations, bids, or proposals for Goods and Services. When a Technology Marketplace Transaction results in a Purchase Order ("PO"), Contractor shall be responsible for procuring the Good and/or Service and for ensuring that all Goods are delivered and Services provided in accordance with the City's specifications, terms, and conditions. POs are awarded to Technology Marketplace contractors in accordance with the policies of the Office of Contract Administration ("OCA" or "Purchasing") and applicable laws and regulations of City as they may be amended from time to time.

After contract award, a competitive solicitation will be required for all Technology Marketplace Transactions greater than a \$10,000 threshold, which may be revised during the term of this Agreement. Transactions shall not exceed \$2,500,000 unless otherwise authorized by the Purchaser – such limit may be revised during the term of this Agreement at the sole discretion of the City.

All terms and conditions in this Appendix A shall be incorporated into every Technology Marketplace Transaction PO.

#### **A. Ordering, delivery, invoicing, and related procedures**

##### **1. Ordering**

- a. Goods and Services shall be ordered by the City solely by means of a PO. All orders must be approved and issued by Purchasing or as authorized by Purchasing in writing.
- b. Contractors shall not accept verbal orders from City or any order that is not in the form of a written PO.
- c. Within three (3) business days after receipt of an order, Contractor must verify the accuracy of the order and provide written or electronic notification of Contractor's acceptance or rejection of the order and delivery dates.
- d. If an item is discontinued, Contractor must notify Purchasing and the end user department within three (3) business days of receipt of an order or upon notification by the manufacturer or distributor (whichever comes first) that the order cannot be filled. Contractor must not fill the order with a substitute item without the prior written approval of Purchasing. Items that are substituted without approval may be returned at no cost to the City and the order cancelled.

##### **2. Delivery of Goods**

- a. **Location of Delivery.** All Goods shall be delivered inside the building designated in the Purchase Order, and the delivery shall require a signature from a City staff or representative confirming receipt.
- b. **Delivery Lead Time.** Goods shall be delivered in accordance with the terms of Contractor's quote and City's Purchase Order.

- c. **Notice of Delivery.** Prior to all deliveries, Contractor shall provide scheduled delivery dates to the ordering department. Any deliveries made without prior scheduling will be rejected by the department with no additional costs incurred.
- d. **Hours of Delivery.** Unless requested otherwise by City in the Purchase Order, all deliveries shall be made and accepted at the City location indicated by the ordering department between the hours of 8:00 A.M. and 2:00 P.M.
- e. **Substitutions.** No substitutions will be allowed unless approved in advance in writing by City.
- f. **Emergency Deliveries.** Emergency deliveries shall be delivered by best means possible. Should the emergency delivery cause City to incur additional costs not contemplated by this Agreement, Contractor shall obtain City's prior approval. Contractor shall notify City of the estimated time of delivery.
- g. **Complete Orders.** Orders must be delivered in total, unless a prior written authorization for partial shipment has been received from the ordering department.
- h. **Back Orders.** Contractor shall notify the ordering department immediately if it is unable to deliver the items and/or quantity ordered. Contractor must notify and obtain approval from the ordering department prior to delivery of any back-ordered items. Department may reject back-ordered items at no additional costs incurred to the City. If back-ordered items are delayed in excess of five (5) business days, City may reject partial shipment or cancel the item(s) at no additional cost to the City.
- i. **Packing Slips for Goods.** All deliveries must include a packing slip and provide the following information:
  - 1. Complete description including manufacturer's name and part number,
  - 2. Quantity ordered,
  - 3. Agreement number and contract item numbers,
  - 4. Back-ordered items and amount back-ordered,
  - 5. Date back-ordered items will be delivered, and
  - 6. Purchase Order number.

### 3. Invoicing

- a. Invoices may be submitted only after delivery of Goods or provision of Services, as set forth in the scope of work, is complete.
- b. **With respect to Goods,** a packing slip must be included with each shipment of Goods and must show the order number, a complete list of items delivered, and the Department name and contact person. The order number must also appear on the outside of the package.
- c. **With respect to Services,** a detailed list of Services performed, Deliverables met, the Department name and contact person and, where applicable, timesheets signed by the department authorizing payment for the Services must be included with each invoice.

### 4. Change Orders

- a. **"Change Order"** means a written instrument signed by City that modifies the applicable Term Sheet and the Agreement through an adjustment to one or more of the following: (i) the project schedule, (ii) the scope of work, (iii) the acceptance criteria, or (iv) other requirements specified in the applicable Term Sheet and the Agreement.

- b. **City Proposed Change Order.** The City may at any time, by written order, and without notice to Contractor's sureties, submit a Change Order to Contractor. Within ten (10) working days of receiving a proposed Change Order, Contractor shall submit to City a written cost estimate, which shall include any adjustments to the project price, the project schedule, the scope of work, the acceptance criteria, or any other obligations of Contractor as applicable.

## 5. Cancellations of Purchase Orders

- a. **Before Delivery of Goods or Performance of Services.** City may, without incurring any fees, penalties or other costs, cancel any PO for Goods and/or Services, other than POs of customized Goods, prior to scheduled delivery of a Good or, with respect to the performance of Services, any time prior to the performance of the Services. With respect to customized Goods, City may terminate the PO at any time but shall compensate Contractor for reasonable expenses incurred by Contractor in the performance of fulfilling the PO between the dates of issuance and cancellation.
- b. **For Convenience.** City shall have the option, in its sole discretion, to terminate any PO, at any time during the term thereof, for City's convenience and without cause by giving Contractor written notice of such termination. In the event of such termination, Contractor will be paid for the Goods delivered and Services performed pursuant to the PO to the satisfaction of the City up to the date of termination. City will not be liable for costs incurred by Contractor after receipt of Notice of Termination. Such non-recoverable costs include, but are not limited to, anticipated profits on the PO, post-termination employee salaries, post-termination administrative expenses, or any other cost that is not authorized or reasonable.
- c. **For Cause.** If Contractor fails to perform any of its obligations under a PO, City may terminate the PO and all of Contractor's rights thereunder. Termination will be effective after ten (10) days written notice to Contractor. If a PO is terminated for cause, City will pay Contractor for Goods delivered and/or Services performed to the satisfaction of the City up to the date of termination. City may offset from any such amounts due Contractor any costs City has or will incur due to Contractor's non-performance. Any such offset by City will not constitute waiver of any other remedies City may have against Contractor for financial injury or otherwise under this Agreement or the PO.

## 6. Title and Warranties

- a. **Warranties.** Contractors shall transfer all warranties offered by manufacturers to the City on all Goods within forty-eight (48) hours (excluding weekends) of delivery to City. The Contractor must also offer any additional warranty services offered by a manufacturer for purchase.
- b. **Passage of Title**
  - 1. Contractor must pass title of licenses to software purchased to the City within forty-eight (48) hours (excluding weekends) of delivery and the City must be eligible for all benefits of ownership including free services provided under manufacturer's warranties within forty-eight (48) hours (excluding weekends) of delivery of Goods.

2. If after forty-eight (48) hours the City cannot obtain service under the manufacturer's warranty, because title has not been properly passed to the City by the Contractor or the Contractor has not properly recorded ownership, the City shall immediately notify the Contractor. Contractor will have twenty-four (24) hours to record title of the Good properly, repair the Good, or replace the non-working Good with a comparable working product.
- c. **Liquidated Damages.** The timely transfer to City of manufacturer warranties and title to licenses procured through a PO is a material term of this Agreement. Contractor acknowledges that City, in its sole discretion, may include a liquidated damages provision in any PO to compensate City for actual damages that will be impractical or extremely difficult to determine. Contractor agrees that any such liquidated damages clause is not a penalty, but a reasonable estimate of the loss that City will incur based on the delay, established in light of the circumstances existing at the time the PO was issued. City may deduct a sum representing the liquidated damages from any money due to Contractor under this Agreement or any other contract between City and Contractor.

**7. No Automatic Renewal.** To the extent a Purchase Order issued under this Agreement involves the maintenance of equipment, and notwithstanding anything to the contrary contained in this Agreement or the Purchase Order (including, without limitation, any terms and conditions of Contractor attached hereto): (a) in no event shall the term of the Purchase Order be longer than the initial term expressly stated in the Purchase Order; (b) any automatic renewal or extension (whether or not conditioned upon any notice or absence thereof from either Party) or any similar "evergreen" provision shall be deemed null and void ab initio; and (c) the term of the Purchase Order shall not be extended or renewed except by written agreement duly authorized, executed, and delivered by City. In the event of any inconsistency within this Agreement or the Purchase Order relating to the duration of the initial term hereof, the shorter initial term shall govern. If no initial term is stated in the Purchase Order, then the term shall be one (1) year from the date on which the term commences.

## **B. Communications with the City**

### **1. General Communications with the City**

- a. **Hours of Operation.** Contractor must maintain normal business hours of at least 8:00 A.M. to 5:00 P.M. Pacific Time, Monday through Friday throughout the term of the Agreement, and be open at all times during that period.
- b. **Support.** Contractor shall be responsible for providing technical support and assistance to the City through Contractor's own personnel, equipment, and facilities as well as through manufacturer's technical representatives. As part of this technical support and assistance, the Contractor shall provide personnel with in-depth technical knowledge of the products the Contractor is providing under this Agreement, to answer questions and offer any assistance required by City personnel, during City business hours (8:00 A.M. to 5:00 P.M. Pacific Time, Monday through Friday).
- c. **Response Time.** Contractor shall make reasonable efforts to respond to inquiries from City departments within one (1) business day. City inquiries may include

requests for consultation, design, pricing, order status, product comparisons, compatibility information, and return information.

- d. **Toll-Free Telephone Number.** Contractor shall provide a toll-free number to accommodate telephone inquiries staffed by adequate personnel to provide prompt, courteous, and informed answers to City inquiries within two (2) hours of the customer's initial call. Contractor shall offer a "Help Desk" option to City departments using the Technology Marketplace.
- e. **E-mail.** Contractor shall provide E-mail communication capacity with the City. Such E-mail communication must be compatible with that used by the City.

## 2. Account Manager

- a. Contractor shall provide an Account Manager to function as the single point of contact with the City who will be responsible for all aspects of the Agreement and its facilitation.
- b. The Account Manager shall be available to the City by phone and e-mail.
- c. The Account Manager shall meet with City as the need arises and at no additional cost to the City to ensure that Contractor's performance of the Agreement continually meet the City's needs.

## C. General Goods Policies

### 1. New Goods

- a. Unless requested otherwise by City, Contractors shall sell only new products to the City. Contractors shall offer the latest commercially available versions of any and all hardware and software sold to the City. The City will not accept "gray market products."
- b. If a new product is no longer available, then a remanufactured product will only be considered for acceptance upon prior written notification from Contractor to the City. A remanufactured product will not be shipped to the City unless Purchasing has issued a written letter of acceptance. Remanufactured equipment will only be accepted if it includes the full manufacturer's warranty, is eligible for inclusion under any applicable maintenance contracts and can be certified (as applicable) for maintenance purposes at no additional cost to the City.

- 2. **Prohibited Goods and Minimum Specifications.** From time to time, the City reserves the right to prohibit Contractor from selling to the City certain products, and to prohibit user departments from purchasing the same. The City may also set minimum specifications for performance or energy efficiency that may be updated from time to time. Contractor will be required to provide products that comply with these specifications. A Contractor found to be selling products that do not comply with these specifications may be suspended from selling to the City under this Agreement for a period of up to three (3) months.



### 3. Green Purchasing Requirements

- a. Contractor shall offer processes and commit to ensure compliance with City green purchasing requirements. Contractor agrees to comply with the City's Green Purchasing policies established by the Department of the Environment as updated from time to time.
  - i. **Client Education.** Contractor shall educate departments on environmentally preferable ('green') product offerings designated by the City at the following link: <https://www.sfapproved.org/>.
  - ii. **Free Take Back and Recycling of Packaging Materials.** Upon request, Contractor shall provide free take back and recycling of packaging materials to City departments.
- b. The Green Purchasing Requirements applicable to this Agreement are as follows (but are subject to change during the term of this Agreement and may be found at Green Purchasing Requirements):
  - i. **Computers & Monitors.** All desktops, laptops, tablets, workstations, thin clients, and computer monitors are required to be in the EPEAT registry at the time of purchase at Gold level.
  - ii. **Imaging equipment.** All imaging equipment purchased or leased by City departments, including copiers, digital duplicators, facsimile machines, multifunction devices, printers, mailing machines, and scanners (as defined by the U.S. ENERGY STAR® Imaging Equipment Specification), are required to achieve Gold registration in the EPEAT system.
  - iii. **Televisions & Large Digital Displays.** All televisions or large displays purchased or leased by City departments are required to achieve at the time of purchase at least one of the following: registration in the EPEAT system – OR – qualified under the current version of Energy Star® Program Requirements for Televisions – OR – qualified under the current version of Energy Star® Program Requirements for Displays.
  - iv. **Uninterruptible Power Supplies.** Uninterruptible power supplies must be Energy Star certified.
  - v. **Computer Servers.** Except for network infrastructure, appliances, and blades as defined by [sfcoit.org/greenpolicy](http://sfcoit.org/greenpolicy), City recommends that computer servers be registered as EPEAT Bronze or higher at the time of purchase. IT purchasers are encouraged to "right-size" their server specification in terms of memory and redundant power supplies, to review manufacturer data sheets of servers that meet the given need, and to choose models with high efficiency over a range of operating loads.
  - vi. **Appliances.** City recommends that all appliances be listed at [ClimateFriendlyCooling.com](http://ClimateFriendlyCooling.com), or meet specifications in Sustainable Purchasing Leadership Council's (SPLC) and the Institute for Governance and Sustainable Development's (IGSD) contract language for climate-friendlier products at [bit.ly/2Wtp0Hb](http://bit.ly/2Wtp0Hb). In that link's Table of Contents, click Specifications. Other appliances should be Energy Star certified.

**D. Maintenance and Repair Policies.** All maintenance and repair work shall be performed by qualified and trained personnel. Contractor shall offer written quotes for all product repairs including an estimate of the time and cost of repairs.

**E. Consulting and Professional Services Policies**

1. Professional services provided under this Agreement may include project management, software development, hardware and software installation, system design, training, and other professional services related to the deployment of technology. City departments will solicit bids, quotes, or proposals to Technology Marketplace Contractors identifying the particular professional services requested.
2. When submitting a proposed scope of work (“SOW”) to a City department, Contractor must define the consulting or professional services project requested by the department. As applicable, the City may request that the project include a transition plan detailing how the project will eventually be transitioned to City personnel, including a designation of City employees and training plans.
3. Performance Bonds may be required by ordering departments on a project-by-project basis based on the level of risk associated with the project.
4. Unless otherwise requested by a department, Contractor’s SOW shall include, but is not limited to, the following:
  - a. A schedule with agreed upon deliverables and milestones.
  - b. Any critical milestones that would be subject to liquidated damages for delay, if applicable.
  - c. The name of the project management software that will be used (such as MS Project).
  - d. Estimated cost of sub-contractors and materials.
  - e. Any proposed training services should be specified as a separate line item and deliverable and shall include:
    - i. A detailed description of the training and a list of skills that will be made available through the training to provide for the ongoing maintenance of said project.
    - ii. Estimated timeframe for training.
    - iii. Number of employees to be trained and the number of hours of training to be provided to each employee.
    - iv. The cost associated with training.
5. Contractor agrees that City may, in its sole discretion, impose a ten percent (10%) retention by the City on progress payments. The retention will be released for payment to Contractor when the project is accepted by the Department. Progress payments will be linked to a specific deliverable or the meeting of a specific milestone.
6. Contractor may be required to provide formal status reports during the life of the project. The format of the status report and the frequency of its preparation will be determined during the project approval process and will be dependent upon a number of variables such as:
  - a. Estimated cost,
  - b. Project complexity,
  - c. Estimated time, and

- d. Other aspects of the project deemed relevant by the City.
- 7. Any consulting or professional services project that exceeds one-hundred thousand dollars (\$100,000) or is expected to require over ninety (90) days to complete may require quarterly meetings that include representation from:
  - a. The ordering department,
  - b. The City's Committee on Information Technology and/or Department of Technology,
  - c. Contract Monitoring Division ("CMD"),
  - d. Contractor, and
  - e. All project sub-Contractors.

## F. Pricing Policies

1. **Pricing.** After contract award, a competitive solicitation will be required for all Technology Marketplace Transactions greater than a ten thousand dollars (\$10,000) threshold, which may be revised during the term of this Agreement. Transactions shall not exceed \$2,500,000 unless otherwise authorized by the Purchaser – such limit may be revised during the term of this Agreement at the sole discretion of the City.
2. **Pricing offered to other customers.** Should Contractor participate in any government, educational, or other special pricing program, e.g., CMAS, GSA, Western States Contracting Alliance, etc., Contractor shall make the same pricing available to the City.
3. **Mandatory federal and state fees.** Contractor shall be responsible for collecting applicable federal and state mandatory fees with no additional cost mark-up to City, and shall be responsible for remitting the fees to the appropriate agency including, but not limited to, the California Electronic Waste Recycling Fee:  
<https://calrecycle.ca.gov/electronics/recyclingfee/>.
4. **Payment for Travel Expenses and Other Direct Costs (ODC).**
  - a. The need for travel under this Agreement, an individual PO, or ODCs shall be approved in advance of the date of travel in writing by a memo, stating the dates of the travel, the purpose and the planned expenses by person, with the City's Project Manager's dated signature indicating approval. Reimbursable expenses shall include actual direct costs (with no markup) of expenses directly incurred by Contractor. Payments will be made by City to Contractor within thirty (30) days after the City has received Contractor's invoice for expenses, submitted in compliance with the United States General Services Administration per diem rates (CONUS) for San Francisco at <http://www.gsa.gov>.
  - b. The following items will be eligible for reimbursement as ODCs:
    - i. Contractor's out-of-town travel ("out-of-town" shall mean outside the nine Bay Area counties: San Francisco, Alameda, Marin, Santa Clara, Sonoma, Contra Costa, Napa, San Mateo, and Solano);
    - ii. Contractor's out-of-town meal, travel, and lodging expenses for project-related business trips including, but not limited to:
      1. Rental vehicle: Contractor must select the most economical rental agency and type of vehicle available and acquire any commercial rate or government discount available when the vehicle is rented;
      2. Personal vehicle use: Contractor will be paid per mile as established by the United State Internal Revenue Service and only for that portion of travel that

is outside the nine Bay Area counties. Contractor shall submit to the City an approved mileage log with his/her expense sheet;

3. Contractor meal and lodging expenses shall be reasonable and actual but limited to CONUS per diem rates.
  - iii. Anything not listed above is not eligible for reimbursement.
5. **Subcontractor pricing.** Each quote, proposal, and invoice provided to City under this Agreement that includes work completed by a subcontractor must state the subcontractor's hourly rates and fees, and Contractor's mark-up amount.
6. **Taxes.** Prices shall be exclusive of any Federal, State, and local sales or use tax.

## G. Reports

1. **Sales Reports.** Upon request, Contractor must deliver a report to Purchasing of products and services sold to City, including: the type, quantity, manufacturer name, manufacturer's part number and description, price paid per item and name of department. The City may make changes to the format or specifications for this report. Contractor must comply with all such changes. Contractor shall prepare and submit additional reports in accordance with format and content specifications to be provided by Purchasing.
2. **LBE report.** Contractor must provide CMD with CMD Form 7 demonstrating LBE participation and CMD Form 9, if applicable, by the tenth day of each month or the next workday thereafter.
3. **Proposed Subcontractors report.** Prior to commencing work on any project involving the use of subcontractors, Contractor shall submit a list of all proposed subcontractors to the ordering department before that project can be approved by City. Contractor shall submit supplemental subcontractor reports during the course of the project to show any substitution or addition of subcontractors. The substitution and addition will be subject to Department's approval. The following information for each subcontractor must be provided: name, address, telephone number, contact name, summary of work to be performed, and mark-up percentage.

**H. Local Presence.** If Contractor certified during the Request for Proposals # 99410 (Sourcing Event # 0000007900) dated August 21, 2023 that they have a local presence, Contractor shall have a business presence within the City and County of San Francisco for the duration of this Agreement. A "business presence" means an office, retail location, warehouse, or service facility within the City limits, in a location that is not residentially zoned. Home offices or home warehouses will not satisfy this requirement. Firms certified by CMD as LBEs automatically meet this requirement.

## I. Other Requirements

- a. **Infectious Disease Terms.** Contractors required to perform physical activities on City property that places Contractor or its employees in proximity to medical patients, including, but not limited to, San Francisco Department of Public Health facilities where patient care or counseling is performed, shall be subject to the following requirements, as applicable:

i. **Infection Control, Health, and Safety.**

- 1) Contractor must have a Bloodborne Pathogen (BBP) Exposure Control plan for its employees, agents, and subcontractors as defined in the California Code of Regulations, Title 8, section 5193, Bloodborne Pathogens (<http://www.dir.ca.gov/title8/5193.html>), and demonstrate compliance with all requirements including, but not limited to, exposure determination, training, immunization, use of personal protective equipment and safe needle devices, maintenance of a sharps injury log, post-exposure medical evaluations, and recordkeeping.
- 2) Contractor must demonstrate personnel policies/procedures for protection of its employees, agents, subcontractors, and clients from other communicable diseases prevalent in the population served. Such policies and procedures shall include, but not be limited to, work practices, personal protective equipment, staff/client Tuberculosis (TB) surveillance, training, etc.
- 3) Contractor must demonstrate personnel policies/procedures for Tuberculosis (TB) exposure control consistent with the Centers for Disease Control and Prevention (CDC) recommendations for health care facilities and based on the Francis J. Curry National Tuberculosis Center: Template for Clinic Settings, as appropriate.
- 4) Contractor must demonstrate personnel policies/procedures for COVID-19 exposure control consistent with CDC recommendations, Cal/OSHA regulations, SF DPH Health Orders, Directives, and Guidance. Contractor's attention is directed to Cal/OSHA's new 8 CCR 3205 COVID-19 Prevention Emergency Temporary Standard and/or any successor regulations.
- 5) Contractor is responsible for site conditions, equipment, and health and safety of their employees and all other persons who work or visit the job site.
- 6) Contractor shall assume liability for any and all work-related injuries/illnesses including infectious exposures such as BBP and TB, demonstrating appropriate policies and procedures for reporting such events, and providing appropriate post-exposure medical management as required by State workers' compensation laws and regulations.
- 7) Contractor shall comply with all applicable Cal-OSHA standards, including maintenance of the OSHA 300 Log of Work-Related Injuries and Illnesses.
- 8) Contractor assumes responsibility for procuring all medical equipment and supplies for use by its employees, agents, and subcontractors including safe needle devices, and provides and documents all appropriate training.
- 9) Contractor shall demonstrate compliance with all state and local regulations with regard to handling and disposing of medical waste.

ii. **Aerosol Transmissible Disease Program, Health, and Safety.**

- 1) Contractor must have an Aerosol Transmissible Disease (ATD) Program as defined in the California Code of Regulations, Title 8, section 5199, Aerosol Transmissible Diseases (<http://www.dir.ca.gov/Title8/5199.html>), and demonstrate compliance with all requirements including, but not limited to, exposure determination, screening procedures, source control measures, use of personal protective equipment, referral procedures, training, immunization, post-exposure medical evaluations/follow-up, and recordkeeping.

- 2) Contractor shall assume liability for any and all work-related injuries/illnesses including infectious exposures such as Aerosol Transmissible Disease, demonstrating appropriate policies and procedures for reporting such events, and providing appropriate post-exposure medical management as required by State workers' compensation laws and regulations.
  - 3) Contractor shall comply with all applicable Cal-OSHA standards including maintenance of the OSHA 300 Log of Work-Related Injuries and Illnesses.
  - 4) Contractor assumes responsibility for procuring all medical equipment and supplies for use by its employees, agents, and subcontractors including Personnel Protective Equipment such as respirators, and provides and documents all appropriate training.
  - 5) If/when Contractor determines that they do not fall under the requirements of 8 CCR 5199, Contractor is directed to Cal/OSHA's Emergency Temporary Standard for COVID-19, 8 CCR 3205, which applies to all employers who do not fall under 8 CCR 5199 but for whose employees have potential for exposure to COVID-19.
- b. **ADA Compliance.** Contractor's warehouse facility shall comply with Title III of the Americans with Disabilities Act Regulations (including Title 3 Accessibility Guidelines), and Title 24, State of California Building Code (California Accessibility Regulations) regarding access to people with disabilities.

#### **J. Marketplace Transactions Surviving the Term of this Agreement**

1. At least ninety (90) days before the Agreement expires, Contractor shall provide the City with a list of all Technology Marketplace Transactions for which obligations extend beyond expiration of this Agreement. At City's direction, Contractor shall assign to City all of the Contractor's right, title, and interest that will not be fully executed or performed by the Agreement expiration date including, without limitation, ongoing software licenses and software maintenance agreements not previously assigned to City. City shall have the right, in its sole discretion, to direct the Contractor to assign any and all such orders and subcontracts.
2. If a Purchase Order issued against this Agreement is for Goods and/or Services that will be delivered or performed after the end date of this Agreement, the terms and conditions of this Agreement and the Purchase Order shall survive the end of the contract term until such time performance of the Purchase Order has been completed.

**Appendix B**  
**Business Associate Agreement**  
**(Version 8/3/2022)**

- 1. Create, receive, maintain, or transmit PHI for or on behalf of City (including storage of PHI, digital or hard copy, even if Contractor does not view the PHI or only does so on a random or infrequent basis); or**
- 2. Receive PHI, or access to PHI, from City or another Business Associate of City, as part of providing Goods and Services to or for City including legal, actuarial, accounting, consulting, data aggregation, management, administrative, accreditation, or financial; or**
- 3. Transmit PHI data for City and require access on a regular basis to such PHI. (Such as health information exchanges (HIEs), e-prescribing gateways, or electronic health record vendors)**

**If Contractor performs one or more of the above, Contractor shall complete Attachments 1 and 2 to this Appendix B. Otherwise the forms can be left blank.**

This Business Associate Agreement (“BAA”) supplements and is made a part of the contract by and between the City and County of San Francisco, the Covered Entity (“CE”), and Contractor, the Business Associate (“BA”) (the “Agreement”). To the extent that the terms of the Agreement are inconsistent with the terms of this BAA, the terms of this BAA shall control.

**RECITALS**

A. CE, by and through the City and County of San Francisco Department, wishes to disclose certain information to BA pursuant to the terms of the Agreement, some of which may constitute Protected Health Information (“PHI”) (defined below).

B. For purposes of the Agreement, CE requires Contractor, even if Contractor is also a covered entity under HIPAA, to comply with the terms and conditions of this BAA as a BA of CE.

C. CE and BA intend to protect the privacy and provide for the security of PHI disclosed to BA pursuant to the Agreement in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (“HIPAA”), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 (“the HITECH Act”), and regulations promulgated there under by the U.S. Department of Health and Human Services (the “HIPAA Regulations”) and other applicable laws including, but not limited to, California Civil Code § 56, et seq., California Health and Safety Code § 1280.15, California Civil Code § 1798, et seq., California Welfare & Institutions Code § 5328, et seq., and the regulations promulgated there under (the “California Regulations”).

D. As part of the HIPAA Regulations, the Privacy Rule and the Security Rule (defined below) require CE to enter into a contract containing specific requirements with BA prior to the disclosure of PHI, as set forth in, but not limited to, Title 45, sections 164.314(a), 164.502(a) and (e), and 164.504(e) of the Code of Federal Regulations (“C.F.R.”) and contained in this BAA.

E. BA enters into agreements with CE that require the CE to disclose certain identifiable health information to BA. The Parties desire to enter into this BAA to permit BA to have access to such information and comply with the BA requirements of HIPAA, the HITECH Act, and the corresponding Regulations.

In consideration of the mutual promises below and the exchange of information pursuant to this BAA, the Parties agree as follows:

**1. Definitions.**

**a. Breach** means the unauthorized acquisition, access, use, or disclosure of PHI that compromises the security or privacy of such information, except where an unauthorized person to whom such information is disclosed would not reasonably have been able to retain such information, and shall have the meaning given to such term under the HITECH Act and HIPAA Regulations [42 U.S.C. § 17921 and 45 C.F.R. § 164.402], as well as California Civil Code sections 1798.29 and 1798.82.

**b. Breach Notification Rule** shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and D.

**c. Business Associate** is a person or entity that performs certain functions or activities that involve the use or disclosure of PHI received from a covered entity, but other than in the capacity of a member of the workforce of such covered entity or arrangement, and shall have the meaning given to such term under the Privacy Rule, the Security Rule, and the HITECH Act including, but not limited to, 42 U.S.C. section 17938 and 45 C.F.R. section 160.103.

**d. Covered Entity** means a health plan, a health care clearinghouse, or a health care provider who transmits any information in electronic form in connection with a transaction covered under HIPAA Regulations, and shall have the meaning given to such term under the Privacy Rule and the Security Rule including, but not limited to, 45 C.F.R. section 160.103.

**e. Data Aggregation** means the combining of Protected Information (as defined below) by the BA with the Protected Information received by the BA in its capacity as a BA of another CE, to permit data analyses that relate to the health care operations of the respective covered entities, and shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. section 164.501.

**f. Designated Record Set** means a group of records maintained by or for a CE, and shall have the meaning given to such term under the Privacy Rule including, but not limited to, 45 C.F.R. section 164.501.



**g. Electronic Protected Health Information** means PHI that is maintained in or transmitted by electronic media and shall have the meaning given to such term under HIPAA and the HIPAA Regulations including, but not limited to, 45 C.F.R. section 160.103. For the purposes of this BAA, Electronic PHI includes all computerized data, as defined in California Civil Code sections 1798.29 and 1798.82.

**h. Electronic Health Record** means an electronic record of health-related information on an individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff, and shall have the meaning given to such term under the HITECH Act including, but not limited to, 42 U.S.C. section 17921.

**i. Health Care Operations** shall have the meaning given to such term under the Privacy Rule including, but not limited to, 45 C.F.R. section 164.501.

**j. Privacy Rule** shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and E.

**k. Protected Health Information or PHI** means any information, including electronic PHI, whether oral or recorded in any form or medium: (i) that relates to the past, present, or future physical or mental condition of an individual, the provision of health care to an individual, or the past, present or future payment for the provision of health care to an individual; and (ii) that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual, and shall have the meaning given to such term under the Privacy Rule including, but not limited to, 45 C.F.R. sections 160.103 and 164.501. For the purposes of this BAA, PHI includes all medical information and health insurance information as defined in California Civil Code sections 56.05 and 1798.82.

**l. Protected Information** shall mean PHI provided by CE to BA or created, maintained, received, or transmitted by BA on CE's behalf.

**m. Security Incident** means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system, and shall have the meaning given to such term under the Security Rule including, but not limited to, 45 C.F.R. section 164.304.

**n. Security Rule** shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and C.

**o. Unsecured PHI** means PHI that is not secured by a technology standard that renders PHI unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute, and shall have the meaning given to such term under the HITECH Act and any guidance issued pursuant to such Act including, but not limited to, 42 U.S.C. section 17932(h) and 45 C.F.R. section 164.402.

## 2. Obligations of Business Associate.

**a. Attestations.** Except when CE's data privacy officer exempts BA in writing, the BA shall complete the following forms, attached and incorporated by reference as though fully set forth herein, City Attestations for Privacy (Attachment 1) and Data Security (Attachment 2) within sixty (60) calendar days from the execution of the Agreement. If CE makes substantial changes to any of these forms during the term of the Agreement, the BA will be required to complete CE's updated forms within sixty (60) calendar days from the date that CE provides BA with written notice of such changes. BA shall retain such records for a period of seven (7) years after the Agreement terminates and shall make all such records available to CE within fifteen (15) calendar days of a written request by CE.

**b. User Training.** The BA shall provide, and shall ensure that BA subcontractors provide, training on PHI privacy and security, including HIPAA and HITECH and its regulations, to each employee or agent that will access, use, or disclose Protected Information, upon hire and/or prior to accessing, using or disclosing Protected Information for the first time, and at least annually thereafter during the term of the Agreement. BA shall maintain, and shall ensure that BA subcontractors maintain records indicating the name of each employee or agent and date on which the PHI privacy and security trainings were completed. BA shall retain, and ensure that BA subcontractors retain such records for a period of seven (7) years after the Agreement terminates and shall make all such records available to CE within fifteen (15) calendar days of a written request by CE.

**c. Permitted Uses.** BA may use, access, and/or disclose Protected Information only for the purpose of performing BA's obligations for, or on behalf of the City and as permitted or required under the Agreement and BAA, or as required by law. Further, BA shall not use Protected Information in any manner that would constitute a violation of the Privacy Rule or the HITECH Act if so used by CE. However, BA may use Protected Information as necessary (i) for the proper management and administration of BA; (ii) to carry out the legal responsibilities of BA; (iii) as required by law; or (iv) for Data Aggregation purposes relating to the Health Care Operations of CE [45 C.F.R. §§ 164.502, 164.504(e)(2), and 164.504(e)(4)(i)].

**d. Permitted Disclosures.** BA shall disclose Protected Information only for the purpose of performing BA's obligations for, or on behalf of the City and as permitted or required under the Agreement and BAA, or as required by law. BA shall not disclose Protected Information in any manner that would constitute a violation of the Privacy Rule or the HITECH Act if so disclosed by CE. However, BA may disclose Protected Information as necessary (i) for the proper management and administration of BA; (ii) to carry out the legal responsibilities of BA; (iii) as required by law; or (iv) for Data Aggregation purposes relating to the Health Care Operations of CE. If BA discloses Protected Information to a third party, BA must obtain, prior to making any such disclosure, (i) reasonable written assurances from such third party that such Protected Information will be held confidential as provided pursuant to this BAA and used or disclosed only as required by law or for the purposes for which it was disclosed to such third party; and (ii) a

written agreement from such third party to immediately notify BA of any breaches, security incidents, or unauthorized uses or disclosures of the Protected Information in accordance with paragraph 2(n) of this BAA, to the extent it has obtained knowledge of such occurrences [42 U.S.C. § 17932; 45 C.F.R. §164.504(e)]. BA may disclose PHI to a BA that is a subcontractor and may allow the subcontractor to create, receive, maintain, or transmit Protected Information on its behalf, if the BA obtains satisfactory assurances, in accordance with 45 C.F.R. section 164.504(e)(1), that the subcontractor will appropriately safeguard the information [45 C.F.R. §164.502(e)(1)(ii)].

**e. Prohibited Uses and Disclosures.** BA shall not use or disclose Protected Information other than as permitted or required by the Agreement and BAA, or as required by law. BA shall not use or disclose Protected Information for fundraising or marketing purposes. BA shall not disclose Protected Information to a health plan for payment or health care operations purposes if the patient has requested this special restriction, and has paid out of pocket in full for the health care item or service to which the Protected Information solely relates [42 U.S.C. § 17935(a) and 45 C.F.R. §164.522(a)(1)(vi)]. BA shall not directly or indirectly receive remuneration in exchange for Protected Information, except with the prior written consent of CE and as permitted by the HITECH Act, 42 U.S.C. section 17935(d)(2), and the HIPAA regulations, 45 C.F.R. section 164.502(a)(5)(ii); however, this prohibition shall not affect payment by CE to BA for services provided pursuant to the Agreement.

**f. Appropriate Safeguards.** BA shall take the appropriate security measures to protect the confidentiality, integrity and availability of PHI that it creates, receives, maintains, or transmits on behalf of the CE, and shall prevent any use or disclosure of PHI other than as permitted by the Agreement or this BAA including, but not limited to, administrative, physical, and technical safeguards in accordance with the Security Rule including, but not limited to, 45 C.F.R. sections 164.306, 164.308, 164.310, 164.312, 164.314, 164.316, and 164.504(e)(2)(ii)(B). BA shall comply with the policies and procedures and documentation requirements of the Security Rule including, but not limited to, 45 C.F.R. section 164.316, and 42 U.S.C. section 17931. BA is responsible for any civil penalties assessed due to an audit or investigation of BA in accordance with 42 U.S.C. section 17934(c).

**g. Business Associate's Subcontractors and Agents.** BA shall ensure that any agents and subcontractors that create, receive, maintain, or transmit Protected Information on behalf of BA agree in writing to the same restrictions and conditions that apply to BA with respect to such PHI and implement the safeguards required by paragraph 2.f. above with respect to Electronic PHI [45 C.F.R. § 164.504(e)(2)-(e)(5); 45 C.F.R. §164.308(b)]. BA shall mitigate the effects of any such violation.

**h. Accounting of Disclosures.** Within ten (10) calendar days of a request by CE for an accounting of disclosures of Protected Information or upon any disclosure of Protected Information for which CE is required to account to an individual, BA, and its agents and subcontractors shall make available to CE the information required to provide an accounting of disclosures to enable CE to fulfill its obligations under the Privacy Rule including, but not limited

to, 45 C.F.R. section 164.528, and the HITECH Act including, but not limited to, 42 U.S.C. section 17935(c), as determined by CE. BA agrees to implement a process that allows for an accounting to be collected and maintained by BA, and its agents and subcontractors for at least seven (7) years prior to the request. However, accounting of disclosures from an Electronic Health Record for treatment, payment, or health care operations purposes are required to be collected and maintained for only three (3) years prior to the request, and only to the extent that BA maintains an Electronic Health Record. At a minimum, the information collected and maintained shall include: (i) the date of disclosure; (ii) the name of the entity or person who received Protected Information and, if known, the address of the entity or person; (iii) a brief description of Protected Information disclosed; and (iv) a brief statement of purpose of the disclosure that reasonably informs the individual of the basis for the disclosure, a copy of the individual's authorization, or a copy of the written request for disclosure [45 C.F.R. 164.528(b)(2)]. If an individual or an individual's representative submits a request for an accounting directly to BA or its agents or subcontractors, BA shall forward the request to CE in writing within five (5) calendar days.

**i. Access to Protected Information.** BA shall make Protected Information maintained by BA or its agents or subcontractors in Designated Record Sets available to CE for inspection and copying within (5) days of request by CE to enable CE to fulfill its obligations under state law [Health and Safety Code § 123110] and the Privacy Rule including, but not limited to, 45 C.F.R. section 164.524 [45 C.F.R. §164.504(e)(2)(ii)(E)]. If BA maintains Protected Information in electronic format, BA shall provide such information in electronic format as necessary to enable CE to fulfill its obligations under the HITECH Act and HIPAA Regulations including, but not limited to, 42 U.S.C. section 17935(e) and 45 C.F.R. section 164.524.

**j. Amendment of Protected Information.** Within ten (10) days of a request by CE for an amendment of Protected Information or a record about an individual contained in a Designated Record Set, BA and its agents and subcontractors shall make such Protected Information available to CE for amendment and incorporate any such amendment or other documentation to enable CE to fulfill its obligations under the Privacy Rule including, but not limited to, 45 C.F.R section 164.526. If an individual requests an amendment of Protected Information directly from BA, or its agents or subcontractors, BA must notify CE in writing within five (5) days of the request and of any approval or denial of amendment of Protected Information maintained by BA, or its agents or subcontractors [45 C.F.R. § 164.504(e)(2)(ii)(F)].

**k. Governmental Access to Records.** BA shall make its internal practices, books, and records relating to the use and disclosure of Protected Information available to CE and to the Secretary of the U.S. Department of Health and Human Services (the "Secretary") for purposes of determining BA's compliance with HIPAA [45 C.F.R. § 164.504(e)(2)(ii)(I)]. BA shall provide CE a copy of any Protected Information, and other documents and records that BA provides to the Secretary concurrently with providing such Protected Information to the Secretary.

**l. Minimum Necessary.** BA, and its agents and subcontractors shall request, use, and disclose only the minimum amount of Protected Information necessary to accomplish the

intended purpose of such use, disclosure, or request. [42 U.S.C. § 17935(b); 45 C.F.R. §164.514(d).] BA understands and agrees that the definition of “minimum necessary” is in flux and shall keep itself informed of guidance issued by the Secretary with respect to what constitutes “minimum necessary” to accomplish the intended purpose in accordance with HIPAA and HIPAA Regulations.

**m. Data Ownership.** BA acknowledges that BA has no ownership rights with respect to the Protected Information.

**n. Notification of Breach.** BA shall notify CE within five (5) calendar days of any breach of Protected Information; any use or disclosure of Protected Information not permitted by the BAA; any Security Incident (except as otherwise provided below) related to Protected Information; and any use or disclosure of data in violation of any applicable federal or state laws by BA, or its agents or subcontractors. The notification shall include, to the extent possible, the identification of each individual whose unsecured Protected Information has been, or is reasonably believed by the BA to have been, accessed, acquired, used, or disclosed, as well as any other available information that CE is required to include in notification to the individual, the media, the Secretary, and any other entity under the Breach Notification Rule and any other applicable state or federal laws including, but not limited, to 45 C.F.R. section 164.404 through 45 C.F.R. section 164.408, at the time of the notification required by this paragraph or promptly thereafter as information becomes available. BA shall take (i) prompt corrective action to cure any deficiencies, and (ii) any action pertaining to unauthorized uses or disclosures required by applicable federal and state laws. [42 U.S.C. § 17921; 42 U.S.C. §17932; 45 C.F.R. §164.410; 45 C.F.R. §164.504(e)(2)(ii)(C); 45 C.F.R. §164.308(b).]

**o. Breach Pattern or Practice by Business Associate’s Subcontractors and Agents.** Pursuant to 42 U.S.C. section 17934(b) and 45 C.F.R. section 164.504(e)(1)(iii), if the BA knows of a pattern of activity or practice of a subcontractor or agent that constitutes a material breach or violation of the subcontractor or agent’s obligations under the Contract or this BAA, the BA must take reasonable steps to cure the breach or end the violation. If the steps are unsuccessful, the BA must terminate the contractual arrangement with its subcontractor or agent, if feasible. BA shall provide written notice to CE of any pattern of activity or practice of a subcontractor or agent that BA believes constitutes a material breach or violation of the subcontractor or agent’s obligations under the Contract or this BAA within five (5) calendar days of discovery and shall meet with CE to discuss and attempt to resolve the problem as one of the reasonable steps to cure the breach or end the violation.

### **3. Termination.**

**a. Material Breach.** A breach by BA of any provision of this BAA, as determined by CE, shall constitute a material breach of the Agreement and this BAA and shall provide grounds for immediate termination of the Agreement and this BAA, any provision in the AGREEMENT to the contrary notwithstanding. [45 C.F.R. § 164.504(e)(2)(iii).]

**b. Judicial or Administrative Proceedings.** CE may terminate the Agreement and this BAA, effective immediately, if (i) BA is named as defendant in a criminal proceeding for a violation of HIPAA, the HITECH Act, the HIPAA Regulations, or other security or privacy laws; or (ii) a finding or stipulation that the BA has violated any standard or requirement of HIPAA, the HITECH Act, the HIPAA Regulations, or other security or privacy laws are made in any administrative or civil proceeding in which the Party has been joined.

**c. Effect of Termination.** Upon termination of the Agreement and this BAA for any reason, BA shall, at the option of CE, return or destroy all Protected Information that BA, and its agents and subcontractors still maintain in any form, and shall retain no copies of such Protected Information. If return or destruction is not feasible, as determined by CE, BA shall continue to extend the protections and satisfy the obligations of Section 2 of this BAA to such information, and limit further use and disclosure of such PHI to those purposes that make the return or destruction of the information infeasible [45 C.F.R. § 164.504(e)(2)(ii)(J)]. If CE elects destruction of the PHI, BA shall certify in writing to CE that such PHI has been destroyed in accordance with the Secretary's guidance regarding proper destruction of PHI. Per the Secretary's guidance, the City will accept destruction of electronic PHI in accordance with the standards enumerated in the NIST SP 800-88, Guidelines for Media Sanitization. The City will accept destruction of PHI contained in paper records by shredding, burning, pulping, or pulverizing the records so that the PHI is rendered unreadable, indecipherable, and otherwise cannot be reconstructed.

**d. Civil and Criminal Penalties.** BA understands and agrees that it is subject to civil or criminal penalties applicable to BA for unauthorized use, access, or disclosure of Protected Information in accordance with the HIPAA Regulations and the HITECH Act including, but not limited to, 42 U.S.C. 17934 (c).

**e. Disclaimer.** CE makes no warranty or representation that compliance by BA with this BAA, HIPAA, the HITECH Act, or the HIPAA Regulations or corresponding California law provisions will be adequate or satisfactory for BA's own purposes. BA is solely responsible for all decisions made by BA regarding the safeguarding of PHI.

#### **4. Amendment to Comply with Law.**

The Parties acknowledge that state and federal laws relating to data security and privacy are rapidly evolving and that amendment of the Agreement or this BAA may be required to provide for procedures to ensure compliance with such developments. The Parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the HITECH Act, the HIPAA regulations, and other applicable state or federal laws relating to the security or confidentiality of PHI. The Parties understand and agree that CE must receive satisfactory written assurance from BA that BA will adequately safeguard all Protected Information. Upon the request of either Party, the other Party agrees to promptly enter into negotiations concerning the terms of an amendment to this BAA embodying written assurances consistent with the updated standards and requirements of HIPAA, the HITECH Act, the HIPAA

regulations, or other applicable state or federal laws. CE may terminate the Agreement upon thirty (30) days written notice in the event (i) BA does not promptly enter into negotiations to amend the Agreement or this BAA when requested by CE pursuant to this Section; or (ii) BA does not enter into an amendment to the Agreement or this BAA providing assurances regarding the safeguarding of PHI that CE, in its sole discretion, deems sufficient to satisfy the standards and requirements of applicable laws.

**5. Reimbursement for Fines or Penalties.**

In the event that CE pays a fine to a state or federal regulatory agency, and/or is assessed civil penalties or damages through private rights of action, based on an impermissible access, use, or disclosure of PHI by BA, or its subcontractors or agents, then BA shall reimburse CE in the amount of such fine, penalties, or damages within thirty (30) calendar days from City's written notice to BA of such fines, penalties, or damages.

Attachment 1 – City Privacy Attestation, version 06-07-2017

Attachment 2 – City Data Security Attestation, version 06-07-2017

## BAA ATTACHMENT 1 – PRIVACY ATTESTATION

**INSTRUCTIONS:** Contractors and Partners who receive or have access to health or medical information or electronic health record systems maintained by the City and County of San Francisco (City) must complete this form. Retain completed Attestations in your files for a period of 7 years. Be prepared to submit completed attestations, along with evidence related to the following items, if requested to do so by City. If you believe that a requirement is Not Applicable to you, see instructions below in Section IV on how to request clarification or obtain an exception.

<b>I. All Contractors. DOES YOUR ORGANIZATION:</b>							YES	NO
A	Have formal Privacy Policies that comply with the Health Insurance Portability and Accountability Act (HIPAA)?							
B	Have a Privacy Officer or other individual designated as the person in charge of investigating privacy breaches or related incidents?							
	<b>If Yes:</b>	Name & Title:		Phone:		Email:		
C	Require health information Privacy Training upon hire and annually thereafter for all employees who have access to health information? [Retain documentation of trainings for a period of 7 years.] [City privacy training materials are available for use; contact the Office of Contract Administration							
D	Have proof that employees have signed a form upon hire and annually thereafter, with their name and the date, acknowledging that they have received health information privacy training? [Retain documentation of acknowledgement of trainings for a period of 7 years.]							
E	Have (or will have if/when applicable) Business Associate Agreements with subcontractors who create, receive, maintain, transmit, or access City's health information?							
F	Assure that staff who create, or transfer health information (via laptop, USB/thumb-drive, handheld), have prior supervisory authorization to do so <b>AND</b> that health information is <b>only transferred or created on encrypted devices approved by City's Information Security staff?</b>							
<b>II. Contractors who serve patients/clients and have access to City PHI, must also complete this section. DOES YOUR ORGANIZATION:</b>								
G	Have (or will have if/when applicable) evidence that City was notified to de-provision employees who have access to City's health information record systems within 2 business days for regular terminations and within 24 hours for terminations due to cause?							
H	Have evidence in each patient's / client's chart or electronic file that a <u>Privacy Notice</u> that meets HIPAA regulations was provided in the patient's / client's preferred language? (English, Cantonese, Vietnamese, Tagalog, Spanish, Russian forms may be required and are available from City.)							
I	Visibly post the Summary of the Notice of Privacy Practices in all six languages in common patient areas of your treatment facility?							
J	Document each disclosure of a patient's/client's health information for purposes <u>other than</u> treatment, payment, or operations?							
K	When required by law, have proof that signed authorization for disclosure forms (that meet the requirements of the HIPAA Privacy Rule) are obtained <b>PRIOR</b> to releasing a patient's/client's health information?							
<b>III. ATTEST: Under penalty of perjury, I hereby attest that to the best of my knowledge the information herein is true and correct and that I have authority to sign on behalf of and bind Contractor listed above.</b>								
<b>ATTESTED by Privacy Officer or designated person</b>		Name: (print)		Signature		Date		
<b>IV. EXCEPTIONS: If you have answered "NO" to any question or believe a question is Not Applicable, please contact the Office of Contract Administration for a consultation. All "No" or "N/A" answers must be reviewed and approved by OCPA below</b>								
<b>EXCEPTION(S) APPROVED by CITY</b>		Name: (print)		Signature		Date		



## BAA ATTACHMENT 2 – DATA SECURITY ATTESTATION

**INSTRUCTIONS:** Contractors and Partners who receive or have access to health or medical information or electronic health record systems maintained by the City and County of San Francisco (City) must complete this form. Retain completed Attestations in your files for a period of 7 years. Be prepared to submit completed attestations, along with evidence related to the following items, if requested to do so by City. If you believe that a requirement is Not Applicable to you, see instructions in Section III below on how to request clarification or obtain an exception.

<b>I. All Contractors. DOES YOUR ORGANIZATION:</b>							YES	NO
A	Conduct assessments/audits of your data security safeguards to demonstrate and document compliance with your security policies and the requirements of HIPAA/HITECH at least every two years? [Retain documentation for a period of 7 years]							
B	Use findings from the assessments/audits to identify and mitigate known risks into documented remediation plans?							
	Date of last Data Security Risk Assessment/Audit:							
	Name of firm or person(s) who performed the Assessment/Audit and/or authored the final report:							
C	Have a formal Data Security Awareness Program?							
D	Have formal Data Security Policies and Procedures to detect, contain, and correct security violations that comply with the Health Insurance Portability and Accountability Act (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH)?							
E	Have a Data Security Officer or other individual designated as the person in charge of ensuring the security of confidential information?							
	<b>If Yes:</b>	Name & Title:		Phone:		Email:		
F	Require Data Security Training upon hire and annually thereafter for all employees who have access to health information? [Retain documentation of trainings for a period of 7 years.] [City data security training materials are available for use; contact the Office of Contract Administration.]							
G	Have proof that employees have signed a form upon hire and annually, or regularly, thereafter, with their name and the date, acknowledging that they have received data security training? [Retain documentation of acknowledgement of trainings for a period of 7 years.]							
H	Have (or will have if/when applicable) Business Associate Agreements with subcontractors who create, receive, maintain, transmit, or access City's health information?							
I	Have (or will have if/when applicable) a diagram of how City data flows between your organization and subcontractors or vendors (including named users, access methods, on-premise data hosts, processing systems, etc.)?							
<b>II. ATTEST: Under penalty of perjury, I hereby attest that to the best of my knowledge the information herein is true and correct and that I have authority to sign on behalf of and bind Contractor listed above.</b>								
<b>ATTESTED by Privacy Officer or designated person</b>		Name: (print)		Signature		Date		
<b>III. EXCEPTIONS: If you have answered "NO" to any question or believe a question is Not Applicable, please contact the Office of Contract Administration for a consultation. All "No" or "N/A" answers must be reviewed and approved by OCA below.</b>								
<b>EXCEPTION(S) APPROVED by CITY</b>		Name: (print)		Signature		Date		

## **Appendix C**

### **Technology Specific Term Sheets**

Agreements are to be executed as applicable on a per project or purchase basis, substantially in the form of the Technology Marketplace Term Sheet Templates attached to this Agreement, which may be modified in the future. Contractor acknowledges and agrees that the terms and conditions of the executed Technology Marketplace Term Sheet shall control over the applicable City purchases and, in the event of conflicting language between the Agreement and the applicable Term Sheet(s), the terms and conditions of the Term Sheet(s) will control over the Agreement.

1. P-520 Equipment Lease Agreement Term Sheet;
2. P-629 Licensed Content Agreement Term Sheet;
3. P-640 Software Maintenance Agreement Term Sheet;
4. P-642 Software Development Term Sheet;
5. P-645 Software License and Maintenance Agreement (No Prof. Services) Term Sheet;
6. P-648 Software as a Service Agreement Term Sheet;
7. P-649 Software License, Maintenance, and Technical Services Agreement (with Professional Services) Term Sheet.

## **City and County of San Francisco Technology Marketplace Equipment Lease Term Sheet**

This Equipment Lease Term Sheet (“Term Sheet”) is attached, and incorporated as though fully set forth therein, to each Purchase Order for equipment lease hereby issued by the City and County of San Francisco (“City”) under Contractor’s OCA Technology Marketplace Master Agreement (“Agreement”) to which this Term Sheet is attached. The terms and conditions of the Agreement apply to this Term Sheet. Capitalized terms used in this Term Sheet that are not otherwise defined have the meanings given them in the Agreement.

Now, THEREFORE, the parties agree as follows:

**1. Definitions.** Where any word or phrase defined below, or a pronoun used in place thereof, is used in any part of this Term Sheet, it shall have the meaning herein set forth.

a. “Agreement” means the Agreement to which this Term Sheet is attached and this Term Sheet, including all attached appendices, and all applicable City Ordinances and Mandatory City Requirements, which are specifically incorporated into this Term Sheet by reference as provided herein.

b. “City” or “the City” means the City and County of San Francisco, a municipal corporation, acting by and through both its Director of the Office of Contract Administration or the Director’s designated agent, hereinafter referred to as “Purchasing” and the requesting department.

c. “Contractor” or “Lessor” means Lessor. In required or standard City contracting terms, the word “Contractor” may appear, and it is to be construed as meaning the Lessor.

d. “Term Sheet” shall mean this document, the accompanying Purchase Order, all attached exhibits, and all applicable City Ordinances and Mandatory City Requirements in the Agreement that are specifically incorporated into this Term Sheet by reference, as provided herein.

e. “Purchase Order” means the accompanying Purchase Order and any other corresponding documents submitted by Contractor to City (“Corresponding Documents”) in response to a request for quote by City for the equipment lease Services described in the Purchase Order. The Purchase Order is issued by City to Contractor pursuant to the Agreement, which is identified in the Purchase Order. The Purchase Order and all Corresponding Documents are incorporated into this Term Sheet as though fully set forth herein.

**2. Term.** The term of this Term Sheet shall reflect the term of the equipment lease Services set forth in the accompanying Purchase Order and corresponding documents, unless earlier terminated in accordance with the provisions of this Term Sheet or the applicable Agreement.

**3. City's Payment Obligation.** In no event will the City make an advance payment. In the event any payment of any amount of monies is required by any vendor or manufacturer prior to acceptance of the equipment by the City, Lessor is to advance such amounts. The City will make a good faith effort to pay all invoices within thirty days of billing. In no event will the City pay any late fees or charges for payments made after the thirty (30) day period. Lessor and the City understand and intend that the obligations of the City to pay rental payments hereunder shall constitute a current expense of the City and shall not in any way be construed to be a debt of the City in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the City, nor shall anything contained herein constitute a pledge of the general tax revenues, funds, or monies of the City. The City shall pay rental payments, exclusively from legally available funds, to Lessor or, in the event of an authorized assignment by Lessor to its assignee, according to the terms of this Agreement, upon presentation of invoices furnished by Lessor in a form acceptable to the Controller. Each invoice must have a unique identifying number. Payments will be made in United States Dollars by warrant drawn on the Treasurer of City and County of San Francisco. Rental payments shall be in consideration for the City's use of the equipment during the applicable fiscal year in which such payments are due. In no event shall the amount of this Term Sheet exceed the amount stated in the Agreement. The breakdown of costs associated with this Term Sheet appears in the Agreement between City and Contractor, to which this Term Sheet is attached.

**4. Maintenance.** Unless otherwise specified by the Purchase Order or its Corresponding Documents, the City shall be responsible for all service, repair, and maintenance of the equipment. If the City is responsible for service, repair, and maintenance, the City, at its sole cost and expense, shall keep the equipment in good operating order, repair, condition, and appearance and shall furnish any and all parts, mechanisms, or devices required to keep the equipment in good mechanical and working order. If the City deems it necessary, the City shall enter into an appropriate maintenance service agreement covering all items of equipment and shall maintain maintenance service on the equipment for the term of this Term Sheet, for which payment shall be due and payable by the City.

**5. Use, Licenses.** The City will not use or operate the equipment leased under this Term Sheet and the Agreement improperly, carelessly, in violation of any applicable law, or in a manner contrary to that contemplated by this Term Sheet or the Agreement.

**6. Delivery of Equipment; Transportation.** It is the responsibility of the Lessor to arrange with the manufacturer and/or vendor for the delivery and any installation of the equipment. Charges for delivery and installation are the responsibility of the Lessor. However, the City will reimburse Lessor for reasonable delivery and installation charges after the equipment leased under this Term Sheet and the Agreement is accepted and upon proper presentation of invoices unless such charges are included in the cost of the equipment. The equipment to be provided under this Term Sheet and the Agreement is to be delivered to a location as designated by the City and installed and made ready for operation.

**7. Installation.** If Installation is applicable, the Lessor will arrange with the manufacturer and/or vendor to prepare site, obtain all permits and licenses, if any, necessary for the installation and operation of the equipment, furnish, assemble and install the equipment as necessary at the

location as designated by the City. Manufacturer and/or vendor must comply with all State laws and local ordinances in installing the equipment.

**8. Relocation of Equipment.** Lessor agrees that the City may upon reasonable notice to Lessor, relocate the equipment or any item or items thereof to any location or locations within the geographical boundaries of the City where the City has offices at the City's sole discretion and cost. Prior to any such relocation the City agrees to execute or obtain and to deliver to Lessor such documents, which Lessor reasonably requests to protect Lessor's right, title, and interest in the equipment.

**9. Lessor's Removal and the City's Surrender of the Equipment.** At the end of the term of this Term Sheet or the Agreement, or unless sooner terminated, the City agrees to surrender the equipment in as good a condition as when furnished, reasonable wear and tear excepted. Lessor agrees, at Lessor's cost to accept and remove the equipment as provided in this Term Sheet and the Agreement. Lessor's failure to accept and remove the equipment shall entitle the City to remove the equipment and place it in any storage facility in San Francisco at Lessor's sole expense, and Lessor shall hold the City free and harmless from any expense or damages of any kind occasioned thereby and arising therefrom.

**10. Force Majeure.** Lessor shall not be liable for failure to furnish equipment ready for use on the date specified or to remove in accordance with the terms of this Term Sheet and the Agreement, nor shall City be liable for delay in installation or removal when such failures are due to causes beyond the reasonable control of either such as acts of God, acts of civil or military authority, fires, strikes, floods, epidemics, quarantine, war, riot, delays in transportation, care shortages, and inability due to causes beyond its reasonable control to obtain necessary labor, materials or manufacturing facilities, and in such event the party under obligations to perform shall perform as soon as such cause is removed.

**11. The City's Right to Use Other Equipment Simultaneously with the Equipment.** The City does not grant Lessor an exclusive right during the term of this Term Sheet and the Agreement to supply the City with any other equipment. The City reserves the right to lease or purchase similar or different equipment from any other supplier or lessors, which may be used contemporaneously with any item of equipment leased hereunder.

**12. Disclaimer of Warranties.** Lessor hereby assigns to the City for and during the term of this Term Sheet and the Agreement, to the extent permitted by law, all manufacturer's or vendor's warranties or guaranties, express or implied, issued on or applicable to the equipment leased under this Term Sheet and the Agreement, and Lessor authorizes the City to obtain the customary services furnished in connection with such warranties or guaranties at the City's expense. Lessor authorizes the City, to the extent permitted by law, to enforce in its own name any warranty, representation, or other claim enforceable against the manufacturer or vendor. The City acknowledges that the equipment has been purchased by Lessor on behalf of the City in accordance with the City's specifications. The City shall look directly to the manufacturer or vendor for any warranties or any service for the equipment.

**13. Enjoyment of the Equipment.** Provided that and so long as the City is not in default under this Lease, Lessor hereby covenants to provide the City during the term of this Term Sheet and the Agreement with quiet use and enjoyment of the equipment, and the City shall during the term of this Term Sheet and the Agreement peaceably and quietly have and hold and enjoy the equipment, without suit, trouble or hindrance from Lessor, except as expressly set forth in this Term Sheet and the Agreement. Any assignee of Lessor shall not interfere with the City's quiet use and enjoyment during the term of this Term Sheet and the Agreement so long as the City is not in default pursuant to this Term Sheet and the Agreement.

**14. Title to the Equipment.** Title to the equipment and any and all additions, repairs, replacements, or modifications thereto shall be held in the name of Lessor, and the City shall have no right, title, or interest in the equipment or any additions, repairs, replacements, or modifications thereto except as expressly set forth in this Term Sheet and the Agreement.

**15. Liability for Damage to Equipment.** It is understood and agreed that the City is responsible for loss of or damage to any Lessor owned equipment involved, only as caused by the negligent or wrongful actions of City's officers, agents, and employees.

**16. Taxes.** The City will only pay California sales and use taxes. The Lessor is to add California sales and use taxes to the monthly payment and the tax must be properly identified on each monthly invoice. Any other taxes presently in effect that may be levied upon this Term Sheet, a Technology Marketplace Transaction, or the equipment or Services delivered pursuant hereto shall be borne by the Lessor. The Lessor will be responsible for all property taxes. In the event any taxes or charges are enacted after the date of execution of this Term Sheet and the accompanying Purchase Order, those taxes or charges shall be borne as mutually agreed. The Lessor will indemnify and hold City harmless from any fines, penalties, or interest thereon imposed during the term of this Term Sheet and the accompanying Purchase Order, or in connection with termination of this Term and the accompanying Purchase Order by any federal, State, or local government or taxing authority. The taxes covered by this Section shall only include those attributable to the equipment. Under no circumstances will the City pay any taxes imposed on, based on, or measured by the net income of the Lessor.

**17. Assignment.** Notwithstanding any other provision in this Term Sheet, in no event shall all or any portion of this Term Sheet or the accompanying Purchase Order be assigned without the prior written approval of Purchasing and the City Attorney. Furthermore, in no event shall Lessor effect a public offering of certificates of participation, municipal securities, or other debt instruments presenting fractionalized interests in this Term Sheet and the accompanying Purchase Order. For purposes of this Section, a public offering shall occur when the certificates of participation, municipal securities, or other debt instruments are either: (a) offered or sold to more than twenty investors; or (b) offered or sold in denominations of less than \$10,000.

## **City and County of San Francisco Technology Marketplace**

### **Licensed Content Term Sheet**

This Licensed Content Term Sheet (“Term Sheet”) is attached, and incorporated as though fully set forth therein, to each Purchase Order for licensed content hereby issued by the City and County of San Francisco (“City”) under Contractor’s OCA Technology Marketplace Master Agreement to which this Term Sheet is attached (“Agreement”). Capitalized terms used in this Term Sheet that are not otherwise defined have the meanings given them in the Agreement.

Now, THEREFORE, the parties agree as follows:

#### **Article 1 Definitions**

The following definitions apply to this Term Sheet:

1.1 “Agreement” means the Agreement to which this Term Sheet is attached and this Term Sheet, including all attached appendices, and all applicable City Ordinances and Mandatory City Requirements specifically incorporated into this Term Sheet by reference as provided herein.

1.2 “Authorized Users” means a person authorized by City to access the Licensed Content, including any City employee, contractor or agent, or any other individual or entity authorized by City.

1.3 “City” or “the City” or “Licensee” means the City and County of San Francisco, a municipal corporation, acting by and through both its Director of the Office of Contract Administration or the Director’s designated agent, hereinafter referred to as “Purchasing” and the requesting department.

1.4 Reserved.

1.5 “Contractor” or “Content Provider” means Licensor. In required or standard City contracting terms, the word “Contractor” may appear, and it is to be construed as meaning the Licensor.

1.6 “Licensed Content”, “Licensed Materials”, or “Deliverables” mean(s) the deliverables provided to City during the course of Licensor’s performance of this Term Sheet and the Agreement, including without limitation, the content and information published by Licensor, as set forth in the accompanying Purchase Order and made accessible to Authorized Users under this Term Sheet and the Agreement.

1.7 “Licensor” means the Contractor with whom the City has entered into the Agreement and the entity to whom a Purchase Order is hereby issued for the purchase of one or more perpetual software licenses.

1.8 “Mandatory City Requirements” means those City laws set forth in the San Francisco Municipal Code, including the duly authorized rules, regulations, and guidelines implementing such laws that impose specific duties and obligations upon Contractor.

1.9 “Party” or “Parties” means, respectively, the City and Contractor either individually or collectively.

1.10 “Purchase Order” means the accompanying Purchase Order and any other corresponding documents submitted by Contractor to City (“Corresponding Documents”) in response to a request for quote by City for the Licensed Content Services described in the Purchase Order. The Purchase Order is issued by City to Contractor pursuant to the Agreement, which is identified in the Purchase Order. The Purchase Order and all Corresponding Documents are incorporated into this Term Sheet as though fully set forth herein.

1.11 “Term Sheet” means this document, the accompanying Purchase Order, all attached exhibits, and all applicable City Ordinances and Mandatory City Requirements in the Agreement that are specifically incorporated into this Term Sheet by reference as provided herein.

## **Article 2 Term of the Agreement**

2.1 The term of this Term Sheet shall reflect the term of the Licensed Content Services set forth in the accompanying Purchase Order and Corresponding Documents, unless earlier terminated in accordance with the provisions of this Term Sheet or the applicable Agreement.

## **Article 3 Services and Resources**

3.1 **Services Contractor Agrees to Perform/Licensor Performance Obligations.** Contractor agrees to perform the Services stated in the scope of work attached to the accompanying Purchase Order. Officers and employees of the City are not authorized to request, and the City is not required to reimburse the Contractor for Services beyond the scope of work attached to the accompanying Purchase Order, unless the accompanying Purchase Order is modified as provided in Section 11.5 of the Agreement, “Modification of this Agreement.”

3.1.1 **Availability of Licensed Materials.** After the City has received and approved the Licensed Materials, Licensor shall make the Licensed Materials available to Authorized Users.

3.1.2 **Documentation.** Licensor will provide and maintain help files and other appropriate user documentation including, but not limited to, user guides.

3.1.3 **Quality of Service.** Licensor shall use reasonable efforts to provide continuous service. Permissible down-time includes periodic unavailability due to maintenance of the server(s), the installation or testing of software, the loading of additional Licensed Materials as they become available, and downtime related to the failure of equipment or Services outside the control of Licensor including, but not limited to, public or private telecommunications services or internet nodes or facilities. Scheduled down-time will be performed at a time to minimize inconvenience to Licensee and its Authorized Users.

3.1.4 **Downtime/Nonconformity of Licensed Materials.** If the Licensed Materials fail to operate in conformance with the terms of this Term Sheet and the Agreement, Licensee shall immediately notify Licensor, and Licensor shall promptly use reasonable efforts to restore access to the Licensed Materials as soon as possible. In the event that Licensor fails to repair the nonconformity in a reasonable time, Licensor shall reimburse Licensee in an amount



that the nonconformity is proportional to the total payment owed by Licensee under this Term Sheet and the Agreement.

**3.1.5 Withdrawal of Licensed Materials.** Licensor reserves the right to withdraw from the Licensed Materials any item or part of an item for which it no longer retains the right to publish, or which it has reasonable grounds to believe infringes copyright or is defamatory, obscene, unlawful, or otherwise objectionable. Licensor shall give written notice to the Licensee of such withdrawal no later than 30 days following the removal of any item pursuant to this Section. If any such withdrawal renders the Licensed Materials less useful to Licensee or its Authorized Users, Licensor shall reimburse Licensee in an amount that the withdrawal is proportional to the total payment owed by Licensee under this Term Sheet and the Agreement.

**3.1.6 Usage Data.** If requested, Licensor shall provide to Licensee statistics regarding the usage of the Licensed Materials by Licensee and/or its Authorized Users according to the then current standards in the industry

**3.2 Subcontracting.** Licensor will be responsible for provision of all content. Licensor's agreements with other licensors to provide content will not be considered subcontracting, unless content is specifically obtained for the purposes of fulfilling the obligations of this Term Sheet and the Agreement.

**3.3 Warranty.** Licensor warrants to City that the Services will be performed with the degree of skill and care that is required by current, good and sound professional procedures and practices, and in conformance with generally accepted professional standards prevailing at the time the Services are performed so as to ensure that all Services performed are correct and appropriate for the purposes contemplated in this Term Sheet and the Agreement.

**3.4 Warranties: Right to Grant License.** Licensor warrants that it has the right to license the rights granted under this Term Sheet and the Agreement to use Licensed Materials, that it has obtained any and all necessary permissions from third parties to license the Licensed Materials, and that use of the Licensed Materials by Authorized Users in accordance with the terms of this Term Sheet and the Agreement shall not infringe the copyright of any third party.

## **Article 4 Intellectual Property Rights and Restrictions**

**4.1 Copyrighted Works.** Except for the specific rights granted herein, all right, title and interest, including copyrights to the Licensed Materials, are owned exclusively by Licensor and its licensors. All rights in respect thereof are reserved to Licensor and such licensors. Through this Term Sheet and the Agreement, Licensee obtains certain limited rights to the Licensed Materials, but Licensee does not obtain or own any rights in the copyrights or any other intellectual property rights that may be associated with such Licensed Materials.

### **4.2 Authorized Uses.**

**4.2.1 Grant of License.** Licensor grants to Licensee a non-exclusive, non-transferable license to access, use, copy, and display the Licensed Content for its own internal business purposes. Licensee will use its best efforts to not use, sell, modify, publish, distribute, or allow any third party to use, sell, modify, publish, or distribute the Licensed Content. In the event where applicable public records law require disclosure that would violate this Section, both

Parties acknowledge the supremacy of public records law, and Licensee will work with Licensor to minimize disclosure.

**4.2.2 Fair Use.** Notwithstanding anything to the contrary in this Term Sheet and the Agreement, no term or provision of this Term Sheet and the Agreement shall be interpreted to limit or restrict the rights of Licensee and its Authorized Users, including Fair Use Rights, as provided by U.S. Copyright Act Sections 107 and 108 and other applicable intellectual property law. Notwithstanding anything to the contrary in this Term Sheet and the Agreement, Authorized Users shall not be restricted from extracting or using information contained in the Database for its municipal purposes, nonprofit educational, scientific, or research purposes, including extraction and manipulation of information for the purpose of illustration, explanation, example, comment, criticism, teaching, research, or analysis, if not engaged in for the purposes of commercial competition.

**4.2.3 Reserved (Public Facing Content).**

**4.2.4 Confidentiality of User Data.** Licensor agrees to maintain the confidentiality of any data relating to the usage of the Licensed Materials by Licensee and its Authorized Users. Such data may be used solely for purposes directly related to the Licensed Materials and may only be provided to third parties in aggregate form. Raw usage data including, but not limited to, information relating to the identity of specific users and/or uses, shall not be provided to any third party.

**4.3 Specific Restrictions on Use of Licensed Materials.**

**4.3.1 Unauthorized Use.** Except as specifically provided elsewhere in this Term Sheet and the Agreement, Licensee shall not knowingly permit anyone other than Authorized Users to use the Licensed Materials.

**4.3.2 Removal of Copyright Notice.** Licensee may not remove, obscure, or modify any copyright or other notices included in the Licensed Materials.

**4.3.3 Commercial Purposes.** Other than as specifically permitted in this Term Sheet and the Agreement, Licensee may not use the Licensed Materials for commercial purposes including, but not limited to, the sale of the Licensed Materials or bulk reproduction or distribution of the Licensed Materials in any form.

## **Article 5 General Provisions**

**5.1 Modification of this Term Sheet.**

**5.1.1 Notification of Modifications of Licensed Materials.** Licensee understands that from time to time the Licensed Materials may be added to, modified, or deleted by Licensor and/or that portions of the Licensed Materials may migrate to other formats. Licensor shall give prompt notice of any such modifications to Licensee. If the Licensor fails to provide such reasonable notice, Licensee may treat the failure as a material breach of this Term Sheet and the Agreement. If any modifications render the Licensed Materials less useful to the Licensee or its Authorized Users, the Licensee may treat such modifications as a material breach of this Term Sheet and the Agreement. Licensor will provide, for the use of Licensee and Authorized Users, whatever improvements, enhancements, extensions, and other changes to the Licensed Materials Licensor may develop.

**5.1.2 Notice of “Click-Through” License Terms or Other Means of Passive Assent.** For Authorized Users, this Term Sheet and the Agreement shall expressly supersede any click-through, click-on, “Screen Wrap”, or other user agreement appearing on the Licensor’s site. Licensor will not require any authorized Licensee user to agree to any other terms or conditions not included in this written contract. Violation of this provision constitutes a material breach of this Term Sheet and the Agreement.

## **City and County of San Francisco Technology Marketplace**

### **Software Maintenance Term Sheet**

This Software Maintenance Term Sheet (“Term Sheet”) is attached, and incorporated as though fully set forth therein, to each Purchase Order for software maintenance Services hereby issued by the City and County of San Francisco (“City”) under Contractor’s OCA Technology Marketplace Master Agreement to which this Term Sheet is attached (“Agreement”). Capitalized terms used in this Term Sheet that are not otherwise defined have the meanings given them in the Agreement.

Now, THEREFORE, the parties agree as follows:

#### **Article 1 Definitions**

The following definitions apply to this Term Sheet:

1.1 “Agreement” means the Agreement to which this Term Sheet is attached and this Term Sheet, including all attached appendices, and all applicable City Ordinances and Mandatory City Requirements, which are specifically incorporated into this Term Sheet by reference as provided herein.

1.2 “City” or “the City” means the City and County of San Francisco, a municipal corporation, acting by and through both its Director of the Office of Contract Administration or the Director’s designated agent, hereinafter referred to as “Purchasing” and the requesting department.

1.3 “Contractor” means the Contractor with whom the City has entered into the Agreement and the entity to whom a Purchase Order is hereby issued for the purchase of software maintenance Services.

1.4 “Documentation” means the technical publications relating to the use of the Licensed Software, such as reference, installation, administrative, and programmer manuals provided by Contractor to City.

1.5 “Errors, Defects, and Malfunctions” means either a deviation between the function of the Software (as defined below) and the Documentation furnished by Contractor for the Software, or a failure of the Software that degrades the use of the Software.

1.6 “Fix” means repair or replacement of source, object, or executable code in the Software to remedy an Error, Defect, or Malfunction.

1.7 “Licensed Software” or “Software” means one or more of the proprietary computer software programs identified in Appendix A of the Agreement and/or accompanying Purchase Orders, all related materials, Documentation, all corrections, patches or updates thereto, and other written information received by City from Contractor, whether in machine-readable or printed form. The Appendix A of the Agreement and/or accompanying Purchase Order may identify more than one software product or more than one copy of any product.

1.8 “Mandatory City Requirements” means those City laws set forth in the San Francisco Municipal Code, including the duly authorized rules, regulations, and guidelines implementing such laws that impose specific duties and obligations upon Contractor.

1.9 “Party” or “Parties” means, respectively, the City and Contractor either individually or collectively.

1.10 “Patch” means a temporary repair or replacement of code in the Software to remedy an Error, Defect, or Malfunction. Patches may be made permanent and released in Subsequent Releases (as defined below) of the Software.

1.11 “Priority Category” means a priority assigned to an Error, Defect, or Malfunction designating the urgency of correcting an Error, Defect, or Malfunction. Assignment of a Priority Category to an Error, Defect, or Malfunction is based on City’s determination of the severity of the Error, Defect, or Malfunction and Contractor’s reasonable analysis of the priority of the Error, Defect, or Malfunction.

1.12 “Priority Protocol” means a priority based on the Priority Category; rules specifying the turnaround time for correcting Errors, Malfunctions, and Defects; escalation procedures; and personnel assignment.

1.13 “Purchase Order” means the accompanying Purchase Order and any other corresponding documents (“Corresponding Documents”) in response to a request for quote by City for the software maintenance Services described in the Purchase Order. The Purchase Order is issued by City to Contractor pursuant to the Agreement. The Purchase Order and all Corresponding Documents are incorporated into this Term Sheet as though fully set forth herein.

1.14 “Subsequent Release” means a release of the Software for use in a particular operating environment, which supersedes the Software. A Subsequent Release is offered and expressly designated by Contractor as a replacement to a specified Software product. A Subsequent Release will be supported by Contractor in accordance with the terms of this Term Sheet and the Agreement. Multiple Subsequent Releases may be supported by Contractor at any given time.

1.15 “Support Services” means the Software support service required under this Term Sheet and the Agreement. Support Services include correcting an Error, Defect, or Malfunction; providing telephone and/or online support concerning the installation and use of the Software; training in the installation and use of the Software; on-site consulting and application development services; detection, warning, and correction of viruses; and disabled/disabling code.

1.16 “Term Sheet” means this document, the accompanying Purchase Order, all attached exhibits, and all applicable City Ordinances and Mandatory City Requirements in the Agreement that are specifically incorporated into this Term Sheet by reference as provided herein.

1.17 “Upgrade” means either an enhancement to the Software code to add new features or functions to the system or software programming revisions containing corrections to Errors, Defects, and Malfunctions that have been reported by users or discovered by the Contractor.

1.18 “Warranty Period” means a period commencing with the installation of the Software product during which reported Errors, Defects, and Malfunctions for Software products are corrected without charge in accordance with the provisions below.

1.19 “Workaround” means a change in the procedures followed or end user operation of the Software to avoid an Error, Defect, or Malfunction without significantly impairing functionality or degrading the use of the Software.

Whenever the words “as directed,” “as required,” “as permitted,” or words of like effect are used, it shall be understood as the direction, requirement, or permission of the City. The words “sufficient,” “necessary,” or “proper,” and the like, mean sufficient, necessary or proper in the judgment of the City, unless otherwise indicated by the context.

## **Article 2 Term of the Term Sheet**

2.1 **Term of Licensed Software Maintenance Support Services.** The term of this Term Sheet shall reflect the term of the Support Services set forth in the accompanying Purchase Order and Corresponding Documents, unless earlier terminated in accordance with the provisions of this Term Sheet or the applicable Agreement.

(a) **Charges for Maintenance and Support Services.**

(1) **Limited Term License.** When the license term specified in the Purchase Order and Corresponding Documents is less than perpetual, all charges for maintenance and Support Services are included in the periodic license or rental fee.

(2) **Perpetual License.** Where the license term specified in the Purchase Order and Corresponding Documents is perpetual, all charges for maintenance and Support Services are as stated in the Purchase Order and Corresponding Documents.

(3) **Periodic Payment License.** If the license fee specified in the Authorization Document is payable in periodic payments, there will be no additional charge for maintenance and Support Services during the period for which such periodic payments are payable or the first year of the term, whichever is longer.

(4) **Lump Sum Payment Licenses.** If the license fee specified in the Authorization Document is payable in one lump sum, there will be no additional charge for the maintenance and Support Services during the first year of the term.

(b) **Annual Maintenance and Support Charges.** Annual maintenance and Support Services charges shall not increase more than the amount stated in the accompanying Purchase Order. Notwithstanding the foregoing, if not stated in the accompanying Purchase Order, then Support Services charges shall not increase more than five percent (5%) of the rate of the year immediately prior to such increase. Contractor will make maintenance and Support Services available to City for the duration stated in the Purchase Order.

## **Article 3 License**

3.1 **Grant of License.** The Parties hereby acknowledge the City’s previous payment of the applicable one-time license fee, receipt of which is hereby acknowledged by Contractor. Contractor did grant and continues to grant City a non-exclusive and non-transferable perpetual

license to use the Licensed Software listed in Appendix A of the Agreement. City acknowledges and agrees that the Licensed Software is the proprietary information of Contractor and that this Term Sheet and the Agreement grants City no title or right of ownership in the Licensed Software.

#### **Article 4 Services and Resources**

4.1 **Services Contractor Agrees to Perform.** Contractor agrees to perform the maintenance and Support Services provided for in this Term Sheet and the Agreement.

#### **Article 5 Software Maintenance**

##### **5.1 Maintenance and Support Services.**

5.1.1 **Maintenance and Support Services.** After Acceptance of the Licensed Software and subject to the terms, conditions, and charges set forth in this Section 5.1.1, Contractor will provide City with maintenance and Support Services for the Licensed Software as follows: (i) Contractor will provide such assistance as necessary to cause the Licensed Software to perform in accordance with the Specifications as set forth in the Documentation; (ii) Contractor will provide, for City's use, whatever improvements, enhancements, Upgrades, extensions, and other changes to the Licensed Software Contractor may develop; and (iii) Contractor will update the Licensed Software, as required, to cause it to operate under new versions or releases of the operating system specified in this Term Sheet and the Agreement so long as such updates, or Upgrades, are made generally available to Contractor's other licensees.

5.2 During the term of this Maintenance Agreement, Contractor will furnish Error, Defect, or Malfunction correction in accordance with the Priority Categories listed below, based on the City's determination of the severity of the Error, Defect, or Malfunction and Contractor's reasonable analysis of the priority of the Error, Defect, or Malfunction.

5.2.1 **Priority 1:** An Error, Defect or Malfunction, which renders the Software inoperative, or causes the Software to fail catastrophically.

5.2.2 **Priority 2:** An Error, Defect or Malfunction, which substantially degrades the performance of the Software, but does not prohibit the City's use of the Software.

5.2.3 **Priority 3:** An Error, Defect or Malfunction, which causes only a minor impact on the use of the Software.

5.3 Contractor will furnish Error, Defect, or Malfunction correction in accordance with the following protocols:

5.3.1 **Priority 1 Protocol:** Within two hours, Contractor assigns a product technical specialist(s) to diagnose and correct the Error, Defect, or Malfunction; thereafter, Contractor shall provide ongoing communication about the status of the correction; shall proceed to immediately provide a Fix, a Patch, or a Workaround; and exercise all commercially reasonable efforts to include a Fix or Patch for the Error, Defect, or Malfunction in the next Subsequent Release. Contractor will escalate resolution of the problem to personnel with successively higher levels of technical expertise until the Error, Defect, or Malfunction is corrected.

5.3.2 **Priority 2 Protocol:** Within four hours, Contractor assigns a product technical specialist(s) to diagnose the Error, Defect, or Malfunction and to commence correction of the Error, Defect, or Malfunction; to immediately provide a Workaround; to provide escalation procedures as reasonably determined by Contractor's staff; and to exercise all commercially reasonable efforts to include a Fix or Patch for the Error, Defect, or Malfunction in the next Software maintenance release.

5.3.3 **Priority 3 Protocol:** Contractor may include a Fix or Patch in the next Software major release.

5.4 **Hotline Support.** Contractor shall provide remote access hotline support to City to help City answer routine questions with respect to the use of the Software. Contractor also shall provide remote access hotline support to City to initiate resolution of Priority 1 and Priority 2 Errors, Defects, and Malfunctions. Hotline support shall be made available by phone between the hours of 8 a.m. and 6 p.m. Pacific time Monday through Friday, except legal holidays. Hotline support shall be available by electronic bulletin board, electronic mail, or other service twenty-four (24) hours a day, seven (7) days a week. Responses to questions posted by electronic means will be made within the time frame established under Priority Protocols for an Error, Defect, or Malfunction in a Software Product.



## **City and County of San Francisco Technology Marketplace Software Development Term Sheet**

This Software Development Term Sheet (“Term Sheet”) is attached, and incorporated as though fully set forth therein, to each Purchase Order for software development hereby issued by the City and County of San Francisco (“City”) under Contractor’s OCA Technology Marketplace Master Agreement to which this Term Sheet is attached (“Agreement”). Capitalized terms used in this Term Sheet that are not otherwise defined have the meanings given them in the Agreement.

Now, THEREFORE, the parties agree as follows:

### **Article 1 Definitions**

Where any word or phrase defined below, or a pronoun used in place thereof, is used in any part of this Term Sheet, it shall have the meaning herein set forth. Whenever the words “as directed”, “as required”, “as permitted”, or words of like effect are used, it shall be understood as the direction, requirement, or permission of the City. The words “sufficient”, “necessary”, or “proper”, and the like, mean sufficient, necessary or proper in the judgment of the City, unless otherwise indicated by the context. The following definitions apply to this Term Sheet:

1.1 “Acceptance” means notice from the City to Contractor that the Licensed or developed software meets the specifications contained in the Documentation. City’s Acceptance of the Licensed or developed software shall be governed by the procedures set forth in Article 4 (“Services, Software Implementation, and Acceptance”).

1.2 “Acceptance Tests” means the procedures and performance standards required for Acceptance by City of the Programs and the System as defined herein. These procedures and performance standards are set forth in the Purchase Order and Corresponding Documents.

1.3 “Acceptance Window” means the time period in the Purchase Order and Corresponding Documents following completion of a Deliverable, during which Contractor must secure Acceptance of the completed Work from City.

1.4 “Agreement” means the Agreement to which this Term Sheet is attached and incorporated and this Term Sheet, including all attached appendices, and all applicable City Ordinances and Mandatory City Requirements, which are specifically incorporated into the Agreement by reference as provided herein, together with any future written and executed amendments.

1.5 “Change Order” means a written instrument signed by the City’s Project Manager that modifies this Term Sheet and the Agreement through an adjustment to one or more of the following: (i) the Project Schedule, (ii) the scope of work, (iii) the Acceptance Criteria, or (iv) other requirements specified in this Term Sheet and the Agreement.

1.6 “City” or “the City” means the City and County of San Francisco, a municipal corporation, acting by and through both its Director of the Office of Contract Administration or the Director’s designated agent, hereinafter referred to as “Purchasing” and the requesting department.

1.7 “Confidential Information” means confidential City information including, but not limited to, personal identifiable information (“PII”), protected health information (“PHI”), or individual financial information (collectively, “Proprietary or Confidential Information”) that is subject to local, state or federal laws restricting the use and disclosure of such information, including, but not limited to, Article 1, Section 1 of the California Constitution; the California Information Practices Act (Civil Code § 1798 et seq.); the California Confidentiality of Medical Information Act (Civil Code § 56 et seq.); the federal Gramm-Leach-Bliley Act (15 U.S.C. §§ 6801(b) and 6805(b)(2)); the privacy and information security aspects of the Administrative Simplification provisions of the federal Health Insurance Portability and Accountability Act (45 CFR Part 160 and Subparts A, C, and E of part 164); and San Francisco Administrative Code Chapter 12M.

1.8 “CMD” means the Contract Monitoring Division of the City.

1.9 “Contractor” or “Consultant” means the Contractor with whom the City has entered into the Agreement and the entity to whom a Purchase Order is hereby issued for the purchase of the Services to be performed under this Term Sheet, the Purchase Order, and Corresponding Documents.

1.10 “Critical Milestones” means those milestones specified in the Project Schedule, issued pursuant to the Purchase Order and Corresponding Documents, as Critical Milestones after which liquidated damages apply for failure to complete performance in accordance with this Term Sheet and the Agreement.

1.11 “Deliverables” means those items described and itemized in the accompanying Purchase Order and Corresponding Documents, which items Contractor commits to provide to City on the dates specified in the Implementation Plan.

1.12 “Design Specifications” means the written design specifications to be prepared by Contractor to implement the Functional Specifications. The Design Specifications shall include descriptions of each Program to be developed hereunder together with descriptions of the hardware and software environment in which such Programs may be operated and the files or databases, if any, with which such Programs shall function.

1.13 “Documentation” means the technical publications relating to use of the System, such as reference, installation, administrative, maintenance, and programmer manuals, provided by Contractor to City.

1.14 “Equipment” means the central processing unit[s] and associated peripheral devices or computer hardware on which the Programs will operate and with which the Programs must be compatible, to be purchased or leased by Contractor for City or provided by City.

1.15 “Errors, Defects, and Malfunctions” means either a deviation between the function of the developed Programs and the documentation furnished by Contractor for the Programs, or a failure of the Programs which degrades the use of the Programs.

1.16 “Fix” means repair or replace source, object, or executable code in the Programs to remedy an Error, Defect, or Malfunction.

1.17 “Functional Specifications” means the written description of City’s requirements, operations, and procedures, which document is to be prepared by Contractor, and upon approval by City, shall form the basis for the Design Specifications as defined herein.

1.18 “Mandatory City Requirements” means those City laws set forth in the San Francisco Municipal Code, including the duly authorized rules, regulations, and guidelines implementing such laws, that impose specific duties and obligations upon Contractor.

1.19 “Party” or “Parties” means, respectively, the City and Contractor either individually or collectively.

1.20 “Patch” means temporary repair or replacement of code in the Programs to remedy an Error, Defect, or Malfunction. If Contractor will own the Programs and license them to City, patches may be made permanent and released in Subsequent Releases of the Software.

1.21 “Performance Specifications” means the description of the minimum System characteristics and performance, which must be achieved by the Functional Specifications.

1.22 “Priority Category” means a priority assigned to an Error, Defect or Malfunction, designating the urgency of correcting an Error, Defect, or Malfunction. Assignment of a Priority Category to an Error, Defect, or Malfunction is based on City’s determination of the severity of the Error, Defect, or Malfunction and Contractor’s reasonable analysis of the priority of the Error, Defect, or Malfunction.

1.23 “Priority Protocol” means a Priority Protocol that is based on the Priority Category; rules specifying the turnaround time for correcting Errors, Malfunctions, and Defects; escalation procedures; and personnel assignment.

1.24 “Programs” or “Software” means the software developed by Contractor and delivered to City, in the form of machine-executable instructions, to operate on the Equipment for purposes of accomplishing the functional capabilities set forth in Performance Specifications.

1.25 “Project Schedule” means the schedule for Contractor’s completion of all phases of Work, and the Critical Milestones associated with such completion as specified in this Term Sheet and the Agreement.

1.26 “Proposal” means the written proposal Contractor submitted in response to City’s request for the Services to be performed under this Term Sheet.

1.27 “Purchase Order” means the accompanying Purchase Order and any other corresponding documents (“Corresponding Documents”) in response to a request for quote by City for the software development Services described in the Purchase Order. The Purchase Order is issued by City to Contractor pursuant to the Agreement, which is identified in the Purchase Order. The Purchase Order and all Corresponding Documents are incorporated into this Term Sheet as though fully set forth herein.

1.28 “Review Period” means the time period during which City shall review the completed Work with respect to the scope of work issued pursuant to the accompanying Purchase Order, and give notice to Contractor of its acceptance or rejection of the completed phase.

1.29 “Scope of Work” means the document prepared by Contractor outlining the Services to be performed pursuant to the Purchase Order. The Scope of Work shall include all items, including, but not limited to: project summary, project managers, notice procedures, Services to be performed, Performance Specifications, Project Schedule and milestones (including Critical Milestones), Deliverables, Documentation, and property rights.

1.30 “Services” means the work performed by Contractor under this Term Sheet and the Agreement, including all services, labor, supervision, materials, equipment, actions, and other requirements to be performed and furnished by Contractor under this Term Sheet and the Agreement.

1.31 “Subsequent Release” means a release of the Software for use in a particular operating environment, which supersedes the Software. A Subsequent Release is offered and expressly designated by Contractor as a replacement to a specified Software product. A Subsequent Release will be supported by Contractor in accordance with the terms of this Term Sheet and the Agreement. Multiple Subsequent Releases may be supported by Contractor at any given time.

1.32 “Support Services” means the support service performed at the option of City. Support Services include correcting an Error, Defect, or Malfunction; providing telephone and/or online support concerning the installation and use of the Programs; training in the installation and use of the Programs; on-site consulting and application development services; detection, warning, and correction of viruses; and disabled/disabling code.

1.33 “System” means the Programs prepared by Contractor for City and the Equipment on which those Programs operate, the combination of which shall satisfy the requirements set forth in the Performance Specifications.

1.34 “Term Sheet” means this document, the accompanying Purchase Order, all attached appendices, and all applicable City Ordinances and Mandatory City Requirements in the Agreement that are specifically incorporated into this Term Sheet by reference as provided herein.

1.35 “Upgrade” means either an enhancement to the Programs code to add new features or functions to the system or software programming revisions containing corrections to Errors, Defects, and Malfunctions that have been reported by users or discovered by the Contractor.

1.36 “Version Locking” means a mechanism that restricts access to a computer file by allowing only one user or process access at any specific time.

1.37 “Warranty Period” means a period commencing with the installation of the Software product during which reported Errors, Defects, and Malfunctions for Software products are corrected without charge in accordance with the provisions below.

1.38 “Work” means the implementation, assembly, installation, optimization, and integration as required by the Purchase Order and Corresponding Documents, whether completed or partially completed, including all labor, materials, and Services provided or to be provided, by Contractor to fulfill its obligations hereunder. The Work, therefore, constitutes all of the requirements for providing the System to the City.

1.39 “Workaround” means a change in the procedures followed or end user operation of the Software to avoid an Error, Defect, or Malfunction without significantly impairing functionality or degrading the use of the Software.

## **Article 2 Term of the Term Sheet**

2.1 The term of this Term Sheet shall reflect the term of software development Services set forth in the accompanying Purchase Order and Corresponding Documents, unless earlier terminated in accordance with the provisions of this Term Sheet or the applicable Agreement.

## **Article 3 Financial Matters**

3.1 **Retention.** The final payment of ten percent (10%) of the software development and license costs shall be paid thirty (30) days after City issues its notice of Acceptance of the System.

## **Article 4 Services, Software Implementation, and Acceptance**

4.1 **Services Contractor Agrees to Perform.** Contractor agrees to perform the Services provided for in the Appendices of the Agreement, the accompanying Purchase Order, and Corresponding Documents. Officers and employees of the City are not authorized to request, and the City is not required to reimburse the Contractor for Services beyond the Scope of Work attached to the accompanying Purchase Order, unless the accompanying Purchase Order is modified as provided in Section 11.5 of the Agreement, “Modification of this Agreement.”

### **4.2 Software Implementation.**

4.2.1 **Program Development.** Subject to the terms and conditions of this Term Sheet and the Agreement, and in consideration for the payments to be made, Contractor agrees to design, develop, and install the Programs in the following discrete and sequential phases. In Phase 1, Contractor will develop Functional Specifications; in Phase 2, Contractor will create the Design Specifications; and in Phase 3, Contractor will code the Programs, install the completed System at City’s site, and deliver the Documentation for the System. The Work covered under each phase is specified in the Appendices of the Agreement, Purchase Orders, and Corresponding Documents. Upon completion of Phase 3, the System will be subject to Acceptance Testing to verify conformity with the Design Specifications.

4.2.2 **Interpretation of the Specifications.** The City hereby acknowledges that the Functional Specifications will, upon acceptance by the City, provide the basis for the Design Specifications, and that the Design Specifications will, upon acceptance by the City, provide the basis for the coding and installation of the Programs. In the event of a variance between the written proposal Contractor submitted in response to City’s request for the Services to be performed under this Term and Sheet and the Agreement (the “Proposal”) and the Functional Specifications, the Functional Specifications shall be determinative. In the event of a variance between the Functional Specifications and the Design Specifications, the Design Specifications shall be determinative.

4.2.3 **Interpretive Differences.** In the event City and Contractor differ in their interpretations of the Proposal, Functional Specifications, Design Specifications, or Acceptance Tests, City's interpretation, if reasonable, shall be determinative.

4.2.4 **Change Orders.**

(a) **City Proposed Change Order.** The City may at any time, by written order, and without notice to Contractor's sureties, submit a Change Order to Contractor. Within ten (10) working days of receiving a proposed Change Order, Contractor shall submit to City a written cost estimate, which shall include any adjustments to the Project price, the Project Schedule, the Statement of Work, the Acceptance Criteria, or any other obligations of Contractor as applicable.

4.3 **Acceptance Procedure.**

4.3.1 **Acceptance of Phases.** Upon completion of Phases of Program development, City shall, within the Review Period, review and give notice to Contractor of City's acceptance or rejection of the specifications of each completed phase of Work. Should City reject the Work of any Phase, then City is entitled to another Review Period upon receipt from Contractor of the revised Phase specifications. In the event that Contractor fails to provide Work for any Phase, which meets the Acceptance Criteria of this Term Sheet and the Agreement during the Acceptance Window, City may, at its option, assess Liquidated Damages per Section 4.7 of the Agreement and/or terminate the accompanying Purchase Order or the Agreement under Section 8.2 of the Agreement, Termination for Default; Remedies.

4.3.2 **Final Acceptance of System.** Upon completion the final phase, City and Contractor shall conduct Acceptance Testing of the System in accordance with the Acceptance Test Plan. City will not be deemed to have accepted any Program or the System until Contractor receives written notice of Acceptance from City.

4.3.3 **Data Conversion.** Contractor shall be responsible for the timely and accurate conversion of City's data to the format required by the Programs or System, and for providing the test data specified in the Acceptance Test Plan or Design Specifications.

4.3.4 **Contractor's Assistance in Acceptance Tests.** Contractor must furnish all materials, equipment, and technical assistance necessary to conduct the Acceptance Tests. Test Equipment provided by Contractor for performance of the Acceptance Tests shall be currently certified as "calibrated" by the test equipment manufacturer, or its authorized calibration service agent. (*See Section 4.5 below*)

4.3.5 **Failure to Pass Acceptance Tests.** In the event that City determines that the System fails to meet the standards set forth in the Acceptance Test Plan, City shall promptly report to Contractor each deficiency, and Contractor will correct the reproducible aspects of the problem or failure within the number of days specified in the Appendix A of the Agreement, Purchase Order, and corresponding documents from date of Contractor's receipt of notice of the problem or failure. Problems or failures that do not re-occur or cannot be repeated by Contractor, or by the City in Contractor's presence, shall not be considered a failure. In the event that Contractor cannot achieve System Acceptance within the number of days specified in the Appendices of Agreement, Purchase Order, and Corresponding Documents following the commencement of Acceptance Testing, Contractor shall be in default under this Term Sheet and

the Agreement and, in addition to those remedies set forth in Article 8 entitled “Termination and Default”, City is further entitled to a refund of all payments made to Contractor under the accompanying Purchase Order and the Agreement.

4.3.6 **Parallel Processing.** The Parties contemplate that parallel processing will be used until both the Programs or the System, and its backup have completed the Acceptance Tests.

#### 4.4 **Documentation Delivery and Training.**

4.4.1 **Documentation Delivery.** Contractor will deliver copies of the completed Documentation for the Programs or the System in accordance with the Appendix A of the Agreement, the Purchase Order, and corresponding documents. The City may withhold its issuance of the notice of final Acceptance until City receives the completed Documentation.

4.4.2 **City Training.** If requested by City through a Task Order, Contractor will provide training in accordance with said Task Order

#### 4.5 **Project Administration.**

4.5.1 **Project Schedule.** The Project Schedule is set forth in the accompanying Purchase Order and/or Corresponding Documents, and may be amended by mutual agreement between City and Contractor.

(a) **Delays.** To prevent slippage in the completion of the project, Contractor agrees that if such slippage occurs, it will assign additional qualified personnel to the project.

(b) **Time of the Essence.** The Parties agree that time is of the essence, and that the System will be developed and implemented in accordance with the Project Schedule.

(c) **Critical Milestones.** Contractor acknowledges and understands that the Project Schedule contains certain time-sensitive milestones (“Critical Milestones”) that must be attained by certain dates; otherwise, the City will suffer financial harm. Milestones that are Critical Milestones are so indicated in the Project Schedule. Notwithstanding City’s ability to assess liquidated damages for Contractor’s failure to meet any Critical Milestone, the time period for achieving final Acceptance shall be set forth in the accompanying Purchase Order and Corresponding Documents. In addition to any other remedy provided under this Term Sheet and the Agreement, Contractor’s inability to achieve final Acceptance of the System in accordance with the accompanying Purchase Order and Corresponding Documents will be cause for immediate termination of this Term Sheet and the Agreement, and City shall be entitled to a full refund of any amounts paid to Contractor under this Term Sheet and the Agreement for the portion(s) of the Programs that are not accepted.

4.5.2 **Progress Reports.** Contractor will provide City with written status reports advising the City of its progress, which reports will be delivered in accordance with each Task Order issued pursuant to the Purchase Order and Corresponding Documents.

4.5.3 **Project Managers.** Contractor and City shall each designate a “Project Manager”, who shall be accessible by telephone throughout the duration of the Agreement and shall be available 9 a.m. to 5 p.m., Monday through Friday, excluding City-designated holidays. These hours may be adjusted by mutual agreement of City and Contractor.

(a) The City's Project Manager will be authorized to make binding decisions for the City regarding this Term Sheet and the Agreement and will: (1) review all specifications, technical materials and other documents submitted by Contractor, request necessary corrections, and approve such documents; (2) provide requested City information and data and assume responsibility on the adequacy of the same; (3) advise Contractor of City's requirements; and (4) upon request, provide access to City's staff, facility, and hardware. City's Project Manager shall have the right to manage and direct any aspect of the project as may be necessary, in his or her opinion, to safeguard the interest of the City. City's Project Manager shall communicate all of his or her concerns to Contractor's Project Manager. In the event Contractor believes that any direction being given by City's Project Manager shall impair the performance of the project or any phase thereof, Contractor shall immediately inform the City's Project Manager of its concern. Except as specifically provided under this Term Sheet and the Agreement, City's Project Manager's management of the project shall not relieve Contractor of any obligations or liabilities set forth in this Term Sheet and the Agreement and the Appendices or Exhibits thereto.

(b) Throughout the term of this Term Sheet and the Agreement, whenever the Contractor's Project Manager is not on site, he or she must be available by phone or e-mail. Whenever the Contractor's Project Manager will be unavoidably absent or otherwise unavailable by phone or e-mail for more than eight hours, then a substitute Project Manager must be designated to respond to telephone calls and e-mails from the City. Contractor shall use its best efforts to maintain the same Project Manager until final Acceptance of the Programs.

**4.5.4 Changing Project Managers.** The City and Contractor shall use their best efforts to maintain the same Project Manager until final Acceptance of the System. However, if a Party needs to replace its Project Manager, the Party shall provide the other Party written notice thereof at least forty-five (45) days prior to the date the Project Manager shall be replaced. Such notice shall provide all the required information above. Notwithstanding the foregoing, the Parties have the right to appoint temporary Project Managers in connection with short term unavailability, sick leave, or reasonable vacations. Parties shall notify each other in advance of any such temporary appointments. City may require Contractor to replace its Project Manager by giving Contractor notification thereof, and City's objective reasons therefor.

**4.5.5 Qualified Personnel/Staffing.** Work under this Term Sheet and the Agreement shall be performed only by competent personnel appropriately trained in technical skills to perform their duties 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. The personnel of each Party, when on the premises of the other, shall comply with the security and other personnel regulations of the Party on whose premises such individual is located.

**4.5.6 Meetings.** From the commencement date of the project until the final Acceptance of the Programs, the Project Managers shall communicate at times and locations designated by City to discuss the progress of the Project. Until the final Acceptance of the project, the Project Managers shall communicate, as required by the City, to discuss any operational problems or defects that City has encountered. City shall have the right to call a meeting at any time by providing Contractor forty-eight (48) hours written notice thereof. Such notice shall provide the time, place, and the purpose of the meeting. Contractor and City's



project team must be available to meet as often as is necessary to facilitate timely completion of the project.

**4.5.7 Inspection.** City's Project Manager shall have the right to inspect and/or test, at any time, all Work, Deliverables and materials to be provided for the project, and the manufacture, assembly, and installation of such Deliverables and materials. City's Project Manager's inspection shall be based on compliance with this Term Sheet and the Agreement. City's Project Manager's right to inspect all aspects of the Project shall not relieve Contractor of its obligation to furnish material and workmanship in accordance with this Term Sheet and the Agreement. City's Project Manager may reject any portion of the Project, which fails to meet any applicable standard.

(a) **Defects Post-Inspection.** Notwithstanding any previous inspection, acceptance, or payment by the City for any Work, or Deliverables found to be in non-compliance with this Term Sheet and the Agreement, or found to be defective before final Acceptance of the project, such Work or Deliverables shall be repaired or replaced within a reasonable period of time by Contractor at its own cost and expense.

(b) **Special Testing Tools.** Contractor shall furnish all tools, labor and material, which Contractor deems necessary to inspect any Deliverables, Work, or material. Unless purchased by the City as part of the project, Contractor shall provide all test equipment needed to verify Deliverables or Work at its sole cost and expense. The equipment provided by Contractor for performance test shall currently be certified as "calibrated" by the test equipment manufacturer, or its authorized calibration service agent. Unless purchased by the City, all test equipment shall remain the property of Contractor.

**4.5.8 Right to Stop Work.** City's Project Manager shall have the right to stop any Work on the project if: (i) City notifies Contractor of a defect in the Work or Deliverables and after such notice, Contractor fails to promptly commence correction of any identified defects in the Work or Deliverables, or (ii) Contractor fails to carry out any portion of the project in accordance with this Term Sheet and the Agreement. All stop work orders from the City shall be in writing and signed by City's Project Manager. City shall specifically state the cause for the order to stop work. Upon receiving a stop work order, Contractor shall immediately cease working on that portion of the Work specified in the order, until the cause for such order has been eliminated. City's right to stop any work on the project shall not give rise to a duty on the part of the City to exercise this right for the benefit of Contractor, or any other person or entity. In the event City's Project Manager orders work to be stopped without proper justification, City shall reimburse Contractor for the actual and direct costs incurred by Contractor due to the delay. Furthermore, Contractor will be entitled to a time extension equal to the number of days of delay that City caused due to the unjustified work stoppage. In no event will a stop work order extend beyond 30 days.

**4.5.9 City Facilities.** If specified in the Purchase Order and Corresponding Documents, City will provide facilities or equipment for Contractor's use during the term of this Term Sheet and the conditions upon which access will be granted.

**4.6 Maintenance Services.** Contractor will provide maintenance services for the Programs in accordance with the terms and conditions of Appendix A of the Agreement, Purchase Order, and Corresponding Documents. Such services, if any, shall commence upon

Acceptance of the Programs by City or, upon expiration of the performance warranty provided herein.

**4.6.1 Infringement Indemnification.** If notified promptly in writing of any judicial action brought against City based on an allegation that City's use of the Programs infringes a patent or copyright, or any rights of a third party, or constitutes misuse or misappropriation of a trade secret or any other right in intellectual property (infringement), Contractor will hold City harmless and defend such action at its expense. Contractor will pay the costs and damages awarded in any such action or the cost of settling such action, provided that Contractor shall have sole control of the defense of any such action and all negotiations or its settlement or compromise. If notified promptly in writing of any informal claim (other than a judicial action) brought against City based on an allegation that City's use of the Programs constitutes Infringement, Contractor will pay the costs associated with resolving such claim and will pay the settlement amount (if any), provided that Contractor shall have sole control of the resolution of any such claim and all negotiations for its settlement. In the event that a final injunction shall be obtained against City's use of the Programs by reason of Infringement, or in Contractor's opinion City's use of the Programs is likely to become the subject of Infringement, Contractor may at its option and expense (a) procure for City the right to continue to use the Programs as contemplated hereunder, (b) replace the Programs with non-infringing, functionally equivalent substitute Programs, or (c) suitably modify the Programs to make its use hereunder non-infringing while retaining functional equivalency to the unmodified version of the Programs. If none of these options is reasonably available to Contractor, then this Term Sheet and the accompanying Purchase Order may be terminated at the option of either Party hereto and Contractor shall refund to City all amounts paid under this Term Sheet and the accompanying Purchase Order for the development and license of the infringing Programs.

#### **4.7 Warranties.**

**4.7.1 Warranty of Title.** Contractor warrants that the Programs developed pursuant to this Term Sheet and the Agreement will, prior to its transfer to City, be the sole and exclusive property of Contractor.

**4.7.2 Warranty of Authority; No Conflict.** Each Party hereby warrants to the other that it is authorized to enter into this Term Sheet and the Agreement and that its performance thereof will not conflict with any other agreement.

**4.7.3 Warranty of Performance Specifications; Warranty Services.** Contractor hereby warrants that when fully implemented, the developed Programs, configuration, customization and services performed by Contractor pursuant to this Term Sheet and the Agreement, when fully implemented, including technical and functional system integration that includes planning, fit/gap analysis, design, configuration, enhancements and custom programming, and developed interfaces (collectively "System Integration and Customization"), will perform in accordance with the required functionality defined in the Appendices of the Agreement, Purchase Order, and Corresponding Documents during a one year period following the issuance of written Acceptance by City. Upon City issuing written notice to Contractor of a warranty breach under this section, Contractor shall correct and repair the configuration and customized code provided by Contractor during the Warranty Period, at no charge to the City, within thirty (30) days following the notice, provided that:

(a) The problem encountered occurs within one year of the acceptance of such provided System Integration and Customization.

(b) The root cause analysis indicates the problem is in the system not meeting the System Integration and Customization requirements where the Contractor has responsibility (e.g., a problem caused by the developed, configured or customized COTS software or hardware component not meeting requirements, a defect in the configuration or code created by the Contractor).

Full correction of the system defect is to be completed by Contractor unless otherwise approved by the City, and the corrected code shall be appropriately tested to verify that no regression errors are introduced. Contractor shall warrant against Version Locking due to customization of the system.

**Article 5 Termination and Default**

**5.1 Termination for Convenience.**

5.1.1 Within thirty (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:

(a) The reasonable cost to Contractor, without profit, for all Services prior to the specified termination date, for which Services 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. Any overhead allowance shall be separately itemized. Contractor may also recover the reasonable cost of preparing the invoice.

(b) A reasonable allowance for profit on the cost of the Services described in the immediately preceding subsection (a), provided that Contractor can establish, to the satisfaction of City, that Contractor would have made a profit had all Services under this Agreement been completed, and provided further, that the profit allowed shall in no event exceed 5% of such cost.

(c) 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.

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.

5.2 **Survival.** This Section and the following Sections of this Term Sheet listed below shall survive termination or expiration of this Term Sheet and the Agreement:

Article 4	Intellectual Property Rights of the Parties
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## **Article 6 Intellectual Property Rights of the Parties**

6.1 **License of the Programs.** Upon receipt of final payment for all Services rendered by Contractor under this Term Sheet and the Agreement, Contractor hereby grants to City, in perpetuity, an irrevocable, nonexclusive, right and license to use for internal purposes only a machine-readable copy of the Programs and Documentation in connection with the City's business.

6.2 **Sale of the Programs.** Upon receipt of final payment for the Programs or System, Contractor will convey to City good and marketable title to the Programs or the System free and clear of all liens, claims, and encumbrances.

6.3 **Ownership of Underlying Modules.** The foregoing conveyance of title is subject to Contractor's retention of ownership of all modules developed by Contractor as a utility routine or generalized interface and not specifically for City.

6.4 **City's Data.** Any data or other materials furnished by the City for use by Contractor under this Term Sheet and the Agreement shall remain the sole property of the City and will be held in confidence in accordance with Section 3.7 ("Warranties") of this Term Sheet. Such materials shall be returned to City upon Acceptance of the Programs. Contractor shall within fifteen (15) calendar days purge or physically destroy all City data it acquired from the City from its servers or files and provide City with written certification within five (5) calendar days that such purge and/or physical destruction has occurred. Secure disposal shall be accomplished by "purging" or "physical destruction," in accordance with National Institute of Standards and Technology (NIST) Special Publication 800-88 or most current industry standard.

6.5 **Ownership of Modifications and Enhancement.** If City is getting a licensed software, Contractor hereby grants to City an exclusive perpetual license to use for internal purposes only the Programs contained in the modifications and enhancements to the software package licensed hereunder to City.

6.6 **Competition.** Nothing in this Term and Sheet and the Agreement shall be construed so as to preclude Contractor from developing, using, or marketing software that is competitive with that prepared for City hereunder, irrespective of whether such software is similar in functionality or design, or is otherwise related to the Programs developed by Contractor for City pursuant to this Term Sheet and the Agreement.

6.7 **Royalty Payments.** If applicable, Contractor shall pay to City royalty payments as identified in the accompanying Purchase Order and Corresponding Documents.

## **Article 7 General Provisions**

7.1 **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 people with disabilities. Contractor shall provide the services specified in this Term Sheet and the 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 people with disabilities in the provision of services, benefits, or activities provided under this Term Sheet and the 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 Term Sheet. Contractor shall adhere to the requirements of the Americans with Disabilities Act of 1990 (ADA), as amended (42 U.S.C. Sec. 1201 et seq.) and Section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. Sec. 794d).

7.2 **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.

## **Appendices**

A: Maintenance Terms and Conditions

## Appendix A

### Software Maintenance Terms and Conditions

#### 1. Scope of Service Coverage

a. Contractor shall provide Support Services **and provide Upgrades** during the term of this Maintenance Agreement for the Software.

b. During the term of this Maintenance Agreement, Contractor will furnish Error, Defect or Malfunction correction in accordance with the Priority Categories listed below, based on the City's determination of the severity of the Error, Defect or Malfunction and Contractor's reasonable analysis of the priority of the Error, Defect or Malfunction.

1) Priority 1: An Error, Defect or Malfunction which renders the Software inoperative; or causes the Software to fail catastrophically.

2) Priority 2: An Error, Defect or Malfunction which substantially degrades the performance of the Software, but does not prohibit the City's use of the Software.

3) Priority 3: An Error, Defect or Malfunction which causes only a minor impact on the use of the Software.

c. Contractor will furnish Error, Defect or Malfunction correction in accordance with the following protocols:

1) Priority 1 Protocol: Within two hours, Contractor assigns a product technical specialist(s) to diagnose and correct the Error, Defect or Malfunction; thereafter, Contractor shall provide ongoing communication about the status of the correction; shall proceed to immediately provide a Fix, a Patch or a Workaround; and exercise all commercially reasonable efforts to include a Fix or Patch for the Error, Defect or Malfunction in the next Subsequent Release. Contractor will escalate resolution of the problem to personnel with successively higher levels of technical expertise until the Error, Defect or Malfunction is corrected.

2) Priority 2 Protocol: Within four hours, Contractor assigns a product technical specialist(s) to diagnose the Error, Defect or Malfunction and to commence correction of the Error, Defect or Malfunction; to immediately provide a Workaround; to provide escalation procedures as reasonably determined by Contractor's staff; and to exercise all commercially reasonable efforts to include a Fix or Patch for the Error, Defect or Malfunction in the next Software maintenance release.

3) Priority 3 Protocol: Contractor may include a Fix or Patch in the next Software major release.

**2. Hotline Support.** Contractor shall provide remote access hotline support to City to help City answer routine questions with respect to the use of the Software. Contractor also shall provide remote access hotline support to City to initiate resolution of Priority 1 and Priority 2 Errors, Defects and Malfunctions. Hotline support shall be made available by phone between the hours of 8 a.m. and 6 p.m. Pacific time Monday through Friday, except legal holidays. Hotline support shall be available by electronic bulletin board, electronic mail or other service twenty-four (24) hours a day, seven (7) days a week. Responses to questions posted by electronic means

will be made within the time frame established under Priority Protocols for an Error, Defect or Malfunction in a Software Product.

**3. City Responsibilities Related to Support.** City shall use reasonable efforts to make available to Contractor reasonable access to the equipment on which City experienced the Error, Defect or Malfunction, the Software Product and all relevant documentation and records. City shall also provide reasonable assistance to Contractor, including sample output and diagnostic information, in order to assist Contractor in providing Support Services. City shall be responsible for the interface between the Software and other software products installed on City equipment. Unless otherwise agreed in writing between City and Contractor, City is responsible for installing, managing and operating any Software delivered under this Maintenance Agreement.

**4. 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 the 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 did not conform to the requirements of this Maintenance Agreement may be rejected by City and in such case must be replaced by Contractor without delay.

**5. Qualified Personnel.** Work under this Maintenance 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 assign adequate personnel resources to provide the level of service within the response times specified in this Maintenance Agreement.

## **City and County of San Francisco Technology Marketplace Software License and Maintenance Term Sheet**

This Software License and Maintenance Term Sheet (“Term Sheet”) is attached, and incorporated as though fully set forth therein, to each Purchase Order for Licensed Software and maintenance hereby issued by the City and County of San Francisco (“City”) under Contractor’s OCA Technology Marketplace Master Agreement to which this Term Sheet is attached (“Agreement”). Capitalized terms used in this Term Sheet that are not otherwise defined have the meanings given them in the Agreement.

Now, THEREFORE, the parties agree as follows:

### **Article 1 Definitions**

The following definitions apply to this Term Sheet:

1.1 “Acceptance” means a notice from the City to Contractor that the Licensed Software meets the specifications contained in the Documentation. City’s Acceptance of the Licensed Software shall be governed by the procedures set forth in Section 4.3.

1.2 “Agreement” means the Agreement to which this Term Sheet is attached and incorporated and this Term Sheet, including all attached appendices, and all applicable City Ordinances and Mandatory City Requirements, which are specifically incorporated into the Agreement by reference as provided herein.

1.3 “City” or “the City” means the City and County of San Francisco, a municipal corporation, acting by and through both its Director of the Office of Contract Administration or the Director’s designated agent, hereinafter referred to as “Purchasing” and the requesting department.

1.4 “Contractor” or “Licensor” means the Contractor with whom the City has entered into the Agreement and the entity to whom a Purchase Order is hereby issued for the purchase of one or more perpetual software licenses.

1.5 “Documentation” means the technical publications relating to the use of the Licensed Software, such as reference, installation, administrative, and programmer manuals provided by Contractor to City.

1.6 “Errors, Defects, and Malfunctions” means either a deviation between the function of the Software and the Documentation furnished by Contractor for the Software, or a failure of the Software that degrades the use of the Software.

1.7 “Fix” means repair or replacement of source, object, or executable code in the Software to remedy an Error, Defect, or Malfunction.

1.8 “Licensed Software” or “Software” means one or more of the proprietary computer software programs identified in the Agreement and/or accompanying Purchase Order(s), all related materials, Documentation, all corrections, patches or updates thereto, and other written information received by City from Contractor, whether in machine-readable or



printed form. The Agreement and/or accompanying Purchase Order may identify more than one Software product or more than one copy of any product.

1.9 “Mandatory City Requirements” means those City laws set forth in the San Francisco Municipal Code, including the duly authorized rules, regulations, and guidelines implementing such laws that impose specific duties and obligations upon Contractor.

1.10 “Object Code” means the machine-readable form of the Licensed Software provided by Contractor.

1.11 “Party” or “Parties” means, respectively, the City and Contractor either individually or collectively.

1.12 “Patch” means a temporary repair or replacement of code in the Software to remedy an Error, Defect, or Malfunction. Patches may be made permanent and released in Subsequent Releases of the Software.

1.13 “Priority Category” means a priority assigned to an Error, Defect or Malfunction, designating the urgency of correcting an Error, Defect, or Malfunction. Assignment of a Priority Category to an Error, Defect, or Malfunction is based on City’s determination of the severity of the Error, Defect, or Malfunction and Contractor’s reasonable analysis of the priority of the Error, Defect, or Malfunction.

1.14 “Priority Protocol” means a priority based on the Priority Category; rules specifying the turnaround time for correcting Errors, Malfunctions and Defects; escalation procedures; and personnel assignment.

1.15 “Purchase Order” means the accompanying Purchase Order and any other corresponding documents (“Corresponding Documents”) in response to a request for quote by City for the Licensed Software Services described in the Purchase Order. The Purchase Order is issued by City to Contractor pursuant to the Agreement. The Purchase Order and all Corresponding Documents are incorporated into this Term Sheet as though fully set forth herein.

1.16 “Source Code” means the human readable compliant form of the Licensed Software to be provided by Contractor.

1.17 “Specifications” mean the functional and operational characteristics of the Licensed Software as described in Contractor’s current published product descriptions and technical manuals.

1.18 “Subsequent Release” means a release of the Software for use in a particular operating environment, which supersedes the Software. A Subsequent Release is offered and expressly designated by Contractor as a replacement to a specified Software product. A Subsequent Release will be supported by Contractor in accordance with the terms of this Term Sheet and the Agreement. Multiple Subsequent Releases may be supported by Contractor at any given time.

1.19 “Support Services” means the Software support service required under this Term Sheet and the Agreement. Support Services include correcting an Error, Defect, or Malfunction; providing telephone and/or online support concerning the installation and use of the Software; training in the installation and use of the Software; on-site consulting and application development services; detection, warning, and correction of viruses; and disabled/disabling code.

1.20 “Term Sheet” means this document, the accompanying Purchase Order, all attached exhibits, and all applicable City Ordinances and Mandatory City Requirements in the Agreement that are specifically incorporated into this Term Sheet by reference as provided herein.

1.21 “Upgrade” means either an enhancement to the Software code to add new features or functions to the system or software programming revisions containing corrections to Errors, Defects, and Malfunctions that have been reported by users or discovered by the Contractor.

1.22 “Warranty Period” means a period commencing with the installation of the Software product during which reported Errors, Defects, and Malfunctions for Software products are corrected without charge in accordance with the provisions below.

1.23 “Workaround” means a change in the procedures followed or end user operation of the Software to avoid an Error, Defect, or Malfunction without significantly impairing functionality or degrading the use of the Software.

Whenever the words “as directed,” “as required,” “as permitted,” or words of like effect are used, it shall be understood as the direction, requirement, or permission of the City. The words “sufficient,” “necessary,” or “proper,” and the like mean sufficient, necessary, or proper in the judgment of the City, unless otherwise indicated by the context.

## **Article 2 Term of the Term Sheet**

2.1 **License and Maintenance Support Services Term.** The term of this Term Sheet shall reflect the term of the Support Services set forth in the accompanying Purchase Order and Corresponding Documents, unless earlier terminated in accordance with the provisions of this Term Sheet and the Agreement. Subject to Section 4.1 (“Grant of License”), the license granted under this Term Sheet and the Agreement shall commence upon Acceptance of the Licensed Software and shall continue in perpetuity unless sooner terminated in accordance with the provisions of this Term Sheet and the Agreement, or during the term outlined in the Agreement or accompanying Purchase Order, unless sooner terminated in accordance with the provisions of this Term Sheet and the Agreement.

## **Article 3 Financial Matters**

### **3.1 Compensation.**

#### **3.1.1 Charges for Maintenance and Support Services.**

(1) **Limited Term License.** When the license term specified in the Purchase Order and Corresponding Documents is less than perpetual, all charges for maintenance and Support Services are included in the periodic license or rental fee.

(2) **Perpetual License.** Where the license term specified in the Purchase Order and Corresponding Documents is perpetual, all charges for maintenance and Support Services are as stated in the Purchase Order and Corresponding Documents.

(3) **Periodic Payment License.** If the license fee specified in the Purchase Order and Corresponding Documents is payable in periodic payments, there will be no

additional charge for maintenance and Support Services during the period for which such periodic payments are payable or the first year of the term, whichever is longer.

(4) **Lump Sum Payment Licenses.** If the license fee specified in the Purchase Order and Corresponding Documents is payable in one lump sum, there will be no additional charge for the maintenance and Support Services during the first year of the term.

(5) **Annual Maintenance and Support Charges.** Annual maintenance and Support Services charges shall not increase more than the amount stated in the accompanying Purchase Order. Notwithstanding the foregoing, if not stated in the accompanying Purchase Order, then Support Services charges shall not increase more than five percent (5%) of the rate of the year immediately prior to such increase. Contractor will make maintenance and Support Services available to City for the duration stated in the Purchase Order.

## **Article 4 License**

### **4.1 Grant of License.**

4.1.1 **Grant of License.** Subject to the terms and conditions of this Term Sheet and the Agreement, Contractor grants City a non-exclusive and non-transferable license to use the Licensed Software. City acknowledges and agrees that the Licensed Software is the proprietary information of Contractor and that this Term Sheet and the Agreement grants City no title or right of ownership in the Licensed Software.

Contractor agrees that in the event it discontinues its obligations under the terms of this Term Sheet and the Agreement, except as expressly provided for in Article 8 (“Termination and Default”) of the Agreement, or ceases to market and/or provide maintenance and Support Services for the Licensed Software, and there is no successor in interest by merger, operation of law, assignment, purchase, or otherwise, it will provide City, without charge, one (1) copy of the then-current Source Code for all of the programs and all supporting Documentation for the Licensed Software then operating and installed at City’s locations. If City should obtain the Source Code and the Documentation pursuant to this section, the only use made of the Source Code and the Documentation will be for the proper maintenance of the Licensed Software in connection with City’s use of the Licensed Software as provided for, and limited by, the provisions of this Term Sheet and the Agreement.

Notwithstanding anything to the contrary in the Purchase Order and Corresponding Documents, and upon written request by City in the accompanying Purchase Order, in furtherance of its obligations as stated above, Contractor will provide to City a copy of the Source Code, which corresponds to the most current version of the Licensed Software. Contractor agrees to update, enhance, or otherwise modify such Source Code promptly upon its release of a new version of the Licensed Software to its other licensees such that the Source Code is maintained as corresponding to the newest released version of the Licensed Software. City’s right to possession of the Source Code will be governed by the accompanying Purchase Order.

4.1.2 **Restrictions on Use.** City is authorized to use the Licensed Software only for City’s municipal purposes.

4.1.3 **Disaster Recovery Copy.** For the purpose of any bona fide City disaster recovery plan or with respect to the use of computer software in its municipal operations, City may make one copy of the Licensed Software for archival purposes and use such archival copy to restore use of the Licensed Software on a site owned or controlled by City. The use of such archival copy shall be limited to (1) the purpose of conducting limited testing of the disaster recovery plan's procedures and effectiveness and (2) during any period subsequent to the occurrence of an actual disaster during which the City cannot operate the Licensed Software on the existing site.

4.1.4 **Transfer of Products.** City may move the Licensed Software and supporting materials to another City site.

4.1.5 **Documentation.** Contractor shall provide City with the Licensed Software specified in this Term Sheet and the Agreement, and a minimum of two copies of the Documentation per installation. Contractor grants to City permission to duplicate all printed Documentation for City's municipal use.

4.1.6 **Proprietary Markings.** City agrees not to remove or destroy any proprietary markings or proprietary legends placed upon or contained within the Licensed Software or any related materials or Documentation.

4.1.7 **Authorized Modification.** City shall also be permitted to develop, use and modify Application Program Interfaces ("APIs"), macros, and user interfaces. For purposes of this Term Sheet and the Agreement, such development shall be deemed an authorized modification. Contractor shall make no claim under this Term Sheet and the Agreement to ownership of any APIs, macros, or other interfaces developed by or at the direction of the City.

Contractor has no general objection to the City's use of third-party programs in conjunction with the Licensed Software under this Term Sheet and the Agreement. Contractor recognizes that City has and will license third party-programs that City will use with Contractor's products. Based on information provided to Contractor as to the execution of this Term Sheet and the Agreement, Contractor agrees that such use does not constitute an unauthorized modification or violate the licenses granted under this Term Sheet and the Agreement.

## 4.2 **Delivery.**

4.2.1 **Delivery.** One copy of each of the Licensed Software products in computer readable form shall be shipped to the City not later than thirty (30) days upon issuance of the accompanying Purchase Order. Program storage media (magnetic tapes, disks, and the like) and shipping shall be provided at no charge by Contractor.

4.2.2 **Installation.** If applicable, and upon written request by City in the accompanying Purchase Order, Contractor shall install the programs in accordance with the terms set forth in the accompanying Purchase Order.

4.2.3 **Risk of Loss.** If any of the Licensed Software products are lost or damaged during shipment or before installation is completed, Contractor shall promptly replace such products, including the replacement of program storage media if necessary, at no additional charge to the City. If any of the Licensed Software products are lost or damaged while in the

possession of the City, Contractor will promptly replace such products without charge, except for program storage media, unless supplied by the City.

4.3 **Acceptance Testing.** After Contractor has installed and configured the Licensed Software pursuant to this Term Sheet and the Agreement, the City shall have a period of **thirty (30)** days (“Acceptance Testing Period”) from the date of installation to verify that the Licensed Software substantially performs to the specifications contained in the Documentation. In the event that the City determines that the Licensed Software does not meet such specifications, the City shall notify the Contractor in writing, and Contractor shall modify or correct the Licensed Software so that it satisfies the Acceptance criteria. The date of Acceptance will be that date upon which City provides Contractor with written notice of satisfactory completion of Acceptance testing. If City notifies Contractor after the Acceptance Testing Period that the Licensed Software does not meet the Acceptance criteria of this section, then City shall be entitled to terminate this license in accordance with the procedures specified in Section 8.2 (“Termination for Default; Remedies”) of the Agreement, and shall be entitled to a full refund of the license fee.

4.4 **Training.** If applicable, and upon written request by City in the accompanying Purchase Order, Contractor will provide training in accordance with the terms set forth in the accompanying Purchase Order at Contractor’s current best government rates.

4.5 **Warranties: Right to Grant License.** Contractor hereby warrants that it has title to and/or the authority to grant a license of the Licensed Software to the City.

4.6 **Warranties: Conformity to Specifications.** Contractor warrants that when the Licensed Software specified in the accompanying Purchase Order and Corresponding Documents and all updates and improvements to the Licensed Software are delivered to City, they will be free from defects as to design, material and workmanship and will perform in accordance with the Contractor’s published specifications for the Licensed Software for a period of 365 days from City’s Acceptance of such Licensed Software or the manufacturer's warranty period, whichever is longer.

4.7 **Nondisclosure.** City agrees that it shall treat the Licensed Software with the same degree of care as it treats like information of its own, which it does not wish to disclose to the public, from the date the Licensed Software is Accepted by the City until the license is terminated as provided herein. The obligations of the City set forth above, however, shall not apply to the Licensed Software, or any portion thereof, which:

- 4.7.1 is now or hereafter becomes publicly known;
- 4.7.2 is disclosed to the City by a third party, which the City has no reason to believe is not legally entitled to disclose such information;
- 4.7.3 is known to the City prior to its receipt of the Licensed Software;
- 4.7.4 is subsequently developed by the City independently of any disclosures made hereunder by Contractor;
- 4.7.5 is disclosed with Contractor’s prior written consent; and
- 4.7.6 is disclosed by Contractor to a third party without similar restrictions.

## Article 5 Services and Resources

5.1 **Services Contractor Agrees to Perform.** Contractor agrees to perform the maintenance and Support Services provided for in this Term Sheet and the Agreement.

## Article 6 Software Maintenance

### 6.1 Maintenance and Support Services.

6.1.1 **Maintenance and Support Services.** After Acceptance of the Licensed Software and subject to the terms, conditions, and charges set forth in this Section 4.1.1, Contractor will provide City with maintenance and Support Services for the Licensed Software as follows: (i) Contractor will provide such assistance as necessary to cause the Licensed Software to perform in accordance with the Specifications as set forth in the Documentation; (ii) Contractor will provide, for City's use, whatever improvements, enhancements, Upgrades, extensions, and other changes to the Licensed Software Contractor may develop; and (iii) Contractor will update the Licensed Software, as required, to cause it to operate under new versions or releases of the operating system specified in this Term Sheet and the Agreement so long as such updates, or Upgrades are made generally available to Contractor's other licensees.

6.1.2 **Changes in Operating System.** If City desires to obtain a version of the Licensed Software that operates under an operating system not specified in this Term Sheet and the Agreement, Contractor will provide City with the appropriate version of the Licensed Software, if available, on a ninety (90) day trial basis without additional charge, provided City has paid all maintenance and support charges then due. At the end of the ninety (90) day trial period, City must elect one of the following three options: (i) City may retain and continue the old version of the Licensed Software, return the new version to Contractor, and continue to pay the applicable rental or license fee and maintenance charges for the old version; (ii) City may retain and use the new version of the Licensed Software and return the old version to Contractor, provided City pays Contractor the applicable rental or license fee and maintenance charges for the new version of the Licensed Software; or (iii) City may retain and use both versions of the products, provided City pays Contractor the applicable rental or license fee and maintenance charges for both versions of the Licensed Software. City will promptly issue the necessary document(s) to accomplish the above.

6.2 During the term of this Term Sheet and the Agreement, Contractor will furnish Error, Defect or Malfunction correction in accordance with the Priority Categories listed below, based on the City's determination of the severity of the Error, Defect, or Malfunction and Contractor's reasonable analysis of the priority of the Error, Defect, or Malfunction.

6.2.1 **Priority 1:** An Error, Defect, or Malfunction that renders the Software inoperative, or causes the Software to fail catastrophically.

6.2.2 **Priority 2:** An Error, Defect, or Malfunction that substantially degrades the performance of the Software, but does not prohibit the City's use of the Software.

6.2.3 **Priority 3:** An Error, Defect, or Malfunction that causes only a minor impact on the use of the Software.

6.3 Contractor will furnish Error, Defect, or Malfunction correction in accordance with the following protocols:

**6.3.1 Priority 1 Protocol:** Within two hours, Contractor assigns a product technical specialist(s) to diagnose and correct the Error, Defect, or Malfunction; thereafter, Contractor shall provide ongoing communication about the status of the correction; shall proceed to immediately provide a Fix, a Patch, or a Workaround; and exercise all commercially reasonable efforts to include a Fix or Patch for the Error, Defect, or Malfunction in the next Subsequent Release. Contractor will escalate resolution of the problem to personnel with successively higher levels of technical expertise until the Error, Defect, or Malfunction is corrected.

**6.3.2 Priority 2 Protocol:** Within four hours, Contractor assigns a product technical specialist(s) to diagnose the Error, Defect, or Malfunction and to commence correction of the Error, Defect, or Malfunction; to immediately provide a Workaround; to provide escalation procedures as reasonably determined by Contractor's staff; and to exercise all commercially reasonable efforts to include a Fix or Patch for the Error, Defect, or Malfunction in the next Software maintenance release.

**6.3.3 Priority 3 Protocol:** Contractor may include a Fix or Patch in the next Software major release.

**6.3.4 Hotline Support.** Contractor shall provide remote access hotline support to City to help City answer routine questions with respect to the use of the Software. Contractor also shall provide remote access hotline support to City to initiate resolution of Priority 1 and Priority 2 Errors, Defects, and Malfunctions. Hotline support shall be made available by phone between the hours of 8 a.m. and 6 p.m. Pacific time Monday through Friday, except legal holidays. Hotline support shall be available by electronic bulletin board, electronic mail, or other service 24-hours a day, seven-days a week. Responses to questions posted by electronic means will be made within the time frame established under Priority Protocols for an Error, Defect, or Malfunction in a Software Product.

## **Article 7 Indemnity**

**7.1 Infringement Indemnification.** If notified promptly in writing of any judicial action brought against City based on an allegation that City's use of the Licensed Software infringes a patent, copyright, or any right of a third party or constitutes misuse or misappropriation of a trade secret or any other right in intellectual property (Infringement), Contractor will hold City harmless and defend such action at its own expense. Contractor will pay the costs and damages awarded in any such action or the cost of settling such action, provided that Contractor shall have sole control of the defense of any such action and all negotiations or its settlement or compromise. If notified promptly in writing of any informal claim (other than a judicial action) brought against City based on an allegation that City's use of the Licensed Software constitutes Infringement, Contractor will pay the costs associated with resolving such claim and will pay the settlement amount (if any), provided that Contractor shall have sole control of the resolution of any such claim and all negotiations for its settlement.

In the event a final injunction is obtained against City's use of the Licensed Software by reason of Infringement, or in Contractor's opinion City's use of the Licensed Software is likely to become the subject of Infringement, Contractor may at its option and expense: (a) procure for City the right to continue to use the Licensed Software as contemplated hereunder, (b) replace

the Licensed Software with a non-infringing, functionally equivalent substitute Licensed Software, or (c) suitably modify the Licensed Software to make its use hereunder non-infringing while retaining functional equivalency to the unmodified version of the Licensed Software. If none of these options is reasonably available to Contractor, then the Agreement may be terminated at the option of either Party hereto and Contractor shall refund to City all amounts paid under this Term Sheet and the accompanying Purchase Order for the license of such infringing Licensed Software. Any unauthorized modification or attempted modification of the Licensed Software by City or any failure by City to implement any improvements or updates to the Licensed Software, as supplied by Contractor, shall void this indemnity unless City has obtained prior written authorization from Contractor permitting such modification, attempted modification, or failure to implement. Contractor shall have no liability for any claim of Infringement based on City's use or combination of the Licensed Software with products or data of the type for which the Licensed Software was neither designed nor intended to be used.

## **Article 8      Survival**

**8.1      Disposition of Licensed Software on Termination.** Upon termination of this Term Sheet for any reason other than as provided for in Section 4.1 ("Grant of License"), if the term of the Software License City has paid for is other than perpetual, City shall immediately: (i) return the Licensed Software to Contractor together with all Documentation; (ii) purge all copies of the Licensed Software or any portion thereof from all CPUs and from any computer storage medium or device on which City has placed or permitted others to place the Licensed Software; and (iii) give Contractor written certification that through its best efforts and to the best of its knowledge, City has complied with all of its obligations under this Section 8.1.

**8.2      Rights and Duties upon Termination or Expiration.** This Section and the following Sections of this Term Sheet listed below, shall survive termination or expiration of this Term Sheet and the Agreement:

4.1	Grant of License
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## **City and County of San Francisco Technology Marketplace Software as a Service Term Sheet**

This Software as a Service (“SaaS”) Term Sheet (“Term Sheet”) is attached, and incorporated as though fully set forth therein, to each Purchase Order for SaaS and Services issued under the OCA Technology Marketplace Master Agreement (“Agreement”). Capitalized terms used in this Term Sheet that are not otherwise defined have the meanings given them in the Agreement.

Now, THEREFORE, the parties agree as follows:

### **Article 1 Definitions**

The following definitions apply to this Term Sheet:

1.1 “Acceptance” means notice from the City to Contractor that the SaaS Application meets the specifications and requirements contained in the Documentation and Agreement. City’s Acceptance shall be governed by the procedures set forth in Section 4.3.

1.2 “Acceptance Period” means the period allocated by City to test the SaaS Application to determine whether it conforms to the applicable specifications and, if appropriate, properly operates in the defined operating environment, is capable of running on a repetitive basis, and is otherwise in compliance with the service level obligations without failure.

1.3 “Agreement” means the Agreement to which this Term Sheet is attached and incorporated and this Term Sheet, including all attached appendices, and all applicable City Ordinances and Mandatory City Requirements, which are specifically incorporated into this Term Sheet by reference as provided herein.

1.4 “Authorized Users” means a person authorized by City to access the City’s Portal and use the SaaS Application, including any City employee, contractor or agent, or any other individual or entity authorized by City.

1.5 “Back-Up Environment” means Contractor’s back-up Data Center for the SaaS Services.

1.6 “City” or “the City” means the City and County of San Francisco, a municipal corporation, acting by and through both its Director of the Office of Contract Administration or the Director’s designated agent, hereinafter referred to as “Purchasing” and the requesting department.

1.7 “City Data” or “the City Data” means that data as described in Article 7 of this Term Sheet which includes, without limitation, all data collected, used, maintained, processed, stored, or generated by or on behalf of the City in connection with this Term Sheet, including data resulting from use of the SaaS Service. City Data includes, without limitation, Confidential Information.

1.8 “City Portal” means an electronic gateway to a secure entry point via Contractor’s Website that allows City and its Authorized Users to log in to an area where they can view and download information or request assistance regarding the SaaS Application and Services.

1.9 “City’s Project Manager” means the individual specified by the City pursuant to Section 4.2.1 hereof, as the Project Manager authorized to administer this Term Sheet on the City’s behalf.

1.10 “CMD” means the Contract Monitoring Division of the City.

1.11 “Confidential Information” means confidential City information including, but not limited to, Personal Identifiable Information (“PII”), protected health information (“PHI”), or individual financial information (collectively, “Proprietary or Confidential Information”) that is subject to local, state, or federal laws restricting the use and disclosure of such information. These laws include, but are not limited to, Article 1, Section 1 of the California Constitution; the California Information Practices Act/California Consumer Privacy Act (Civil Code § 1798 et seq.); the California Confidentiality of Medical Information Act (Civil Code § 56 et seq.); the federal Gramm-Leach-Bliley Act (15 U.S.C. §§ 6801(b) and 6805(b)(2)); the privacy and information security aspects of the Administrative Simplification provisions of the federal Health Insurance Portability and Accountability Act (45 CFR Part 160 and Subparts A, C, and E of part 164); and San Francisco Administrative Code Chapter 12M. Confidential Information includes, without limitation, City Data.

1.12 “Contractor” shall mean the Contractor with whom the City has entered into the Agreement and the entity to whom a Purchase Order is hereby issued for the purchase of SaaS and Services.

1.13 “Contractor Project Manager” means the individual specified by Contractor pursuant to Section 4.2.1 hereof, as the Project Manager authorized to administer this Term Sheet and the Agreement on Contractor’s behalf.

1.14 “Contractor’s Website” means the Website that provides Authorized User access to the SaaS Application Services.

1.15 “Data Breach” means any access, destruction, loss, theft, use, modification, or disclosure of City Data by an unauthorized party or that is in violation of this Term Sheet and the Agreement terms and/or applicable local, state, or federal law.

1.16 “Data Center(s)” means a physical location within the United States where Contractor (or its subcontractor) houses and operates the hardware (including computer servers, routers, and other related equipment) on which Contractor hosts on the Internet the SaaS Application and City Data pursuant to this Term Sheet and the Agreement.

1.17 “Deliverables” means Contractor’s work product resulting from the Services provided by Contractor to City during the course of Contractor’s performance of this Term Sheet and the Agreement, including without limitation, the work product described in the Purchase Order and Corresponding Documents.

1.18 “Deliverable Data” means Project Data that is identified in Appendix A to this Term Sheet, the Agreement, and/or accompanying Purchase Orders, and required to be delivered to the City.

1.19 “Disabling Code” means computer instructions or programs, subroutines, code, instructions, data, or functions (including but not limited to viruses, worms, and date bombs or time bombs) including, but not limited to, other programs, data storage, computer libraries, and programs that self-replicate without manual intervention; instructions programmed to activate at

a predetermined time or upon a specified event; and/or programs purporting to do a meaningful function, but designed for a different function, that alter, destroy, inhibit, damage, interrupt, interfere with or hinder the operation of the City's access to the SaaS Services through Contractor's Website and/or Authorized User's processing environment, the system in which it resides, or any other software or data on such system or any other system with which it is capable of communicating.

1.20 "Documentation" means technical publications provided by Contractor to City relating to use of the SaaS Application, such as reference, administrative, maintenance, and programmer manuals.

1.21 "End Users" means any Authorized User who accesses Contractor's Website and uses the SaaS Application and Services.

1.22 "Internet" means that certain global network of computers and devices commonly referred to as the "internet," including, without limitation, the World Wide Web.

1.23 "Mandatory City Requirements" means those City laws set forth in the San Francisco Municipal Code, including the duly authorized rules, regulations, and guidelines implementing such laws, which impose specific duties and obligations upon Contractor.

1.24 "Open Source Software" means software with either freely obtainable source code, a license for modification, or permission for free distribution.

1.25 "Party" or "Parties" means, respectively, the City and Contractor either individually or collectively.

1.26 "Performance Credit" means credit due to City by Contractor with regard to Contractor's service level obligations in appendices to this Term Sheet, the Agreement, and/or accompanying Purchase Orders.

1.27 "Personal Identifiable Information (PII)" means any information about an individual, including information that can be used to distinguish or trace an individual's identity, such as name, social security number, date and place of birth, mother's maiden name, or biometric records; and any other information that can reasonably be linked to an individual, such as medical, educational, financial, and employment information.

1.28 "Precedence" means that, notwithstanding the terms of any other document executed by the Parties as a part of this Term Sheet and the Agreement, the terms of this Term Sheet and the Agreement shall control over any discrepancy, inconsistency, gap, ambiguity, or conflicting terms set forth in any other Contractor pre-printed document.

1.29 "Project Data" means data that is first produced in the performance of this Term Sheet and the Agreement.

1.30 "Purchase Order" means the accompanying Purchase Order and any other corresponding documents ("Corresponding Documents") in response to a request for quote by City for the SaaS Services described in the Purchase Order. The Purchase Order is issued by City to Contractor pursuant to this Term Sheet and the Agreement. The Purchase Order and all Corresponding Documents are incorporated into this Term Sheet as though fully set forth herein.

1.31 "SaaS Application/SaaS Software/Software" means the licensed and hosted computer program and associated documentation, as listed in this Term Sheet and the Agreement

and/or accompanying Purchase Orders, and any modification, Upgrades or modifications to the program(s), residing in Contractor's servers that provides the SaaS Services that may be accessed by Authorized Users through the Internet. The SaaS Application may include Contractor provided Third-Party Software. All Software, revisions, and versions provided by Contractor shall be subject to the terms and conditions of this Term Sheet and the Agreement, including any amendments thereto.

1.32 "SaaS Application Patch" means an update to the SaaS Application comprised of code inserted (or patched) into the code of the SaaS Application, and which may be installed as a temporary fix between full releases of a SaaS Software Revision or SaaS Software Version. Such a patch may address a variety of issues including, without limitation, fixing a Software bug, installing new drivers, addressing new security vulnerabilities, addressing software stability issues, and upgrading the Software. SaaS Application Patches are included in the annual payments made by City to Contractor for the SaaS Services under this Term Sheet and the Agreement.

1.33 "SaaS Implementation and Training Services" means the services by which Contractor will implement all necessary Software configurations and modules necessary to make the SaaS Application available and accessible to City.

1.34 "SaaS Issue" means a problem with the SaaS Services identified by the City that requires a response by Contractor to resolve.

1.35 "SaaS Maintenance Services" means the activities to investigate, resolve SaaS Application and Services issues, and correct product bugs arising from the use of the SaaS Application and Services in a manner consistent with the published specifications and functional requirements defined during implementation.

1.36 "SaaS Services" means the Services performed by Contractor to host the SaaS Application to provide the functionality listed in the Documentation.

1.37 "SaaS Severity Level" means a designation of the effect of a SaaS Issue on the City. The severity of a SaaS Issue is initially defined by the City and confirmed by Contractor. Until the SaaS Issue has been resolved, the Severity Level may be raised or lowered based on Contractor's analysis of impact to business.

1.38 "SaaS Software Error" means any failure of SaaS Software to conform in all material respects to the requirements of this Term Sheet and the Agreement or Contractor's published specifications.

1.39 "SaaS Software Error Correction" means either a modification or addition that, when made or added to the SaaS Software, brings the SaaS Software into material conformity with the published specifications, or a procedure or routine that, when observed in the regular operation of the SaaS Software, avoids the practical adverse effect of such nonconformity.

1.40 "SaaS Software Revision" means an update to the current SaaS Software Version of the SaaS Software code that consists of minor enhancements to existing features and code corrections. SaaS Software Revisions are provided and included with the annual service payments made by City to Contractor for the SaaS Service.

1.41 "SaaS Software Version" means the base or core version of the SaaS Software that contains significant new features and significant fixes and is available to the City. SaaS

Software Versions may occur as the SaaS Software architecture changes or as new technologies are developed. The nomenclature used for updates and upgrades consists of major, minor, build, and fix and these correspond to the following digit locations of a release, a, b, c, d, an example of which would be NCC 7.4.1.3, where the 7 refers to the major release, the 4 refers to the minor release, the 1 refers to the build, and the 4 refers to a fix. All SaaS Software Versions are provided and included as part of this Term Sheet and the Agreement upon request or approval from City for the upgrade.

1.42 “Scheduled SaaS Maintenance” means the time (in minutes) during the month, as measured by Contractor, in which access to the SaaS Services is scheduled to be unavailable for use by the City due to planned system maintenance and major version upgrades.

1.43 “Services” means the work performed by Contractor pursuant to accompanying Purchase Orders, Corresponding Documents, this Term Sheet, and the Agreement including all services, labor, supervision, materials, equipment, actions, and other requirements to be performed and furnished by Contractor under this Term Sheet and the Agreement.

1.44 “Successor Service Provider” means a new service provider, if any, selected by City in the event the SaaS Services are terminated under this Term Sheet and the Agreement.

1.45 “Term Sheet” means this document, the accompanying Purchase Order, all attached exhibits, and all applicable City Ordinances and Mandatory City Requirements in the Agreement between City and Contractor that are specifically incorporated into this Term Sheet by reference as provided herein.

1.46 “Third-Party Software” means the software described in the Agreement and/or accompanying Purchase Orders.

1.47 “Transition Services” means that assistance reasonably requested by City to affect the orderly transition of the SaaS Services, in whole or in part, to City or to Successor Service Provider.

## **Article 2 Term of the Term Sheet**

2.1 **Term.** The term of this Term Sheet shall reflect the term of the SaaS Services set forth in the accompanying Purchase Order and Corresponding Documents, unless earlier terminated in accordance with the provisions of this Term Sheet or the Agreement.

## **Article 3 Financial Matters**

3.1 **Calculation of Charges.** Contractor shall provide an invoice to City on a monthly basis for Goods delivered and/or Services completed in the immediately preceding month, unless a different schedule is set out in the accompanying Purchase Order and Corresponding Documents.

3.1.1 **SaaS Implementation and Training Services.** The breakdown of costs associated with the SaaS Implementation and Training Services appear in the accompanying Purchase Order and Corresponding Documents. In no event shall the amount for SaaS Implementation and Training Services under this Agreement exceed the amount stated in the accompanying Purchase Order.

**3.1.2 SaaS Application and Hosted Services.** The breakdown of costs associated with the SaaS Application and Hosted Services appear in the accompanying Purchase Order and Corresponding Documents. In no event shall the amount for SaaS Application and Hosted Services under this Term Sheet and the Agreement exceed the amount stated in the Purchase Order. If there is an increase in annual SaaS Application and Hosted Services charges, Contractor shall give City written notice of such increase at least thirty (30) days prior to the expiration of the applicable SaaS Application and Hosted Services period. If not stated in the accompanying Purchase Order, annual SaaS Application and Hosted Services charges shall not increase more than five percent (5%) of the rate of the year immediately prior to such increase.

#### **Article 4 SaaS Services and Resources**

**4.1 SaaS Licensed Software.** Subject to the terms and conditions of this Term Sheet and the Agreement, Contractor hereby grants City and Authorized Users a renewable, irrevocable, non-exclusive, royalty-free, and worldwide license to access, display, and execute the SaaS Application and SaaS Services during the Term of this Term Sheet and the Agreement and any renewals thereof, if any.

**4.1.1 Click-Wrap Disclaimer.** No “click to accept” agreement that may be required for the City and/or Authorized Users’ access to the SaaS Services or Contractor’s Website and no “terms of use” or “privacy policy” referenced therein or conditioned for use of the SaaS Services or Contractor’s Website shall apply. Only the provisions of this Term Sheet and the Agreement as amended from time to time shall apply to City and/or Authorized Users for access thereto and use thereof. The Parties acknowledge that City and/or each Authorized User may be required to click “Accept” as a condition of access to the SaaS Services through Contractor’s Website, but the provisions of such “click to accept” agreement and other terms (including Terms of Use and Privacy Policy) referenced therein shall be null and void for City and/or each such Authorized User. The foregoing does not apply to the City’s own click-wrap agreements in the event the City chooses to have Contractor include terms of use, terms of service, privacy policies, or similar requirements drafted and approved by the City.

**4.1.2 SaaS Application Title.** City acknowledges that title to each SaaS Application and SaaS Services shall at all times remain with Contractor, and that City has no rights in the SaaS Application or SaaS Services except those expressly granted by this Term Sheet and the Agreement.

**4.1.3 Authorized APIs.** City shall be permitted to access and use Contractor’s SaaS Application Program Interfaces (APIs) when commercially available to develop and modify, as necessary, macros, and user interfaces for use with any existing or future City systems and infrastructure. For purposes of this Term Sheet and the Agreement, such development shall be deemed an authorized modification but will not be supported by Contractor unless provided for in this Term Sheet and the Agreement. Functionality and compatibility of City developed macros will be sole responsibility of City. Any such macros or user interfaces developed by City shall become the property of City. All flat-file exchanges will be over an encrypted file transport service (ftps/vsftpd/scp/sftp) to a secure private ftp site.

**4.1.4 Proprietary Markings.** City agrees not to remove or destroy any proprietary markings or proprietary legends placed upon or contained within the SaaS Application or any related materials or Documentation.

#### 4.2 **Project Managers; Services Contractor Agrees to Perform.**

4.2.1 **Project Managers.** Contractor and City shall each designate a Project Manager, who shall be accessible by telephone throughout the duration of this Term Sheet and the Agreement and shall be available 9 a.m. to 5 p.m. (Pacific Standard Time), Monday through Friday, excluding City-designated holidays. These hours may be adjusted by mutual agreement of City and Contractor. Contractor shall use its best efforts to maintain the same Project Manager throughout the duration of this Term Sheet and the Agreement. However, if Contractor needs to replace its Project Manager, Contractor shall provide City with written notice thereof at least forty-five (45) days prior to the date the Project Manager shall be replaced. Notwithstanding the foregoing, Contractor will have the right to appoint temporary Project Managers in connection with short term unavailability, sick leave or reasonable vacations. Contractor shall notify City in advance of any such temporary appointments. City may require Contractor to replace its Project Manager, by giving Contractor notification thereof and City's objective reasons therefor.

4.2.2 **Services Contractor Agrees to Perform.** During the Term of this Term Sheet and the Agreement, Contractor will perform all of the Services set forth in this Term Sheet, the Agreement and/or accompanying Purchase Orders and the following:

(a) Provide telephone support for Authorized Users in the operation of the SaaS Application and Services.

(b) **Maintenance and Support.** Contractor shall provide Maintenance/Support in accordance with this Term Sheet, the Agreement, and/or accompanying Purchase Orders. Maintenance and Support Services include the provision of upgrades and a service desk, during the term of this Term Sheet and the Agreement for the SaaS Application(s).

(c) **Hosting.** Contractor shall provide hosting in accordance with Appendix A of this Term Sheet, including the following:

(i) **Hosting Infrastructure.** Contractor shall provide all hosting infrastructure, including, but not limited to, hardware, software and other equipment, at Contractor's hosting site as required to provide hosting and deliver the SaaS Application and Services.

(ii) **Security.** Contractor shall ensure that all electronic transmission or exchange of City Data will be encrypted using current industry standards. Contractor shall also ensure that all data exchanged shall be used expressly and solely for the purposes stated in this Term Sheet and the Agreement. City Data shall not be distributed, repurposed, or shared across other applications, environments, or business units of Contractor not involved in administration of this Term Sheet and the Agreement, unless otherwise permitted in this Term Sheet and the Agreement. Remote access to view City data by Contractor for development and technical support purposes from outside the United States is allowed as long as City Data remains hosted solely on systems residing in the continental United States.

(iii) **Access.** Contractor shall provide Authorized Users 24/7 access to the SaaS Application(s).

(iv) **Disaster Recovery and Business Continuity.** Contractor shall provide Disaster Recovery Services and assist with Business Continuity as described in Section 8.4 and Appendix C of this Term Sheet.

(d) **Service Level Obligations.** Contractor shall comply with the support (24/7 service desk) and Service Level Obligations described in Appendix D of this Term Sheet.

#### 4.3 **Acceptance Testing; Document Delivery; Training.**

4.3.1 After City has obtained access to the SaaS Application and Services, and subsequent to each SaaS Software Version upgrade, revision and patch, City and Contractor shall conduct user Acceptance testing as outlined in this Term Sheet, the Agreement and accompanying Purchase Orders to verify that the SaaS Application and Services substantially conform to the specifications and City's requirements contained therein. In the event that the City determines that the SaaS Services do not meet such specifications, the City shall notify Contractor in writing, and Contractor shall modify or correct the SaaS Services so that it satisfies the Acceptance criteria. The date of Acceptance will be that date upon which City provides Contractor with written notice of satisfactory completion of Acceptance testing. If City notifies Contractor after the Acceptance Testing Period that the SaaS Services do not meet the Acceptance criteria outlined in this Term Sheet, the Agreement and accompanying Purchase Orders, then City shall be entitled to terminate the Purchase Order(s) in accordance with the procedures specified in the Agreement, and shall be entitled to a full refund of any fees paid as part of this Term Sheet and the Agreement prior to termination.

4.3.2 **Document Delivery.** Contractor will deliver completed Documentation in electronic format for the SaaS Application and Services at the time it gives City access to the SaaS Application and Services. The Documentation will accurately and completely describe the functions and features of the SaaS Application and Services, including all subsequent revisions thereto. The Documentation shall be understandable by a typical end user and shall provide Authorized Users with sufficient instruction such that an Authorized User can become self-reliant with respect to access and use of the SaaS Application and Services. City shall have the right to make any number of additional copies of the Documentation at no additional charge. The City may withhold its issuance of the notice of final Acceptance until City receives the completed Documentation.

4.3.3 **Warranty.** Contractor warrants to City that the Services will be performed with the degree of skill and care that is required by current, good, and sound professional procedures and practices, and in conformance with generally accepted professional standards prevailing at the time the Services are performed so as to ensure that all Services performed are correct and appropriate for the purposes contemplated in this Term Sheet.

4.3.4 **Subcontracting.** Notwithstanding Section 4.5.2 of the Agreement, all Subcontracts must incorporate the terms of Article 7 "Data and Security" of this Term Sheet, unless inapplicable.

### **Article 5 Indemnity and Warranties**

5.1 **Infringement Indemnification.** If notified promptly in writing of any judicial action brought against City based on an allegation that City's use of the SaaS Application and Services infringes a patent, copyright, or any right of a third party or constitutes misuse or misappropriation of a trade secret or any other right in intellectual property (Infringement), Contractor will hold City harmless and defend such action at its own expense. Contractor will



pay the costs and damages awarded in any such action or the cost of settling such action, provided that Contractor shall have sole control of the defense of any such action and all negotiations or its settlement or compromise, only if Contractor accepts the defense and hold harmless requirements without reservation, and provided, however, that Contractor shall not agree to any injunctive relief or settlement that obligates the City to perform any obligation, make an admission of guilt, fault or culpability, or incur any expense, without City's prior written consent, which shall not be unreasonably withheld or delayed. If notified promptly in writing of any informal claim (other than a judicial action) brought against City based on an allegation that City's use of the SaaS Application and/or Services constitutes Infringement, Contractor will pay the costs associated with resolving such claim and will pay the settlement amount (if any), provided that Contractor shall have sole control of the resolution of any such claim and all negotiations for its settlement, only if Contractor accepts the defense and hold harmless requirements without reservation, and provided, however, that Contractor shall not agree to any injunctive relief or settlement that obligates the City to perform any obligation, make an admission of guilt, fault or culpability, or incur any expense, without City's prior written consent, which shall not be unreasonably withheld or delayed. In the event a final injunction is obtained against City's use of the SaaS Application and Services by reason of Infringement, or in Contractor's opinion City's use of the SaaS Application and Services is likely to become the subject of Infringement, Contractor may at its option and expense: (a) procure for City the right to continue to use the SaaS Application and Services as contemplated hereunder, (b) replace the SaaS Application and Services with a non-infringing, functionally equivalent substitute SaaS Application and Services, or (c) suitably modify the SaaS Application and Services to make its use hereunder non-infringing while retaining functional equivalency to the unmodified version of the SaaS Application and Services. If none of these options is reasonably available to Contractor, then this Term Sheet and accompanying Purchase Order may be terminated at the option of either Party hereto and Contractor shall refund to City all amounts paid under this Term Sheet and accompanying Purchase Order for the license of such infringing SaaS Application and/or Services. Any unauthorized modification or attempted modification of the SaaS Application and Services by City or any failure by City to implement any improvements or updates to the SaaS Application and Services, as supplied by Contractor, shall void this indemnity unless City has obtained prior written authorization from Contractor permitting such modification, attempted modification, or failure to implement. Contractor shall have no liability for any claim of Infringement based on City's use or combination of the SaaS Application and Services with products or data of the type for which the SaaS Application and Services was neither designed nor intended to be used, unless City has obtained prior written authorization from Contractor permitting such use.

## 5.2 Warranties of Contractor.

5.2.1 **Warranty of Authority; No Conflict.** Each Party warrants to the other that it is authorized to enter into this Term Sheet and the Agreement and that its performance of this Term Sheet and the Agreement will not conflict with any other agreement.

5.2.2 **Warranty of Performance.** Contractor warrants that when fully implemented, the SaaS Application to be configured and provided under this Term Sheet and the Agreement shall perform in accordance with the specifications applicable thereto. With respect to all Services to be performed by Contractor under this Term Sheet and the Agreement, Contractor warrants that it will use reasonable care and skill. All services shall be performed in a

professional, competent, and timely manner by Contractor personnel appropriately qualified and trained to perform such services. In the event of a breach of the foregoing warranty relating to any service under this Term Sheet and the Agreement within twelve (12) months from the date of provision of such services, Contractor shall, at its sole cost and expense, re-perform such services.

**5.2.3 Compliance with Description of Services.** Contractor represents and warrants that the SaaS Application and Services specified in this Term Sheet and the Agreement and all updates and improvements to the SaaS Application and Services will comply in all material respects with the specifications and representations specified in the Documentation (including performance, capabilities, accuracy, completeness, characteristics, specifications, configurations, standards, functions, and requirements) as set forth (i) herein or in any amendment hereto, and (ii) the updates thereto.

**5.2.4 Title.** Contractor represents and warrants to City that it is the lawful owner or license holder of all Software, materials, and property identified by Contractor as Contractor-owned and used by it in the performance of the SaaS Services contemplated hereunder and has the right to permit City access to or use of the SaaS Application and Services and each component thereof. To the extent that Contractor has used Open Source Software (“OSS”) in the development of the SaaS Application and Services, Contractor represents and warrants that it is in compliance with any applicable OSS license(s) and is not infringing.

**5.2.5 Disabling Code.** Contractor represents and warrants that the SaaS Application and Services, and any information, reports or other materials provided to Authorized Users as a result of the operation of the SaaS Application and Services, including future enhancements and modifications thereto, shall be free of any Disabling Code.

**5.2.6 Warranty of Suitability for Intended Purpose.** Contractor warrants that the SaaS Application and Services will be suitable for the intended purpose of this Term Sheet and the Agreement.

## **Article 6 Termination; Disposition of Content; Survival**

**6.1 Termination for Cause and/or Convenience.** City shall have the right, without further obligation or liability to Contractor:

**6.1.1** To immediately terminate this Term Sheet and the accompanying Purchase Order if Contractor commits any breach of this Term Sheet and the accompanying Purchase Order or default (see Section 8.2 of the Agreement) and fails to remedy such breach or default within ten (10) days after written notice by City of such breach (“ten (10) day cure period”), in which event, Contractor shall refund to City all amounts paid under this Term Sheet and the accompanying Purchase Order for the SaaS Application and/or Services in the same manner as if City ceased to use the SaaS Application due to infringement under Section 5.1 of this Term Sheet. At City’s sole election, the ten (10) day cure period will *not* apply to termination for data breach and/or breach of confidentiality; or

**6.1.2** To terminate this Term Sheet and the accompanying Purchase Order upon thirty (30) days prior written notice for City’s convenience and without cause, provided that except for termination due to an uncured breach as set forth in this Section and in the event of

Infringement, City shall not be entitled to a refund of any amounts previously paid under this Term Sheet and the accompanying Purchase Order.

**6.2 Bankruptcy.** In the event that Contractor shall cease conducting business in the normal course, become insolvent, make a general assignment for the benefit of creditors, suffer or permit the appointment of a receiver for its business or assets or shall avail itself of, or become subject to, any proceeding under the Federal Bankruptcy Act or any other statute of any state relating to insolvency or the protection of rights of creditors, then at City's option this Term Sheet and the Agreement shall terminate and be of no further force and effect. Upon termination of this Term Sheet and the accompanying Purchase Order pursuant to this Section, Contractor shall within forty-eight (48) hours return City's Data in an agreed-upon machine readable format. Once Contractor has received written confirmation from City that City's Data has been successfully transferred to City, Contractor shall within thirty (30) calendar days clear, purge, or physically destroy all City Data from its hosted servers or files, and provide City with written certification within five (5) calendar days that such clear, purge, and/or physical destruction has occurred. Secure disposal shall be accomplished by "clearing," "purging," or "physical destruction" in accordance with National Institute of Standards and Technology (NIST) Special Publication 800-88 or most current industry standard.

**6.3 Transition Services and Disposition of City Data.** Notwithstanding anything to the contrary set forth in the accompanying Purchase Order and Corresponding Documents, upon expiration or termination of the SaaS Services under this Term Sheet:

**6.3.1** Contractor may immediately discontinue the SaaS Services and City shall immediately cease accessing the SaaS Application and Services. Contractor shall within five (5) calendar days of the expiration or termination of the SaaS Services return City's data in an agreed-upon machine readable format. This provision shall also apply to all City Data that is in the possession of subcontractors, agents, or auditors of Contractor. Such data transfer shall be done at no cost to the City. Once Contractor has received written confirmation from City that City's Data has been successfully transferred to City, Contractor shall within thirty (30) calendar days clear, purge, or physically destroy all City Data from its hosted servers or files, and provide City with written certification within five (5) calendar days that such clear or purge, and/or physical destruction has occurred. Secure disposal shall be accomplished by "clearing," "purging", or "physical destruction" in accordance with National Institute of Standards and Technology (NIST) Special Publication 800-88 or most current industry standard.

**6.3.2** Contractor shall provide to City and/or Successor Service Provider assistance requested by City to affect the orderly transition of the SaaS Services, in whole or in part, to City or to Successor Service Provider. During the transition period, SaaS and City Data access shall continue to be made available to City without alteration. Such Transition Services shall be provided on a time and materials basis if the City opts to return to its own servers or City chooses a Successor Service Provider. Transition costs may include: (a) developing a plan for the orderly transition of the terminated SaaS Services from Contractor to Successor Service Provider; (b) if required, transferring the City Data to Successor Service Provider; (c) using commercially reasonable efforts to assist City in acquiring any necessary rights to legally and physically access and use any third-party technologies and documentation then being used by Contractor in connection with the Services; (d) using commercially reasonable efforts to make available to City, pursuant to mutually agreeable terms and conditions, any third-party services then being used by Contractor in connection with the SaaS Services; and (e) such other activities

upon which the Parties may agree. Notwithstanding the foregoing, should City terminate this Term Sheet, City may elect to use the Services for a period of no greater than six (6) months from the date of termination at a reduced rate of twenty (20%) percent off of the then-current Services Fees for the terminated Services. All applicable terms and conditions of this Term Sheet shall apply to the Transition Services. This Section 6.3.2 shall survive the termination of this Term Sheet.

6.4 **Survival.** This Section and the following Sections of this Term Sheet listed below, shall survive termination or expiration of this Term Sheet and the Agreement:

6.5	Data Rights
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6.5 **Data Rights.**

6.5.1 Preexisting Data of each Party that will be included as a Deliverable under this Term Sheet and the Agreement will be identified in the Purchase Order and Corresponding Documents. Preexisting Data of the City may only be used by Contractor for purposes of the scope of work of this Term Sheet, unless such data is otherwise publicly available.

6.5.2 The City shall have the unrestricted right to use the Deliverable Data and delivered Project Data, including all Preexisting Data provided as a Deliverable under this Term Sheet and the Agreement.

## Article 7 Data and Security

7.1 **City Data.**

7.1.1 **Ownership of City Data.** The Parties agree that as between them, all rights, including all intellectual property rights, in and to the City Data and any derivative works of the City Data is the exclusive property of the City. Contractor warrants that the SaaS Application does not maintain, store, or export the City Data using a database structure, data model, entity relationship diagram, or equivalent.

7.1.2 **Use of City Data.** Contractor agrees to hold City Data received from, or created or collected on behalf of, the City in strictest confidence. Contractor shall not use or disclose City's Data except as permitted or required by this Term Sheet, the Agreement, or as otherwise authorized in writing by the City. Any work using or sharing, or storage of City's Data outside the United States is subject to prior written authorization by the City. Access to City's Confidential Information must be strictly controlled and limited to Contractor's staff assigned to this project on a need-to-know basis only. Contractor is provided a limited non-exclusive license to use the City Data solely for performing its obligations under the Agreement and not for Contractor's own purposes or later use. Nothing herein shall be construed to confer any license or right to the City Data, including user tracking and exception City Data within the system, by implication, estoppel or otherwise, under copyright or other intellectual property rights, to any third-party. Unauthorized use of City Data by Contractor, subcontractors, or other third-parties is prohibited. For purpose of this requirement, the phrase "unauthorized use" means the data mining or processing of data, stored or transmitted by the service, for unrelated commercial purposes, advertising or advertising-related purposes, or for any purpose that is not explicitly authorized other than security or service delivery analysis.

**7.1.3 Access to and Extraction of City Data.** City shall have access to City Data twenty-four (24) hours a day, seven (7) days a week. The SaaS Application shall be capable of creating a digital, reusable copy of the City Data, in whole and in parts, as a platform independent and machine-readable file. Such file formats include, without limitation, plain text files such as comma-delimited tables, extensible markup language, and javascript object notation. City Data that is stored in binary formats, including without limitation portable document format, JPEG, and portable network graphics files, shall instead be reproducible in the same format in which it was loaded into the SaaS Application. This reusable copy must be made available in a publicly documented and non-proprietary format, with a clearly-defined data structure and a data dictionary for all terms of art contained in the data. For purposes of this section, non-proprietary formats include formats for which royalty-free codecs are available to End Users. Contractor warrants that City shall be able to extract City Data from the SaaS Application on demand, but no later than twenty-four (24) hours of City's request, without charge and without any conditions or contingencies whatsoever (including but not limited to the payment of any fees to Contractor).

**7.1.4 Backup and Recovery of City Data.** As a part of the SaaS Services, Contractor is responsible for maintaining a backup of City Data and for an orderly and timely recovery of such data in the event of data corruption or interruption of the SaaS Services. Unless otherwise described in this Term Sheet, the Agreement and/or accompanying Purchase Orders, Contractor shall maintain a contemporaneous backup of City Data that can be recovered within the requirements in this Term Sheet and the Agreement and as outlined in this Term Sheet, the Agreement, and/or accompanying Purchase Orders and maintaining the security of City Data as further described herein. Contractor's backup of City Data shall not be considered in calculating storage used by City.

**7.1.5 Data Breach; Loss of City Data.** Notwithstanding anything to the contrary set forth in the Agreement and accompanying Purchase Orders, in the event of any Data Breach, act, SaaS Software Error, omission, negligence, misconduct, or breach that compromises or is suspected to compromise the security, confidentiality, or integrity of City Data or the physical, technical, administrative, or organizational safeguards put in place by Contractor that relate to the protection of the security, confidentiality, or integrity of City Data, Contractor shall, as applicable:

(a) Notify City immediately following discovery, but no later than twenty-four (24) hours, of becoming aware of such occurrence or suspected occurrence.

Contractor's report shall identify:

- (i) the nature of the unauthorized access, use, or disclosure;
- (ii) the Confidential Information accessed, used, or disclosed;
- (iii) the person(s) who accessed, used, disclosed, and/or received protected information (if known);
- (iv) what Contractor has done or will do to mitigate any deleterious effect of the unauthorized access, use, or disclosure; and
- (v) what corrective action Contractor has taken or will take to prevent future unauthorized access, use, or disclosure.

(b) In the event of a suspected Breach, Contractor shall keep the City informed regularly of the progress of its investigation until the uncertainty is resolved;

(c) Contractor shall coordinate with the City in its breach response activities including without limitation:

- (i) Immediately preserve any potential forensic evidence relating to the breach, and remedy the breach as quickly as circumstances permit;
- (ii) Promptly (within two (2) business days) designate a contact person to whom the City will direct inquiries, and who will communicate Contractor responses to City inquiries;
- (iii) As rapidly as circumstances permit, apply appropriate resources to remedy the breach condition, investigate, document, restore City service(s) as directed by the City, and undertake appropriate response activities;
- (iv) Provide status reports to the City on Data Breach response activities, either on a daily basis or a frequency approved by the City;
- (v) Make all reasonable efforts to assist and cooperate with the City in its Breach response efforts;
- (vi) Ensure that knowledgeable Contractor staff are available on short notice, if needed, to participate in City-initiated meetings and/or conference calls regarding the Breach; and
- (vii) Cooperate with City in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by City.

(d) In the case of personal identifiable information (PII) or protected health information (PHI), at City's sole election, (a) notify the affected individuals as soon as practicable but no later than is required to comply with applicable law, or, in the absence of any legally required notification period, within five (5) calendar days of the occurrence; or (b) reimburse City for any costs in notifying the affected individuals;

(e) In the case of PII, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the PII for the period required to comply with applicable law, or, in the absence of any legally required monitoring services, for no fewer than twenty-four (24) months following the date of notification to such individuals;

(f) Perform or take any other actions required to comply with applicable law as a result of the occurrence;

(g) Recreate lost City Data in the manner and on the schedule set by City without charge to City; and

(h) Provide to City a detailed plan within ten (10) calendar days of the occurrence describing the measures Contractor will undertake to prevent a future occurrence.

(i) Notification to affected individuals, as described above, shall comply with applicable law, be written in plain language, and contain (at the City's election) information that may include: name and contact information of Contractor's (or City's) representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps Contractor has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact information for major credit card reporting agencies; and, information regarding the credit and identity monitoring services to be provided by Contractor.

(j) Contractor shall retain and preserve City Data in accordance with the City's instruction and requests, including without limitation any retention schedules and/or litigation hold orders provided by the City to Contractor, independent of where the City Data is stored.

(k) City shall conduct all media communications related to such Data Breach, unless in its sole discretion, City directs Contractor to do so.

## **7.2 Proprietary or Confidential Information.**

**7.2.1 Proprietary or Confidential Information of City.** Contractor understands and agrees that, in the performance of the work or Services under this Term Sheet and the Agreement may involve access to City Data that is Confidential Information. Contractor and any subcontractors or agents shall use Confidential Information only in accordance with all applicable local, state and federal laws restricting the access, use, and disclosure of Confidential Information and only as necessary in the performance of this Term Sheet and the Agreement. Contractor's failure to comply with any requirements of local, state, or federal laws restricting access, use, and disclosure of Confidential Information shall be deemed a material breach of this Term Sheet and the Agreement, for which City may terminate this Term Sheet and the Agreement. In addition to termination or any other remedies set forth in this Term Sheet and the Agreement or available in equity or law, the City may bring a false claim action against Contractor pursuant to Chapters 6 or 21 of the Administrative Code, or debar Contractor. Contractor agrees to include all of the terms and conditions regarding Confidential Information contained in this Term Sheet and the Agreement in all subcontractor or agency contracts providing Services under this Term Sheet and the Agreement.

**7.2.2 Obligation of Confidentiality.** Subject to San Francisco Administrative Code Section 67.24(e), any state open records or freedom of information statutes, and any other applicable laws, Contractor agrees to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, otherwise dispose of, give, or disclose such Confidential Information to third-parties other than its employees, agents, or authorized subcontractors who have a need to know in connection with this Term Sheet and the Agreement or to use such Confidential Information for any purposes whatsoever other than the performance of this Term Sheet and the Agreement. Contractor agrees to advise and require its respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential.

**7.2.3 Nondisclosure.** Contractor agrees and acknowledges that it shall have no proprietary interest in any proprietary or Confidential Information and will not disclose, communicate or publish the nature or content of such information to any person or entity, nor use, except in connection with the performance of its obligations under this Term Sheet and the Agreement or as otherwise authorized in writing by the disclosing Party, any of the Confidential Information it produces, receives, acquires, or obtains from the disclosing Party. Contractor shall take all necessary steps to ensure that the Confidential Information is securely maintained. Contractor's obligations set forth herein shall survive the termination or expiration of this Term Sheet and the Agreement. In the event Contractor becomes legally compelled to disclose any of the Confidential Information, it shall provide the City with prompt notice thereof and shall not divulge any information until the City has had the opportunity to seek a protective order or other appropriate remedy to curtail such disclosure. If such actions by the disclosing Party are unsuccessful, or the disclosing Party otherwise waives its right to seek such remedies, the receiving Party shall disclose only that portion of the Confidential Information that it is legally required to disclose.

**7.2.4 Litigation Holds.** Contractor shall retain and preserve City Data in accordance with the City's instruction and requests, including without limitation any retention schedules and/or litigation hold orders provided by the City to Contractor, independent of where the City Data is stored.

**7.2.5 Cooperation to Prevent Disclosure of Confidential Information.** Contractor shall use its best efforts to assist the City in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, Contractor shall advise the City immediately in the event Contractor learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Term Sheet and the Agreement, and Contractor will cooperate with the City in seeking injunctive or other equitable relief against any such person.

**7.2.6 Remedies for Breach of Obligation of Confidentiality.** Contractor acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to the City, which damage may be inadequately compensable in the form of monetary damages. Accordingly, City may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies that may be available, to include, at the sole election of City, the immediate termination of this Term Sheet and/or the Agreement, without liability to City.

**7.2.7 Surrender of Confidential Information upon Termination.** Upon termination of this Term Sheet and/or the Agreement, including but not limited to expiration of the term, early termination or termination for convenience, Contractor shall, within five (5) calendar days from the date of termination, return to City any and all Confidential Information received from the City, or created or received by Contractor on behalf of the City, which are in Contractor's possession, custody, or control. The return of Confidential Information to City shall follow the timeframe and procedure described further in this Term Sheet (Article 5).

**7.2.8 Data Security.** To prevent unauthorized access of City Data,

(a) Contractor shall at all times during the term of this Term Sheet and the Agreement provide and maintain up-to-date security with respect to (i) the Services,



(ii) Contractor's Website, (iii) Contractor's physical facilities, (iv) Contractor's infrastructure, and (v) Contractor's networks.

(b) Contractor shall provide security for its networks and all Internet connections consistent with industry best practices, and will promptly install all patches, fixes, upgrades, updates, and new versions of any security software it employs.

(c) Contractor will maintain appropriate safeguards to restrict access to City's Data to those employees, agents, or service providers of Contractor who need the information to carry out the purposes for which it was disclosed to Contractor.

(d) For information disclosed in electronic form, Contractor agrees that appropriate safeguards include electronic barriers (e.g., most current industry standard encryption for transport and storage, such as the National Institute of Standards and Technology's Internal Report 7977 or Federal Information Processing Standards [FIPS] 140-2 [Security Requirements for Cryptographic Modules] or FIPS-197 or successors, intrusion prevention/detection or similar barriers) and secure authentication (e.g., password protected) access to the City's Confidential Information and hosted City Data.

(e) For information disclosed in written form, Contractor agrees that appropriate safeguards include secured storage of City Data.

(f) City Data shall be encrypted at rest and in transit with controlled access.

(g) Contractor will establish and maintain any additional physical, electronic, administrative, technical, and procedural controls and safeguards to protect City Data that are no less rigorous than accepted industry practices (including, as periodically amended or updated, the International Organization for Standardization's standards: ISO/IEC 27001:2005 – Information Security Management Systems – Requirements and ISO-IEC 27002:2005 – Code of Practice for International Security Management, NIST Special Publication 800-53 Revision 4 or its successor, NIST Special Publication 800-18 or its successor, the Information Technology Library (ITIL) standards, the Control Objectives for Information and related Technology (COBIT) standards or other applicable industry standards for information security), and shall ensure that all such controls and safeguards, including the manner in which Confidential Information is collected, accessed, used, stored, processed, disposed of and disclosed, comply with applicable data protection and privacy laws, as well as the terms and conditions of this Term Sheet and the Agreement.

(h) Contractor warrants to the City compliance, in performing its obligations hereunder, with the following (as periodically amended or updated) as applicable:

- (i) The California Information Practices Act/California Consumer Privacy Act (Civil Code §§ 1798 et seq);
- (ii) The European General Data Protection Regulation (“GDPR”);
- (iii) Relevant security provisions of the Internal Revenue Service (IRS) Publication 1075, including the requirements that Data not traverse networks located outside of the United States;

- (iv) Relevant security provisions of the Payment Card Industry (PCI) Data Security Standard (PCI DSS), including the PCI DSS Cloud Computing Guidelines;
- (v) Relevant security provisions of the Social Security Administration (SSA) Document Electronic Information Exchange Security Requirement and Procedures for State and Local Agencies Exchanging Electronic Information with the Social Security Administration;
- (vi) Relevant security provisions of the Criminal Justice Services (CJIS) Security policy;
- (vii) Relevant security provisions of the Medi-Cal Privacy and Security Agreement between the California Department of Health Care Services and the County of San Francisco.

**7.2.9 Data Privacy and Information Security Program.** Without limiting Contractor's obligation of confidentiality as further described herein, Contractor shall establish and maintain a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that is designed to: (i) ensure the security and confidentiality of the City Data; (ii) protect against any anticipated threats or hazards to the security or integrity of the City Data; (iii) protect against unauthorized disclosure, access to, or use of the City Data; (iv) ensure the proper disposal of City Data; and (v) ensure that all of Contractor's employees, agents, and subcontractors, if any, comply with all of the foregoing.

**7.2.10 City's Right to Termination for Deficiencies.** City reserves the right, at its sole election, to immediately terminate this Term Sheet and the Agreement, without limitation and without liability, if City reasonably determines that Contractor fails or has failed to meet its obligations under this Article 7.

**7.2.11 Data Transmission.** Contractor shall ensure that all electronic transmission or exchange of system and application data with City and/or any other parties expressly designated by City shall take place via encrypted secure means (e.g. HTTPS, SFTP, or most current industry standard established by NIST). Contractor shall also ensure that all data exchanged shall be used expressly and solely for the purposes enumerated in this Term Sheet and the Agreement. Data shall not be distributed, repurposed or shared across other applications, environments, or business units of Contractor. Contractor shall ensure that no City Data of any kind shall be copied, modified, destroyed, deleted, transmitted, exchanged, or otherwise passed to other vendors or interested parties except on a case-by-case basis as specifically agreed to in writing by City. Contractor is prohibited from accessing City Data from outside the continental United States.

### **7.3 American Institute of Certified Public Accounts (AICPA) Audit Reports.**

**7.3.1** Contractor shall provide to City, on an annual basis, an SSAE 18, SOC 2, Type 2 Report, and an SSAE 18, SOC 1, Type 2 Audit Report, to be conducted by an independent third party ("Audit Reports") (if Contractor is using a hosting service provider, Contractor shall provide such Audit Reports it receives from its service provider or providers) as follows: (a) the Audit Reports shall include a 365 day (12-month) testing period; and (b) the Audit Reports shall be available to City no later than thirty (30) days after they are received by

Contractor. If Contractor receives a so-called “negative assurance opinion,” or the annual Audit Report finds a material data privacy or information security issue, Contractor shall notify City of such opinion within three (3) days of receipt by Contractor. Contractor shall implement reasonably required safeguards as identified by any audit of Contractor’s data privacy and information security program or promptly notify City in writing if Contractor is unable to implement mitigation measures to address the issue(s). Upon any such notification, City shall have the right, without further obligation or liability to Contractor, to terminate this Term Sheet and the Agreement. Any failure by Contractor to comply with this Section shall be a material breach of this Term Sheet and the Agreement.

**7.3.2 Audit of Contractor’s Policies.** Contractor agrees to make its policies, procedures and practices regarding Data Security available to City, if needed, and agrees that City reserves the rights including, but not limited to, making a site visit, scanning for malicious codes, and hiring a third-party to perform a security audit if City determines that the Audit Report is unsatisfactory.

**7.3.3 Information Security Audits.** Contractor must contract with an independent third party to perform yearly information security audits of their primary and backup Data Centers. The annual audits must include an outside penetration/vulnerability test, and internal penetration and vulnerability tests with the third-party directly on the internal network. The summary results of the audits must be shared with the City. All audit findings must be remedied.

**7.3.4 Audit Findings.** Contractor shall implement reasonably required safeguards as identified by City or by any audit of Contractor’s data privacy and information security program.

## **Article 8 Force Majeure**

**8.1 Liability.** No Party shall be liable for delay in the performance of its obligations under this Term Sheet if and to the extent such delay is caused, directly or indirectly, by: fire, flood, earthquake, elements of nature or acts of God, riots, civil disorders, or any other cause beyond the reasonable control of such Party (a “Force Majeure Event”). In the case of a Force Majeure Event, Contractor shall immediately commence disaster recovery services as described in Section 7.4 of this Term Sheet.

**8.2 Duration.** In a Force Majeure Event, the non-performing Party shall be excused from further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such Party continues to use its best efforts to recommence performance or observance whenever and to whatever extent possible without delay. Any Party so delayed in its performance shall immediately notify the Party to whom performance is due by telephone (to be confirmed in writing within two (2) days of the inception of such delay) and describe at a reasonable level of detail the circumstances causing such delay.

**8.3 Effect.** If a Force Majeure Event substantially prevents, hinders, or delays performance of the Services as critical for more than fifteen (15) consecutive days, then at City’s option: (i) City may terminate any portion of this Term Sheet and the accompanying Purchase Order so affected and the charges payable hereunder shall be equitably adjusted to reflect those terminated Services; or (ii) City may terminate this Term Sheet and the accompanying Purchase Order without liability to City or Contractor as of a date specified by City in a written notice of

termination to Contractor. Contractor shall not have the right to any additional payments from City for costs or expenses incurred by Contractor as a result of any force majeure condition that lasts longer than three (3) days.

8.4 **Disaster Recovery.** In the event of a disaster, as defined below, Contractor shall provide disaster recovery services in accordance with the provisions of the disaster recovery plan set forth in this Term Sheet, the Agreement, and/or accompanying Purchase Orders. Notwithstanding Section 8.1, a Force Majeure Event shall not excuse Contractor of its obligations for performing disaster recovery services as provided in this Section. In the event that a disaster occurs and Contractor fails to restore the hosting services within twenty-four (24) hours of the initial disruption to Services, City may, in its discretion, deem such actions to be a material default by Contractor incapable of cure, and City may immediately terminate this Term Sheet and the accompanying Purchase Order. For purposes of this Term Sheet, a “disaster” shall mean an interruption in the hosting services or the inability of Contractor to provide City with the SaaS Application and hosting services for any reason that could not be remedied by relocating the SaaS Application and hosting services to a different physical location outside the proximity of its primary Data Center.

## **Article 9      Appendices**

9.1 **Additional Appendices.** The following appendices are hereby attached and incorporated into this Term Sheet and the Agreement as though fully set forth herein and together form the complete agreement between the Parties:

**Appendices:**

- A. SaaS Application & Hosting Services
- B. Service Level Obligations
- C. Disaster Recovery Plan

## Appendix A

### SaaS Application & Hosting Services: Minimum Requirements

The following represent minimum requirements that Contractor shall meet or exceed with regard to its SaaS Application & Hosting Services.

- I. Description of the SaaS Application and Hosted Services**
- II. SaaS Data Centers**
- III. SaaS Maintenance Services**
- IV. City Responsibilities**
- V. Technical Support & Training**

**I. Description of the SaaS Application and Hosted Services.** “SaaS Application and Hosted Services” are set forth in the Term Sheet, the Agreement, and/or accompanying Purchase Orders.

**A. Software.** Use of Contractor’s Software operating on hosted equipment located at Contractor’s facility and/or any Data Center as further outlined in the Term Sheet, the Agreement, and/or accompanying Purchase Orders.

**B. Third-Party Software.**

1. Providing certain third-party software required to operate the SaaS Software and other bundled third-party software packages required to support the operation of the SaaS Software.

2. Inclusion of regular Software and Contractor-supplied third-party software updates, patches and fixes as scheduled by Contractor.

**C. Remote Software.** Contractor shall provide access to and use of a remote software tool for City management of Authorized Users, access rights and other similar role-based controls as they pertain to the SaaS Services. Method will be published through Contractor portal and be made available to Authorized Users with elevated privileges.

**D. Back-Up of City’s Data.**

1. Contractor shall provide up to thirty-six (36) months of on-line hourly data retention for SaaS Software operation and functionality.

2. Contractor shall provide incremental City Data backups at a minimum of every four (4) hours to an off-site location other than the primary hosting center.

3. Contractor shall provide weekly, off-site backups with a duration that matches the agreed-upon backup schedule and retention to a location other than the primary hosting center. Off-site backups to include previous eight (8) weeks.

**E. SaaS Environments.** The SaaS Application and Hosted Services shall be hosted in a certified and secure Tier-3 data hosting center.

1. A single Back-up Environment available as needed to serve as the backup or “failover” environment for the SaaS and Hosted Services
2. A single test environment available to the City and Contractor for the evaluation and eventual promotion of SaaS Software updates, patches, fixes or otherwise deemed tests. Test Environment shall perform at 50% or better of production environment.

**F. Reporting.** Contractor shall provide electronic notification within 2 hours of discovery and subsequent monthly reporting of any incidents or breaches that had occurred within the environment or to the hosted application. In the event of a breach, Contractor shall follow the procedures set forth in Article 7 of this Term Sheet.

**G. Availability of SaaS Services.** Contractor (or its Hosting Service contractor) shall host the SaaS Services on computers owned or controlled by Contractor (or its contractor) and shall provide the City with access to both a production environment with SaaS Application and data and a test environment with SaaS Application via Internet-access to use according to the terms herein.

1. **Hosted System Uptime.** Other than Scheduled SaaS Maintenance Services as outlined in Section III, emergency maintenance described below, Force Majeure as described in this Term Sheet and lack of Internet availability as described below, Contractor shall provide uptime to the SaaS Application and Hosted Service to achieve a 99.9% Service Level Availability.

2. **Scheduled SaaS Maintenance.**

i. Contractor shall conduct Scheduled SaaS Maintenance during the following hours: Saturdays between 12 AM (Pacific Time) and 8 AM (Pacific Time), with the same exclusions noted in subsection 1, above.

ii. Scheduled SaaS Maintenance shall not exceed an average of 4 hours per month over a twelve (12) month period except for major scheduled upgrades.

3. **Unscheduled SaaS Maintenance.** Contractor shall use commercially reasonable efforts to prevent more than one (1) hour of continuous down time during business hours in any month for which unscheduled SaaS maintenance is required. If Contractor fails to meet this obligation for a period of three (3) successive calendar months, Contractor shall furnish City with a Performance Credit in the amount of 10% of the Services Fees (as calculated on a monthly basis for the reporting month).

4. **Emergency Maintenance.** If Force Majeure Events or emergencies arise or continue, Contractor shall be entitled to take any actions that Contractor, in good faith, determines is necessary or advisable to prevent, remedy, mitigate, or otherwise address actual or potential harm, interruption, loss, threat, security, or like concern to any of the SaaS systems or

the SaaS Software. Such emergency maintenance may include, but is not limited to: analysis, testing, repair, maintenance, re-setting and other servicing of the hardware, cabling, networks, software and other devices, materials, and systems through which access to and/or use of the SaaS Software by City is made available. Contractor shall endeavor to provide advance written notice of such emergency maintenance to City as soon as is reasonably possible.

5. **Notice of Unavailability.** In the event there will be more than thirty (30) minutes down time of any SaaS or Hosted Service components for any reason including, but not limited to, Scheduled SaaS Maintenance or emergency maintenance, Contractor shall provide notice to users by posting a web page that indicates that the site is temporarily unavailable and to please come back later. Contractor shall also provide advanced e-mail notice to the City email(s) to which the license(s) are registered, which will include at least a brief description of the reason for the down time and an estimate of the time when City can expect the site to be up and available.

**H. Changes in Functionality.** During the term of the Term Sheet and the Agreement, Contractor shall not reduce or eliminate functionality in SaaS Services. Where Contractor has reduced or eliminated functionality in SaaS Services, City, in its sole election, shall: (i) have, in addition to any other rights and remedies under the Term Sheet and the Agreement or at law, the right to immediately terminate the Term Sheet and the Agreement and be entitled to a return of any prepaid fees; or (ii) determine the value of the reduced or eliminated functionality and Contractor shall immediately adjust the Services fees accordingly on a prospective basis. Where Contractor increases functionality in the SaaS Services, such functionality shall be provided to City without any increase in the Services fees.

## **II. SaaS Data Centers.**

**A. Control.** The method and means of providing the Services shall be under the exclusive control, management, and supervision of Contractor, giving due consideration to the requests of City. Contractor, or any previously approved subcontractor, shall provide the Services (including data storage) solely from within the continental United States and on computing and data storage devices residing in the United States.

### **B. Data Center Standards.**

Contractor's Data Centers shall have fully redundant and diverse network paths to City endpoints. Data Centers shall be located in geographically different seismic zones characterized by the lowest predicted chance of damage as defined by the US Geological Survey Earthquake Hazards Program.

Environmental systems must monitor/detect temperature, humidity, fluid leaks, and fire/smoke/particulate and have accompanying suppression systems. Fire suppression systems should be dry pipe. Power should be fully conditioned to avoid spikes and other aberrations that can damage equipment. Temporary power units, such as generators, must be in place to support SaaS Services in the event of a power outage for up to three (3) calendar days, and fuel replenishment contracts must be in place to keep temporary power operational for longer periods.

**C. Location.** The location of the approved Data Centers that will be used to host the SaaS Application will be clearly identified in the Agreement and/or accompanying Purchase Orders. They shall include a Primary Tier 3 Data Center and a Back-up Tier 2 Data Center.

**D. Replacement Hosted Provider.** In the event Contractor changes the foregoing Hosted Provider, Contractor shall provide City with prior written notice of said change and disclose the name and location of the replacement Hosted Provider. The replacement Hosted Provider shall be a reputable Hosted Provider comparable to Contractor's current Hosted Provider, and said replacement Hosted Provider shall be located within the United States. If applicable, the replacement Hosted Provider shall perform a SSAE 18, SOC 2, Type 2 Report and/or an SSAE 18, SOC 1, Type 2 Audit Report at least annually, in accordance with Section 13.3 of the Term Sheet.

**E. Notice of Change.** If the location of the Data Center used to host the SaaS Application is changed, Contractor shall provide City with written notice of said change at least sixty (60) days prior to any such change taking place. Contractor shall disclose the address of the new facility, which shall be within the United States. The Data Centers referenced above are subcontractors that must be approved by City.

**F. Subcontractors.** Contractor shall not enter into any subcontracts for the performance of the Services, or assign or transfer any of its rights or obligations under the Term Sheet and the Agreement, without City's prior written consent and any attempt to do so shall be void and without further effect and shall be a material breach of the Term Sheet and the Agreement. Contractor's use of subcontractors shall not relieve Contractor of any of its duties or obligations under the Term Sheet and the Agreement.

### **III. SaaS Maintenance Services.**

**A.** The SaaS Software maintained under this Term Sheet and the Agreement shall be the SaaS Software set forth in the Term Sheet, Agreement, and/or accompanying Purchase Orders.

**B.** The following SaaS Maintenance Services are included as part of the Term Sheet and the Agreement:

**1. Contractor Software Version Upgrades, Software Revisions and Patches.** Contractor shall provide and implement all SaaS Software Version upgrades, SaaS Software Revisions, and SaaS Software Patches to ensure: (a) that the functionality of the SaaS Software and Services, as described in the Documentation, is available to Authorized Users; (b) that the functionality of the SaaS Software and Services is in accordance with the representations and warranties set forth herein including, but not limited to, the SaaS Software and Services conforming in all material respects to the specifications, functions, descriptions, standards, and criteria set forth in the Documentation; (c) that the Service Level Standards can be achieved; and (d) that the SaaS Software Services work with the non-hosted browser version.



The following provisions shall also apply, but only if the City provides Contractor with a written request so naming each section below upon issuance of the Agreement and accompanying Purchase Orders:

- i. **Planning.** Contractor must assist the City with the planning and logistics of upgrades and updates.
- ii. **Technical Assistance.** Contractor must provide technical assistance regarding release notes, new functionality, and new application workflows.
- iii. **Deployment.** Deployment of these revisions will be mutually agreed upon between Contractor and City.
- iv. **Software Releases.** Release of Software revisions as defined will be conducted on a schedule as determined by Contractor. Contractor shall provide no less than a thirty (30) calendar day prior written notice of when any such revision is scheduled to be released. City will be granted a fifteen (15) calendar day evaluation window to review release documentation regarding software modules being impacted and general revision changes.
- v. **Testing.** After the evaluation period, Contractor shall conduct a deployment of the revision to the City test environment. The Software deployment will be scheduled in writing five (5) calendar days prior to actual deployment activities. As part of the upgrade activities within the Test Environment, Contractor may provide nominal testing to ensure all systems are functional and the revision deployment was successful. Post deployment activities include an e-mail or portal post to serve as written notification that this service has been completed. City shall have forty-five (45) calendar day test window in which City has ability to test and raise issues with Contractor. Test environment deployment activities will be conducted during a mutually agreed-to time window and may not necessarily align with the production maintenance windows as described within this document.
- vi. **Severity 1 and Severity 2 Incident Correction.** If a SaaS Severity Level 1 or Severity Level 2 Issue is identified and appropriately triaged and classified by both Contractor and City during the test environment deployment test window, Contractor shall correct the SaaS Issue. The severity of a SaaS Issue will be initially defined by the City and confirmed by Contractor. Until the SaaS Issue has been resolved, the Severity Level may be raised or lowered based on Contractor's analysis of impact to business. If the SaaS Issue can be corrected and can be redeployed within the remainder of the deployment test window, City will have an

additional five (5) testing days in which to evaluate and further test for the SaaS Issue resolution. If the SaaS Issue cannot be corrected within the remainder of the test window, Contractor will deploy immediately upon availability with as much notice as practicable. City will be allowed an additional five (5) testing days to evaluate the correction post the test window if desired.

- vii. **Testing Suspension.** If at any time during the testing window City identifies the presence of multiple SaaS Severity Level 1 or Severity Level 2 Issues that can be shown to materially impact City ability to continue testing, City may in writing elect to suspend testing until corrections for the SaaS Issues can be provided. Contractor will deploy corrections immediately upon availability with as much notice as practicable. Upon release of corrections, City will have five (5) calendar days to commence the testing within the then available remaining testing window.
- viii. **Software Promotion.** Contractor will promote revision from Test Environment to Production and Back-up environments after the provided test window has elapsed. The Software promotion will be scheduled in writing five (5) calendar days prior to actual deployment activities. As part of the promotion activities within the Production and Back-up environment, Contractor may provide nominal testing to ensure all systems are functional and the revision promotion was successful. Post promotion activities include an e-mail or portal post to serve as written notification that this service has been completed. At the point of e-mail or portal posting, the new revision will be considered “in production” and supported under the maintenance service terms described here within.
- ix. **Documentation.** In support of such SaaS Software Version upgrades, SaaS Software Revisions and SaaS Software patches, Contractor shall provide updated user technical documentation reflecting the SaaS Software Version upgrades, SaaS Software Revisions and SaaS Software patches as soon as reasonably practical after the SaaS Software Version upgrades, SaaS Software Revisions and SaaS Software Patches have been released. Updated user technical documentation that corrects SaaS Software Errors or other minor discrepancies will be provided to Contractor’s customers when available.
- x. **Training.** Contractor must provide standard training using Contractor’s upgrade tools and provide ongoing knowledge transfer to the City.

2. **Third-Party Software Revisions.** At its election, Contractor will provide periodic software revisions of Third-Party Software with the SaaS Software without further charge provided the following conditions are met: (i) the Third-Party Software revision corrects a malfunction or significant publicly disclosed security threat in the Third-Party Software that affects the operation or ability to provide secure use of the SaaS Software; and (ii) the Third-Party Software Revision has, in the opinion of Contractor, corrected malfunctions or a significant security threat identified in Contractor's Technology System and has not created any additional malfunctions; and (iii) the Third-Party Software revision is available to Contractor. City is responsible for obtaining and installing or requesting installation of the Third-Party Software revision if the Third-Party Software was not licensed to City by or through Contractor. Contractor Software revisions provided by Contractor are specifically limited to the Third-Party Software identified and set forth in the Agreement and accompanying Purchase Orders.

**C. Response to SaaS Issues.** Contractor shall provide verbal or written responses to SaaS Issues identified by City in an expeditious manner. Such responses shall be provided in accordance with the Target Response Times defined under Section V of this Appendix (Technical Support).

**D. SaaS Software Maintenance Acceptance Period.** Unless otherwise agreed to by City on a case-by-case basis, for non-emergency maintenance, City shall have a twenty (20) business day period to test any maintenance changes prior to Contractor introducing such maintenance changes into production. If the City rejects, for good cause, any maintenance changes during the SaaS Software Maintenance Acceptance Period, Contractor shall not introduce such rejected maintenance changes into production. At the end of the Maintenance Acceptance Period, if City has not rejected the maintenance changes, the maintenance changes shall be deemed to be accepted by City and Contractor shall be entitled to introduce the maintenance changes into production.

**E. SaaS Hardware.** Contractor shall use commercially reasonable efforts to ensure that all hardware (including servers, routers, and other related equipment) on which the SaaS Application is deployed are attached to back-up power systems sufficient to maintain the site's availability for so long as any power outage could reasonably be expected to occur, based on the experience of Contractor at its deployment location and consistent with the Tier rating of the Data Center required under Section (I)(E) of this Appendix.

#### **IV. City Responsibilities.**

**A.** City shall provide Contractor with timely notification of any SaaS Issues or SaaS Software Errors by either of these methods:

1. **Contacting Contractor's Customer Support;** or
2. **By entering the problem on Contractor's Service Portal.**

**B. Support for Problem Investigation.** City shall support all reasonable requests by Contractor as may be required in problem investigation and resolution.

**C. SaaS Incident Manager: Designation of Point of Contact.** City shall assign an individual or individuals to serve as the designated contact(s) for all communication with Contractor during SaaS Issue investigation and resolution.

**D. Discovery of SaaS Software Errors.** Upon discovery of a SaaS Software Error, City agrees, if requested by Contractor, to submit to Contractor a listing of output and any other data that Contractor may require in order to reproduce the SaaS Software Error and the operating conditions under which the SaaS Software Error occurred or was discovered.

**V. 24X7 Technical Support.**

**A. 24x7 Technical Support.** Authorized Users will make Technical Support requests 24/7 by calling or emailing Contractor's Technical Support staff or by submitting a request via Contractor's service desk web portal. The Technical Support staff shall assign to the request the Incident Severity Level (as defined herein) indicated by the City. Severity Level 1 and 2 Incidents items will be addressed 24/7/365. Severity Level 3 and 4 Incidents will be addressed during the standard business hours of 6:00 a.m. - 6:00 p.m. US Pacific Time.

Incident Severity Level	<i>Target Response Time</i>
<p><b>Severity Level 1:</b> Requires immediate attention – Critical production functionality is not available or a large number of users cannot access the SaaS Application. Causes a major business impact where service is lost or degraded and no workaround is available, preventing operation of the business.</p>	<p>Request Response Time: 15 minutes. Request Resolution Time Target: &lt; 2 hours. Maximum Permitted Request Resolution Time: &lt; 12 hours</p> <p><i>City shall be entitled to a Service Credit of 15% of the Monthly Hosting Fee paid for each failure timely to achieve resolution. If Fees are paid annually, the 15% shall apply to 1/12 of that annual fee.</i></p>
<p><b>Severity Level 2:</b> Requires priority attention – Some important production functionality is not available, or a small number of users cannot access the system. Causes significant business impact where service is lost or degraded and no workaround is available; however, the business can continue to operate in a limited fashion.</p>	<p>Request Response Time: 30 minutes Request Resolution Time Target: &lt; 4 hours Maximum Permitted Request Resolution Time: &lt; 48 hours</p> <p><i>City shall be entitled to a Service Credit of 10% of the Monthly Hosting Fee paid for each failure timely to achieve resolution. If Fees are paid annually, the 10% shall apply to 1/12 of that annual fee.</i></p>

<b>Incident Severity Level</b>	<b><i>Target Response Time</i></b>
<p><b>Severity Level 3:</b> Requires attention – There is a problem or inconvenience. Causes a business impact where there is minimal loss of service and a workaround is available such that the system can continue to operate fully and users are able to continue business operations.</p>	<p>Request Response Time: 1 hr.  Request Resolution Time Target: &lt; 8 hours  Maximum Permitted Request Resolution Time: &lt; 96 hours  <i>City shall be entitled to a Service Credit of 5% of the Monthly Hosting Fee paid for each failure timely to achieve resolution. If Fees are paid annually, the 15% shall apply to 1/12 of that annual fee.</i></p>
<p><b>Severity Level 4:</b> There is a problem or issue with no loss of service and no business impact.</p>	<p>Request Response Time: 4 hr.  Request Resolution Time Target: &lt; 96 hours  Maximum Permitted Request Resolution Time: &lt; 7 days</p>

## **1. SERVICE CREDIT ESCALATION.**

In the event of a Severity Level 1 issue that is not resolved sufficiently quickly as determined in the City's sole discretion, City may escalate the problem to Contractor's Chief Technology Officer.

## **2. ROOT CAUSE ANALYSIS.**

Following the resolution of a Severity Level 1 OR Level 2 incident, Contractor will discuss with City the cause of the failure, the actions Contractor took to resolve the failure, a timeline of the event and the actions Contractor plans to take to prevent such failure from recurring, and, if requested, Contractor will provide City a written summary of such discussion. Contractor will, on request, provide detailed documentation of the root cause analysis and preventative actions taken or planned with clear dates for completion of the action(s).

## Appendix B

### Service Level Obligations: Minimum Requirements

The following represent minimum requirements that Contractor shall meet or exceed with regards to its Service Level Obligations.

**A. Time is of the Essence.** For the term of the Term Sheet and the Agreement, Contractor shall provide SaaS Services, Force Majeure events excepted, during the applicable Service Windows and in accordance with the applicable Service Levels as described herein, time being of the essence.

#### **B. Service Levels.**

##### **1. Availability Service Level.**

###### **a. Definitions.**

- i. Actual Uptime:** The total minutes in the reporting month that the Services were actually available to Authorized Users for normal use.
- ii. Scheduled Downtime:** The total minutes in the reporting month during which Scheduled SaaS Maintenance was performed.
- iii. Scheduled Uptime:** The total minutes in the reporting month less the total minutes represented by the Scheduled Downtime.

**b. Service Level Standard.** Services shall be available to Authorized Users for normal use 100% of the Scheduled Uptime.

**i. Calculation:**  $(\text{Actual Uptime} / \text{Scheduled Uptime}) * 100 = \text{Percentage Uptime}$  (as calculated by rounding to the second decimal point)

###### **ii. Performance Credit.**

- 1) Where Percentage Uptime is greater than 99.9%:** No Performance Credit will be due to City.
- 2) Where Percentage Uptime is equal to or less than 99.9%:** City shall be due a Performance Credit in the amount of 20% of the Services Fees (as calculated on a monthly basis for the reporting month) for each full 1% reduction in Percentage Uptime.

##### **2. Response Time Service Level.**

###### **a. Definition(s).**

**i. Response Time:** The interval of time from when an Authorized User requests, via the Services, a Transaction to when visual confirmation

of Transaction completion is received by the Authorized User. For example, Response Time includes the period of time representing the point at which an Authorized User enters and submits data to the Services and the Services display a message to the Authorized User that the data has been saved.

**ii. Total Transactions:** The total of Transactions occurring in the reporting month.

**iii. Transaction(s):** Services web page loads, Services web page displays, and Authorized User Services requests.

**b. Service Level Standard.** Transactions shall have a Response Time of two (2) seconds or less 99.9% of the time each reporting month during the periods for which the Services are available.

**i. Calculation:**  $((\text{Total Transactions} - \text{Total Transactions failing Standard}) / \text{Total Transactions}) * 100 = \text{Percentage Response Time}$  (as calculated by rounding to the second decimal point).

**ii. Performance Credit.**

**1) Where Percentage Response Time is greater than 99.9%:** No Performance Credit will be due to City.

**2) Where Percentage Response Time is equal to or less than 99%:** City shall be due a Performance Credit in the amount of 20% of the Services Fees (as calculated on a monthly basis for the reporting month) for each full 1% reduction in Percentage Response Time.

### **3. Technical Support Problem Response Service Level.**

**a. Definition.**

**i. Total Problems:** The total number of problems occurring in the reporting month.

**b. Service Level Standard.** Problems shall be confirmed as received by Contractor 100% of the time each reporting month, in accordance with the Request Response Time associated with the SaaS Severity Level.

**i. Calculation:**  $((\text{Total Problems} - \text{Total Problems failing Standard}) / \text{Total Problems}) * 100 = \text{Percentage Problem Response}$  (as calculated by rounding to the second decimal point). Note: This Calculation must be completed for each SaaS Severity Level.

**ii. Performance Credit.****1) SaaS Severity Level 1 – 2.**

- i) Where Percentage Problem Response is greater than 99.9%:** No Performance Credit will be due to City.
- ii) Where Percentage Problem Response is equal to or less than 99%:** City shall be due a Performance Credit in the amount of 20% of the Services Fees (as calculated on a monthly basis for the reporting month) for each full 1% reduction in Percentage Problem Response.

**2) SaaS Severity Level 3 – 4.**

- i) Where Percentage Problem Response is greater than 99.9%:** No Performance Credit will be due to City.
- ii) Where Percentage Problem Response is equal to or less than 99%:** City shall be due a Performance Credit in the amount of 20% of the Services Fees (as calculated on a monthly basis for the reporting month) for each full 1% reduction in Percentage Problem Response.

**C. Service Level Reporting.** On a monthly basis, in arrears and no later than the fifteenth (15th) calendar day of the subsequent month following the reporting month, Contractor shall provide reports to City describing the performance of the SaaS Services and of Contractor as compared to the service level standards described herein. The reports shall be in a form agreed-to by City, and, in no case, contain no less than the following information: (a) actual performance compared to the Service Level Standard; (b) the cause or basis for not meeting the service level standards described herein; (c) the specific remedial actions Contractor has undertaken or will undertake to ensure that the service level standards described herein will be subsequently achieved; and (d) any Performance Credit due to City. Contractor and City will meet as often as shall be reasonably requested by City, but no less than monthly, to review the performance of Contractor as it relates to the service level standards described herein. Where Contractor fails to provide a report for a service level standard described herein in the applicable timeframe, the service level standard shall be deemed to be completely failed for the purposes of calculating a Performance Credit. Contractor shall, without charge, make City's historical service level standard reports to City upon request.

**D. Failure to Meet Service Level Standards.** In the event Contractor does not meet a service level standard described herein, Contractor shall: (a) owe to City any applicable Performance Credit, as liquidated damages and not as a penalty; and, (b) use its best efforts to ensure that any unmet service level standard described herein is subsequently met. Notwithstanding the foregoing, Contractor will use its best efforts to minimize the impact or



duration of any outage, interruption, or degradation of Service. In no case shall City be required to notify Contractor that a Performance Credit is due as a condition of payment of the same.

**E. Termination for Material and Repeated Failures.** City shall have, in addition to any other rights and remedies under the Term Sheet and the Agreement or at law, the right to immediately terminate the Term Sheet and the Agreement and be entitled to a return of any prepaid fees where Contractor fails to meet any service level standards described herein: (a) to such an extent that the City's ability, as solely determined by City, to use the SaaS Services is materially disrupted, Force Majeure events excepted; or, (b) for four (4) months out of any twelve (12) month period.

**F. Audit of Service Levels.** No more than quarterly, and upon written request by City upon issuance of the Agreement and accompanying Purchase Orders, City shall have the right to audit Contractor's books, records, and measurement and auditing tools to verify service level obligations achievement and to determine correct payment of any Performance Credit. Where it is determined that any Performance Credit was due to City but not paid, Contractor shall immediately owe to City the applicable Performance Credit.

## Appendix C

### Disaster Recovery Plan: Minimum Requirements

The following represent minimum requirements that Contractor shall meet or exceed with regard to its Disaster Recovery Plan.

- A.** In the case of emergency or failure, this Disaster Recovery plan will be used to restore and continue service. Disaster Recovery is required when Contractor, in good faith, feels that an emergency failure jeopardizes its ability to meet its Service Level Obligations. Contractor shall use best efforts to restore operations at the same location or, at Contractor's discretion, a backup location. City acknowledges and agrees that such an event may result in partial or degraded service when restored. The pre-disaster/loss level of service shall be restored as soon as commercially reasonable.
- B. Restoration Targets:** Restoration of services timeframes will be defined and measured as Recovery Point Objectives and Recovery Time Objectives.
- C. Recovery Point Objective:** The Recovery Point Objective (RPO) is defined to be the maximum acceptable amount of data loss for which City may experience due to a temporary loss of hosted services and applications. Contractor shall deliver a maximum RPO of eight (8) hours based on incremental backups being made available between production and backup facilities and recovery, if any, of production data.
- D. The Recovery Time Objective:** The Recovery Time Objective (RTO) is the maximum period of continuous time during which access to the SaaS Application shall not be available to the City. Contractor shall deliver a maximum RTO of forty-eight (48) hours for the SaaS Application.
- E. Data Synchronization:** Data Synchronization is the act of replicating or "mirroring" data from the Primary Environment to an off-site "backup" location (the Back-up Tier 2 Data Center). Data Synchronization is to be used in the case of a Disaster Recovery event to restore service. Data Synchronization must occur at a set interval of once per eight (8) hours for incremental data set changes and weekly for a full backup.
- F. Recovery Testing:** Contractor shall regularly test and exercise the Disaster Recovery Plan to ensure that the Tier 2 Back-up Data Center and Data Synchronization processes are functioning as expected. City shall allow for a maximum of a two (2) week runtime within the Back-Up Data Center before returning system operation to Primary Data Center.
- G. Backup and Recovery:** Backups of the production servers will occur every 8 hours, retained for thirty (30) days, and stored locally at the primary data center on a separate managed storage device. These images will be used to recover servers if any issues occur. The backup images will periodically be replicated throughout the day to the secondary staged server environment for the purposes of site recovery. This replication will occur on a private protected fiber ring connecting the two data centers. In the event of a site disaster, a request

can be made to the support desk and the most current server image set can be brought up as the production environment.

**City and County of San Francisco Technology Marketplace  
Software License, Maintenance, and Technical Services Term Sheet**

This Software License, Maintenance, and Technical Services Term Sheet (“Term Sheet”) is attached, and incorporated as though fully set forth therein, to each Purchase Order for software license, maintenance, and technical services hereby issued by the City and County of San Francisco (“City”) under Contractor’s OCA Technology Marketplace Master Agreement to which this Term Sheet is attached (“Agreement”). Capitalized terms used in this Term Sheet that are not otherwise defined have the meanings given them in the Agreement.

Now, THEREFORE, the parties agree as follows:

**Article 1 Definitions**

The following definitions apply to this Term Sheet:

1.1 “Acceptance” means a notice from the City to Contractor that the Licensed Software meets the specifications contained in the Documentation. City’s Acceptance of the Licensed Software shall be governed by the procedures set forth in Section 4.3.

1.2 “Agreement” means the Agreement to which this Term Sheet is attached and incorporated and this Term Sheet, including all attached appendices, and all applicable City Ordinances and Mandatory City Requirements specifically incorporated into the Agreement by reference as provided herein.

1.3 “City” or “the City” means the City and County of San Francisco, a municipal corporation, acting by and through both its Director of the Office of Contract Administration or the Director’s designated agent, hereinafter referred to as “Purchasing” and the requesting department.

1.4 “CMD” means the Contract Monitoring Division of the City.

1.5 “Confidential Information” means confidential City information including, but not limited to, personal identifiable information (“PII”), protected health information, or individual financial information (collectively, “Proprietary or Confidential Information”) that is subject to local, state or federal laws restricting the use and disclosure of such information, including, but not limited to, Article 1, Section 1 of the California Constitution; the California Information Practices Act/California Consumer Privacy Act (Civil Code § 1798 et seq.); the California Confidentiality of Medical Information Act (Civil Code § 56 et seq.); the federal Gramm-Leach-Bliley Act (15 U.S.C. §§ 6801(b) and 6805(b)(2)); the privacy and information security aspects of the Administrative Simplification provisions of the federal Health Insurance Portability and Accountability Act (45 CFR Part 160 and Subparts A, C, and E of part 164); and San Francisco Administrative Code Chapter 12M.

1.6 “Contractor” or “Consultant” means the Contractor with whom the City has entered into the Agreement and the entity to whom a Purchase Order is hereby issued for the purchase of one or more perpetual software licenses.

1.7 “Deliverables” means Contractor’s work product resulting from the Services that are provided by Contractor to City during the course of Contractor’s performance of this Term Sheet and the Agreement, including without limitation, the work product described in the accompanying Purchase Order and Corresponding Documents.

1.8 “Documentation” means the technical publications relating to the use of the Licensed Software, such as reference, installation, administrative and programmer manuals, provided by Contractor to City.

1.9 “Errors, Defects, and Malfunctions” means either a deviation between the function of the Software and the Documentation furnished by Contractor for the Software, or a failure of the Software that degrades the use of the Software.

1.10 “Fix” means repair or replacement of source, object, or executable code in the Software to remedy an Error, Defect, or Malfunction.

1.11 “Licensed Software” or “Software” means one or more of the proprietary computer software programs identified in the Agreement and/or accompanying Purchase Orders, all related materials, Documentation, all corrections, patches or updates thereto, and other written information received by City from Contractor, whether in machine-readable or printed form. The Agreement and/or accompanying Purchase Order may identify more than one software product or more than one copy of any product.

1.12 “Mandatory City Requirements” means those City laws set forth in the San Francisco Municipal Code, including the duly authorized rules, regulations, and guidelines implementing such laws that impose specific duties and obligations upon Contractor.

1.13 “Object Code” means the machine-readable form of the Licensed Software provided by Contractor.

1.14 “Party” or “Parties” means, respectively, the City and Contractor either individually or collectively.

1.15 “Patch” means a temporary repair or replacement of code in the Software to remedy an Error, Defect, or Malfunction. Patches may be made permanent and released in Subsequent Releases of the Software.

1.16 “Priority Category” means a priority assigned to an Error, Defect or Malfunction, designating the urgency of correcting an Error, Defect, or Malfunction. Assignment of a Priority Category to an Error, Defect, or Malfunction is based on City’s determination of the severity of the Error, Defect, or Malfunction and Contractor’s reasonable analysis of the priority of the Error, Defect, or Malfunction.

1.17 “Priority Protocol” means a priority based on the Priority Category; rules specifying the turnaround time for correcting Errors, Malfunctions, and Defects; escalation procedures; and personnel assignment.

1.18 “Purchase Order” means the accompanying Purchase Order and any other corresponding documents (“Corresponding Documents”) in response to a request for quote by City for the software license, maintenance, and technical Services described in the Purchase Order. The Purchase Order is issued by City to Contractor pursuant to the Agreement. The Purchase Order and all Corresponding Documents are incorporated into this Term Sheet as though fully set forth herein.

1.19 “Services” means the work performed by Contractor under this Term Sheet and the Agreement including all services, labor, supervision, materials, equipment, actions, and other requirements to be performed and furnished by Contractor under this Term Sheet and the Agreement.

1.20 “Source Code” means the human readable compliant form of the Licensed Software to be provided by Contractor.

1.21 “Specifications” mean the functional and operational characteristics of the Licensed Software as described in Contractor’s current published product descriptions and technical manuals.

1.22 “Subsequent Release” means a release of the Software for use in a particular operating environment, which supersedes the Software. A Subsequent Release is offered and expressly designated by Contractor as a replacement to a specified Software product. A Subsequent Release will be supported by Contractor in accordance with the terms of this Term Sheet and the Agreement. Multiple Subsequent Releases may be supported by Contractor at any given time.

1.23 “Support Services” means the Software support service required under this Term Sheet and the Agreement. Support Services include correcting an Error, Defect, or Malfunction; providing telephone and/or online support concerning the installation and use of the Software; training in the installation and use of the Software; on-site consulting and application development services; detection, warning, and correction of viruses; and disabled/disabling code.

1.24 “Term Sheet” means this document, the accompanying Purchase Order, all attached exhibits, and all applicable City Ordinances and Mandatory City Requirements in the Agreement that are specifically incorporated into this Term Sheet by reference as provided herein.

1.25 “Upgrade” means either an enhancement to the Software code to add new features or functions to the system or software programming revisions containing corrections to Errors, Defects, and Malfunctions that have been reported by users or discovered by the Contractor.

1.26 “Warranty Period” means a period commencing with the installation of the Software product during which reported Errors, Defects, and Malfunctions for Software products are corrected without charge in accordance with the provisions below.

1.27 “Workaround” means a change in the procedures followed or end user operation of the Software to avoid an Error, Defect, or Malfunction without significantly impairing functionality or degrading the use of the Software.

Whenever the words “as directed,” “as required,” “as permitted,” or words of like effect are used, it shall be understood as the direction, requirement, or permission of the City. The words “sufficient,” “necessary,” or “proper,” and the like, mean sufficient, necessary or proper in the judgment of the City, unless otherwise indicated by the context.

## **Article 2 Term of the Term Sheet**

2.1 **License, and Maintenance Support and Technical Services Term.** The term of this Term Sheet shall reflect the term of the Support Services and technical services set forth in the accompanying Purchase Order and Corresponding Documents, unless earlier terminated in

accordance with the provisions of this Term Sheet and the Agreement. Subject to Section 4.1 (“Grant of License”), the license granted under this Term Sheet and the Agreement shall commence upon Acceptance of the Licensed Software and shall continue in perpetuity unless sooner terminated in accordance with the provisions of this Term Sheet and the Agreement, or during the term outlined in the Agreement or accompanying Purchase Order, unless sooner terminated in accordance with the provisions of this Term Sheet and the Agreement.

### **Article 3 Financial Matters**

#### **3.1 Compensation.**

##### **3.1.1 Charges for Maintenance and Support Services.**

(1) **Limited Term License.** When the license term specified in the Purchase Order and Corresponding Documents is less than perpetual, all charges for maintenance and Support Services are included in the periodic license or rental fee.

(2) **Perpetual License.** Where the license term specified in the Purchase Order and Corresponding Documents is perpetual, all charges for maintenance and Support Services are as stated in the Purchase Order and Corresponding Documents.

(3) **Periodic Payment License.** If the license fee specified in the Purchase Order and Corresponding Documents is payable in periodic payments, there will be no additional charge for maintenance and Support Services during the period for which such periodic payments are payable or the first year of the term, whichever is longer.

(4) **Lump Sum Payment Licenses.** If the license fee specified in the Purchase Order and Corresponding Documents is payable in one lump sum, there will be no additional charge for the maintenance and Support Services during the first year of the term.

(5) **Annual Maintenance and Support Charges.** Annual maintenance and Support Services charges shall not increase more than the amount stated in the accompanying Purchase Order. Notwithstanding the foregoing, if not stated in the accompanying Purchase Order, then Support Services charges shall not increase more than five percent (5%) of the rate of the year immediately prior to such increase. Contractor will make maintenance and Support Services available to City for the duration stated in the Purchase Order.

### **Article 4 License**

#### **4.1 Grant of License.**

4.1.1 **Grant of License.** Subject to the terms and conditions of this Term Sheet and the Agreement, Contractor grants City a non-exclusive and non-transferable license to use the Licensed Software. City acknowledges and agrees that the Licensed Software is the proprietary information of Contractor and that this Term Sheet and the Agreement grants City no title or right of ownership in the Licensed Software.

Contractor agrees that in the event it discontinues its obligations under the terms of this Term Sheet and the Agreement, except as expressly provided for in Article 8 (“Survival”) of the Agreement, or ceases to market and/or provide maintenance and Support Services for the Licensed Software, and there is no successor in interest by merger, operation of law, assignment, purchase, or otherwise, it will provide City, without charge, one (1) copy of the then-current

Source Code for all of the programs and all supporting Documentation for the Licensed Software then operating and installed at City's locations. If City should obtain the Source Code and the Documentation pursuant to this section, the only use made of the Source Code and the Documentation will be for the proper maintenance of the Licensed Software in connection with City's use of the Licensed Software as provided for, and limited by, the provisions of this Term Sheet and the Agreement.

Notwithstanding anything to the contrary in the Purchase Order and Corresponding Documents, and upon written request by City in the accompanying Purchase Order, in furtherance of its obligations as stated above, Contractor will provide to City a copy of the Source Code which corresponds to the most current version of the Licensed Software. Contractor agrees to update, enhance or otherwise modify such Source Code promptly upon its release of a new version of the Licensed Software to its other Licensees such that the Source Code is maintained as corresponding to the newest released version of the Licensed Software. City's right to possession of the Source Code will be governed by the accompanying Purchase Order.

**4.1.2 Restrictions on Use.** City is authorized to use the Licensed Software only for City's municipal purposes.

**4.1.3 Disaster Recovery Copy.** For the purpose of any bona fide City disaster recovery plan or with respect to the use of computer software in its municipal operations, City may make one copy of the Licensed Software for archival purposes and use such archival copy to restore use of the Licensed Software on a site owned or controlled by City. The use of such archival copy shall be limited to (1) the purpose of conducting limited testing of the disaster recovery plan's procedures and effectiveness and (2) during any period subsequent to the occurrence of an actual disaster during which the City cannot operate the Licensed Software on the existing site.

**4.1.4 Transfer of Products.** City may move the Licensed Software and supporting materials to another City site.

**4.1.5 Documentation.** Contractor shall provide City with the Licensed Software specified in this Term Sheet and the Agreement, and a minimum of two copies of the Documentation per installation. Contractor grants to City permission to duplicate all printed Documentation for City's municipal use.

**4.1.6 Proprietary Markings.** City agrees not to remove or destroy any proprietary markings or proprietary legends placed upon or contained within the Licensed Software or any related materials or Documentation.

**4.1.7 Authorized Modification.** City shall also be permitted to develop, use and modify Application Program Interfaces (APIs), macros, and user interfaces. For purposes of this Term Sheet and the Agreement, such development shall be deemed an authorized modification. Contractor shall make no claim under this Term Sheet and the Agreement to ownership of any APIs, macros or other interfaces developed by or at the direction of the City.

Contractor has no general objection to the City's use of third-party programs in conjunction with the Licensed Software under this Term Sheet and the Agreement. Contractor recognizes that City has and will license third party programs that City will use with Contractor's products. Based on information provided to Contractor as to the Effective Date, Contractor agrees that



such use does not constitute an unauthorized modification or violate the licenses granted under this Term Sheet and the Agreement.

#### 4.2 **Delivery.**

4.2.1 **Delivery.** One copy of each of the Licensed Software products in computer readable form shall be shipped to the City not later than thirty (30) days upon issuance of the accompanying Purchase Order. Program storage media (magnetic tapes, disks and the like) and shipping shall be provided at no charge by Contractor.

4.2.2 **Installation.** If applicable, and upon written request by City in the accompanying Purchase Order, Contractor shall install the programs in accordance with the terms set forth in the accompanying Purchase Order.

4.2.3 **Risk of Loss.** If any of the Licensed Software products are lost or damaged during shipment or before installation is completed, Contractor shall promptly replace such products, including the replacement of program storage media if necessary, at no additional charge to the City. If any of the Licensed Software products are lost or damaged while in the possession of the City, Contractor will promptly replace such products without charge, except for program storage media, unless supplied by the City.

4.3 **Acceptance Testing.** After Contractor has installed and configured the Licensed Software pursuant to this Term Sheet and the Agreement, the City shall have a period of **thirty** (30) days (“Acceptance Testing Period”) from the date of installation to verify that the Licensed Software substantially performs to the specifications contained in the Documentation. In the event that the City determines that the Licensed Software does not meet such specifications, the City shall notify the Contractor in writing, and Contractor shall modify or correct the Licensed Software so that it satisfies the Acceptance criteria. The date of Acceptance will be that date upon which City provides Contractor with written notice of satisfactory completion of Acceptance testing. If City notifies Contractor after the Acceptance Testing Period that the Licensed Software does not meet the Acceptance criteria of this section, then City shall be entitled to terminate this license in accordance with the procedures specified in Section 8.2 (“Termination for Default; Remedies”) of the Agreement, and shall be entitled to a full refund of the license fee.

4.4 **Training.** If applicable, and upon written request by City in the accompanying Purchase Order, Contractor will provide training in accordance with the terms set forth in the accompanying Purchase Order at Contractor’s current best government rates.

4.5 **Warranties: Right to Grant License.** Contractor hereby warrants that it has title to and/or the authority to grant a license of the Licensed Software to the City.

4.6 **Warranties: Conformity to Specifications.** Contractor warrants that when the Licensed Software specified in the accompanying Purchase Order and Corresponding Documents and all updates and improvements to the Licensed Software are delivered to City, they will be free from defects as to design, material, and workmanship and will perform in accordance with the Contractor’s published specifications for the Licensed Software for a period of 365 days from City’s Acceptance of such Licensed Software or the manufacturer’s warranty period, whichever is longer.

4.7 **Nondisclosure.** City agrees that it shall treat the Licensed Software with the same degree of care as it treats like information of its own, which it does not wish to disclose to

the public, from the date the Licensed Software is Accepted by the City until the license is terminated as provided herein. The obligations of the City set forth above, however, shall not apply to the Licensed Software, or any portion thereof, which:

- 4.7.1 is now or hereafter becomes publicly known;
- 4.7.2 is disclosed to the City by a third party which the City has no reason to believe is not legally entitled to disclose such information;
- 4.7.3 is known to the City prior to its receipt of the Licensed Software;
- 4.7.4 is subsequently developed by the City independently of any disclosures made hereunder by Contractor;
- 4.7.5 is disclosed with Contractor's prior written consent;
- 4.7.6 is disclosed by Contractor to a third party without similar restrictions.

## **Article 5 Services and Resources**

5.1 **Services Contractor Agrees to Perform.** In addition to the Licensed Software maintenance and Support Services described in Article 6 of this Term Sheet, Contractor agrees to perform the Services provided for in the Agreement.

## **Article 6 Software Maintenance and Support Services**

### **6.1 Maintenance and Support Services.**

6.1.1 **Maintenance and Support Services.** After Acceptance of the Licensed Software and subject to the terms, conditions, and charges set forth in this Section, Contractor will provide City with maintenance and Support Services for the Licensed Software as follows: (i) Contractor will provide such assistance as necessary to cause the Licensed Software to perform in accordance with the Specifications as set forth in the Documentation; (ii) Contractor will provide, for City's use, whatever improvements, enhancements, Upgrades, extensions and other changes to the Licensed Software Contractor may develop; and (iii) Contractor will update the Licensed Software, as required, to cause it to operate under new versions or releases of the operating system specified in this Term Sheet and the Agreement so long as such updates, or Upgrades are made generally available to Contractor's other licensees.

6.1.2 **Changes in Operating System.** If City desires to obtain a version of the Licensed Software that operates under an operating system not specified in this Term Sheet and the Agreement, Contractor will provide City with the appropriate version of the Licensed Software, if available, on a ninety (90) day trial basis without additional charge, provided City has paid all maintenance and support charges then due. At the end of the ninety (90) day trial period, City must elect one of the following three options: (i) City may retain and continue the old version of the Licensed Software, return the new version to Contractor and continue to pay the applicable rental or license fee and maintenance charges for the old version; (ii) City may retain and use the new version of the Licensed Software and return the old version to Contractor, provided City pays Contractor the applicable rental or license fee and maintenance charges for the new version of the Licensed Software; or (iii) City may retain and use both versions of the products, provided City pays Contractor the applicable rental or license fee and maintenance

charges for both versions of the Licensed Software. City will promptly issue the necessary document(s) to accomplish the above.

6.2 During the term of this Term Sheet and the Agreement, Contractor will furnish Error, Defect or Malfunction correction in accordance with the Priority Categories listed below, based on the City's determination of the severity of the Error, Defect or Malfunction and Contractor's reasonable analysis of the priority of the Error, Defect, or Malfunction.

6.2.1 **Priority 1:** An Error, Defect or Malfunction that renders the Software inoperative; or causes the Software to fail catastrophically.

6.2.2 **Priority 2:** An Error, Defect or Malfunction that substantially degrades the performance of the Software, but does not prohibit the City's use of the Software.

6.2.3 **Priority 3:** An Error, Defect or Malfunction that causes only a minor impact on the use of the Software.

6.3 Contractor will furnish Error, Defect, or Malfunction correction in accordance with the following protocols:

6.3.1 **Priority 1 Protocol:** Within two hours, Contractor assigns a product technical specialist(s) to diagnose and correct the Error, Defect, or Malfunction; thereafter, Contractor shall provide ongoing communication about the status of the correction; shall proceed to immediately provide a Fix, a Patch, or a Workaround; and exercise all commercially reasonable efforts to include a Fix or Patch for the Error, Defect, or Malfunction in the next Subsequent Release. Contractor will escalate resolution of the problem to personnel with successively higher levels of technical expertise until the Error, Defect, or Malfunction is corrected.

6.3.2 **Priority 2 Protocol:** Within four hours, Contractor assigns a product technical specialist(s) to diagnose the Error, Defect, or Malfunction and to commence correction of the Error, Defect or Malfunction; to immediately provide a Workaround; to provide escalation procedures as reasonably determined by Contractor's staff; and to exercise all commercially reasonable efforts to include a Fix or Patch for the Error, Defect or Malfunction in the next Software maintenance release.

6.3.3 **Priority 3 Protocol:** Contractor may include a Fix or Patch in the next Software major release.

6.4 **Hotline Support.** Contractor shall provide remote access hotline support to City to help City answer routine questions with respect to the use of the Software. Contractor also shall provide remote access hotline support to City to initiate resolution of Priority 1 and Priority 2 Errors, Defects and Malfunctions. Hotline support shall be made available by phone between the hours of 8 a.m. and 6 p.m. Pacific time Monday through Friday, except legal holidays. Hotline support shall be available by electronic bulletin board, electronic mail or other service twenty-four (24) hours a day, seven (7) days a week. Responses to questions posted by electronic means will be made within the time frame established under Priority Protocols for an Error, Defect or Malfunction in a Software Product.

## Article 7 Indemnity

**7.1 Infringement Indemnification.** If notified promptly in writing of any judicial action brought against City based on an allegation that City's use of the Licensed Software infringes a patent, copyright, or any right of a third party or constitutes misuse or misappropriation of a trade secret or any other right in intellectual property (Infringement), Contractor will hold City harmless and defend such action at its own expense. Contractor will pay the costs and damages awarded in any such action or the cost of settling such action, provided that Contractor shall have sole control of the defense of any such action and all negotiations or its settlement or compromise. If notified promptly in writing of any informal claim (other than a judicial action) brought against City based on an allegation that City's use of the Licensed Software constitutes Infringement, Contractor will pay the costs associated with resolving such claim and will pay the settlement amount (if any), provided that Contractor shall have sole control of the resolution of any such claim and all negotiations for its settlement.

In the event a final injunction is obtained against City's use of the Licensed Software by reason of Infringement, or in Contractor's opinion City's use of the Licensed Software is likely to become the subject of Infringement, Contractor may at its option and expense: (a) procure for City the right to continue to use the Licensed Software as contemplated hereunder, (b) replace the Licensed Software with a non-infringing, functionally equivalent substitute Licensed Software, or (c) suitably modify the Licensed Software to make its use hereunder non-infringing while retaining functional equivalency to the unmodified version of the Licensed Software. If none of these options is reasonably available to Contractor, then the Agreement may be terminated at the option of either Party hereto and Contractor shall refund to City all amounts paid under this Term Sheet and the accompanying Purchase Order for the license of such infringing Licensed Software. Any unauthorized modification or attempted modification of the Licensed Software by City or any failure by City to implement any improvements or updates to the Licensed Software, as supplied by Contractor, shall void this indemnity unless City has obtained prior written authorization from Contractor permitting such modification, attempted modification or failure to implement. Contractor shall have no liability for any claim of Infringement based on City's use or combination of the Licensed Software with products or data of the type for which the Licensed Software was neither designed nor intended to be used.

## Article 8 Survival

**8.1 Disposition of Licensed Software on Termination.** Upon termination of this Term Sheet for any reason other than as provided for in Section 4.1 ("Grant of License"), if the term of the Software License City has paid for is other than perpetual, City shall immediately: (i) return the Licensed Software to Contractor together with all Documentation; (ii) purge all copies of the Licensed Software or any portion thereof from all CPUs and from any computer storage medium or device on which City has placed or permitted others to place the Licensed Software; and (iii) give Contractor written certification that through its best efforts and to the best of its knowledge, City has complied with all of its obligations under this Section 8.1.

**8.2 Rights and Duties upon Termination or Expiration.** This Section and the following Sections of this Term Sheet listed below, shall survive termination or expiration of this Term Sheet and the Agreement:

4.1	Grant of License
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**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 #: 250167

Bid/RFP #: SE 7900/RFP 99410

**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>
Jonathan Jew	628-652-1615
<b>FULL DEPARTMENT NAME</b>	<b>DEPARTMENT CONTACT EMAIL</b>
OCA Office of Contract Administration	jonathan.jew@sfgov.org

5. CONTRACTOR	
<b>NAME OF CONTRACTOR</b> Insight Public Sector, Inc.	<b>TELEPHONE NUMBER</b> 408-221-4099
<b>STREET ADDRESS (including City, State and Zip Code)</b> 2701 E. Insight way, Chandler, AZ 85286	<b>EMAIL</b> kathy.perez@insight.com

6. CONTRACT		
<b>DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)</b>	<b>ORIGINAL BID/RFP NUMBER</b> SE 7900/RFP 99410	<b>FILE NUMBER (If applicable)</b> 250167
<b>DESCRIPTION OF AMOUNT OF CONTRACT</b> \$53,848,000		
<b>NATURE OF THE CONTRACT (Please describe)</b> Original contract amount: \$20,000,000 Proposed Amendment #1 contract amount: \$53,848,000  This contract is for City-wide procurement of IT products and services. Contract Amendment #1 is to increase the not-to-exceed contract amount from \$20,000,000 to \$53,848,000. This additional amount is expected to last until the end of the contract term December 31, 2028.		

7. COMMENTS

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	Friedlander	Scott	Board of Directors
2	Adams	Virginia	Board of Directors
3	Ennis	Sharon	Board of Directors
4	Steinheiser	Lisanne	Board of Directors
5	Mullen	Joyce A.	CEO
6	Morgado	James	CFO
7	Diamond Technology		Subcontractor
8	The Thier Group		Subcontractor
9	Delta Computer Solutions		Subcontractor
10	Beta Nineties Computer		Subcontractor
11	Ameritech Computer Service		Subcontractor
12	Toptek Micro Center		Subcontractor
13			
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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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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.**

<p><b>SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK</b></p>  <p>BOS Clerk of the Board</p>	<p><b>DATE SIGNED</b></p>
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DATE: February 14, 2025  
TO: Angela Calvillo, Clerk of the Board  
FROM: Sailaja Kurella, Director of Office of Contract Administration (OCA) and Purchaser  
SUBJECT: Resolution to approve Amendments to Term Contract 99410 – As-Needed IT Commodities and Professional Services (Technology Marketplace 3.0)

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Enclosed is the resolution authorizing execution of Term Contract 99410 consisting of the following four (4) contracts:

- (1) Contract 1000033753 with ISSQUARED, Inc. dba ComputerLand of Silicon Valley for the purchase of as-needed technology products and specialized technology services, including but not limited to software licenses, computer hardware, configuration/integration services, and software maintenance/support. The proposed Amendment is to increase the contract not to exceed amount of \$20 million by \$41.065 million, for a total not-to-exceed (NTE) amount of \$61.065 million and a total contract duration of five years, commencing on January 1, 2024 and ending on December 31, 2028;
- (2) Contract 1000031408 with Cornerstone Technology Partners II JV for the purchase of as-needed technology products and specialized technology services, including but not limited to software licenses, computer hardware, configuration/integration services, and software maintenance/support. The proposed Amendment is to increase the contract not to exceed amount of \$20 million by \$22.413 million, for a total not-to-exceed (NTE) amount of \$42.413 million and a total contract duration of five years, commencing on January 1, 2024 and ending on December 31, 2028;
- (3) Contract 1000031409 with Insight Public Sector, Inc. for the purchase of as-needed technology products and specialized technology services, including but not limited to software licenses, computer hardware, configuration/integration services, and software maintenance/support. The proposed Amendment is to increase the contract not to exceed amount of \$20 million by \$33.848 million, for a total not-to-exceed (NTE) amount of \$53.848 million and a total contract duration of five years, commencing on January 1, 2024 and ending on December 31, 2028;
- (4) Contract 1000031412 with Xtech JV (AIXTEK dba Eaton Associates | 21Tech LLC) for the purchase of as-needed technology products and specialized technology services, including but not limited to software licenses, computer hardware, configuration/integration services, and software maintenance/support. The proposed Amendment is to increase the contract not to exceed amount of \$20 million by \$65.014 million, for a total not-to-exceed (NTE) amount of \$85.014 million and a total contract duration of five years, commencing on January 1, 2024 and ending on December 31, 2028.

## Background

The City's Technology Marketplace (previously known at the "Computer Store") originated in the 1990's as an efficient purchasing model for the City's evolving technology needs. The Technology Marketplace purchasing



program reduces the amount of time needed to complete a transaction from several months to 1-2 weeks. It is used by the City's 60+ departments to purchase technology goods and services on an as-needed basis based on departments' business needs. To use the Technology Marketplace, departments submit a requisition in PeopleSoft for OCA review. Once approved, a purchase through the Technology Marketplace results in a purchase order ("PO") issued by OCA to the Technology Marketplace reseller. The purchase order draws down on the Technology Marketplace reseller's Term Contract with the City and is subject to its terms and conditions. Departments cannot sign any agreements, but must abide by the manufacturer's license, use and support terms. All other matters are governed by the Term Contract between the Technology Marketplace reseller and City.

### Tech Marketplace 3.0: New Opportunities for LBEs

On August 21, 2023, OCA set out to establish the next version of the Tech Marketplace and issued a Request for Proposals ("RFP") pursuant to Sourcing Event 0000007900 seeking qualified suppliers to provide technology commodities and services to City departments on an as-needed basis. Simultaneously with Sourcing Event 0000007900, OCA issued a Micro-Local Business Enterprise (Micro-LBE) Set Aside RFP in accordance with Chapter 14B.7(K) of the San Francisco Administrative Code. The Micro-LBE Set Aside RFP was issued pursuant to Sourcing Event 0000008618 and sought qualified Micro-LBE suppliers who could also provide IT commodities and services to City Departments on an as-needed basis.

These two RFPs established the City's Technology Marketplace 3.0 ("TM3") purchasing program, which replaced the prior program, known as the Technology Marketplace 2.0 ("TM2").

Today, TM3 consists of 91 contracts awarded to 61 suppliers, broken down between two pools, a "Standard Pool" and a "Micro-LBE Set Aside Pool".

#### A. Standard Pool:

- (1) Ten (10) contracts awarded to ten (10) suppliers, each for \$20,000,000 and with an LBE subcontracting requirement of 18%;
- (2) Forty-four (44) contracts awarded to forty-four (44) suppliers, each for \$9,000,000 and with an LBE subcontracting requirement of 18%; and

**B. Micro-LBE Set Aside Pool:** Thirty-seven (37) Micro-LBE Set Aside contracts awarded to twenty (20) suppliers, each for an amount not to exceed the Minimum Competitive Amount ("MCA") as defined by Chapter 14B of the San Francisco Administrative Code, currently \$230,000.

Unlike its prior iterations, TM3 has provided significant opportunities for LBEs.

**1. Ability to compete in the Standard Pool:** Prior to TM3, LBEs could not participate in the Standard Pool. With the launch of TM3, LBE's are now eligible to participate in all solicitations within TM3 and, if applicable, granted a 10% LBE bid discount/rating bonus during the bid evaluation process. Because of this change, nearly \$15.7MM (19%) of the approximately \$83.2MM of the total awards made to the Standard Pool Suppliers since January 1, 2024 have been awarded to LBEs. These are opportunities that never existed for LBEs in any prior iteration of the Tech Marketplace. Table 1 provides a further breakdown of how these



awards have been allocated between LBEs and Non LBEs.

**Table 1: Total PO Encumbrances Across all Standard Pool Contracts as of January 8, 2025 and Total PO Encumbrances for LBEs within the Standard Pool**

Contract ID	Supplier Name	PO Encumbrances as of 1/8/2025
1000031412	XTECH	\$15,492,153.62
1000033753	Computerland	\$11,144,146.83
1000031409	INSIGHT PUBLIC SECTOR INC	\$9,797,701.41
1000031408	CORNERSTONE TECHNOLOGY PARTNERS II JV	\$7,739,955.46
1000031462	NEW TECH SOLUTIONS INC	\$7,005,384.23
1000031410	Intervision Systems LLC	\$3,512,735.79
1000031518	ZONES, LLC	\$3,110,721.97
1000031404	CCS Global Tech	\$2,755,981.01
1000031444	ConvergeOne, Inc.	\$1,495,436.24
1000031406	CENTRAL COMPUTERS INC	\$1,367,740.41
All other Non-LBE Suppliers, combined*:		\$4,062,884.70
<b>LBE Suppliers, combined:</b>		<b>\$15,722,774.01</b>
<b>Total PO Encumbrances:</b>		<b>\$83,207,615.68</b>

\*This includes all suppliers that are not LBEs and not the top ten suppliers in expenditures.

**2. Increased LBE Subcontracting Opportunities:** In prior iterations of the Tech Marketplace, non-LBEs were only required to subcontract 15% to Micro-LBEs with respect to professional services. That number increased to 18% with TM3. To date, nearly \$965,000 (or 8%) of the PO encumbrances for professional services has been subcontracted out to LBEs. Table 2 provides further details by each Contractor in the Standard Pool.

**Table 2: Total Amount Subcontracted to LBEs as a % of all PO Amounts Awarded for Professional Services for Standard Pool contracts as of January 8, 2025**

Supplier Name	Amount (\$) of Professional Services Awarded	Amount (\$) of Professional Services Subcontracted to LBEs	% of Professional Services Subcontracted to LBEs
Accend Networks	\$6,475.00	\$-	0%
Actnet Advanced Technology Corp	\$33,980.00	\$-	0%
Ameritech Computer Services	\$16,570.48	\$-	0%



Andax Tech	\$603,200.00	\$-	0%
Apis Technology	\$1,285,590.00	\$-	0%
Axelliant	\$105,994.62	\$-	0%
Beta Nineties Computer Inc	\$31,900.00	\$-	0%
CCS Global Tech	\$1,331,130.01	\$133,466.30	10%
CDW	\$62,243.35	\$-	0%
Computerland	\$1,279,675.00	\$340,746.00	27%
Cornerstone	\$727,539.80	\$20,241.00	3%
Delta Computer Solutions	\$938,450.00	\$-	0%
Diamond Technology	\$38,060.00	\$38,060.00	100%
DPP Tech	\$1,165,520.00	\$426,032.00	37%
Essention Group Inc.	\$154,795.00	\$-	0%
FivePaths	\$126,102.00	\$-	0%
GenSigma	\$135,200.00	\$-	0%
INRY	\$198,800.00	\$-	0%
Insight Public Sector Inc	\$807,211.42	\$-	0%
New Tech Solutions	\$158,688.00	\$-	0%
T&S Trading Company	\$2,150.00	\$-	0%
West Coast Consulting	\$138,000.00	\$-	0%
Xtech	\$2,076,061.31	\$3,088.00	0%
Xterra Solutions	\$24,999.99	\$-	0%
Zones, LLC	\$398,538.13	\$2,943.13	1%
<b>Grand Total</b>	<b>\$11,846,874.11</b>	<b>\$964,576.43</b>	<b>8%</b>

**3. Micro-LBE Set Aside Pool:** As in its prior iteration (Tech Marketplace 2.0), TM3 also has a Micro-LBE Set Aside pool whereby transactions below the Minimum Competitive Amount do not require further solicitation to the Pool, which Micro-LBEs have benefited greatly from. This ensures departments utilize this pool to the maximum possible extent. As shown in Table 3, a total of \$3,726,877 has been awarded to the Micro-LBE Set Aside Pool as of January 8, 2025.

**Table 3: Total PO Encumbrances Across all Micro-LBE Set Aside Contracts as of January 8, 2025**

Contract ID(s)	Supplier Name	PO Encumbrances as of 1/8/2025
1000031580	Accend Networks	\$200,000.00
1000031581	Actnet Advanced Technology Corp	\$352,278.15



1000031582 1000031583		
1000031584	Apis Technology	\$199,990.00
1000031585 1000031586	Beta Nineties Computer Inc.	\$226,685.86
1000031587	Capital Partnerships Inc.	\$126,862.04
1000031588 1000031589	Delta Computer Solutions Inc.	\$172,432.46
1000031590 1000031591 1000031592	Diamond Technology Inc.	\$396,373.72
1000031593 1000031594 1000031595	Digital Disclosure	\$162,633.66
1000031596 1000031597 1000031598	Exygy Inc.	\$120,514.50
1000031599	Farallon Geographics Inc.	\$200,000.00
1000031600 1000031601	Gensigma LLC	\$140,500.00
1000031603	IPSOFACTO IT Services	\$-
1000031604	Meadow Design Inc.	\$153,806.00
1000031605 1000031606	T&S Trading & Enterprise Co.	\$202,838.78
1000031607	TeamWorks Consultancy LLC	\$-
1000031608 1000031609 1000031610	Think Connected LLC	\$391,735.84
1000031611	Toptek Micro Center Inc.	\$272,671.89



1000031612		
1000031613	Two Rivers Corp	\$-
1000031614 1000031615 1000031616	Xterra Solutions Inc.	\$378,186.95
<b>Total Micro-LBE PO Encumbrances as of 1/8/25:</b>		<b>\$3,726,877</b>

**Purchasing through the Technology Marketplace**

Each transaction completed through the Technology Marketplace requires OCA oversight and approval. Though each Technology Marketplace contractor was awarded a contract through an RFP process, they are required to bid on all transactions above established thresholds. Competition ensures City departments receive the best value for their purchases. Below is a summary of awards made through solicitations for each of the four contracts OCA is now seeking to amend:

**Table 4: POs Awarded Through a Solicitation<sup>1</sup> as a Percentage of Overall PO Encumbrances as of January 8, 2025.**

Supplier Name	Total Awarded PO Amounts (\$)	Total Awarded PO Amounts (\$) from a Solicitation	Total Awarded PO Amounts (%) from a Solicitation
Computerland	\$11,144,146.83	\$ 7,305,546.00	66%
Cornerstone Technology Partners II JV	\$ 7,739,955.46	\$ 7,678,513.00	99%
Insight Public Sector, Inc.	\$ 9,956,955.00	\$ 8,729,813.00	88%
Xtech JV	\$15,612,501.00	\$10,685,330.00	68%

**Determining When to Amend a Technology Marketplace Contract**

To ensure each contractor can fairly compete for each transaction for the full duration of its contract, OCA routinely monitors expenditures against each Technology Marketplace contract to determine when it will require an increase in contract value through its contract end date. Based on this analysis, and as further detailed in Table 5 below, OCA has determined that the below requested amendments are necessary to ensure adequate contract values for each contract identified through its contract end date of December 31, 2028:

- (1) **Amendment 1** to Contract 1000033753 with ISSQUARED, Inc. dba Computerland of Silicon Valley to increase the contract not to exceed amount of \$20 million by \$41.065 million, for a total not-to-exceed (NTE) amount of \$61.065 million;

<sup>1</sup> This amount is calculated based on all POs issued to the Standard Pool vendors in excess of \$25,000, which is the current threshold above which an informal solicitation issued to all Standard Pool vendors is required.





- (2) **Amendment 1** to Contract 1000031408 with Cornerstone Technology Partners II JV to increase the contract not to exceed amount of \$20 million by \$22.413 million, for a total not-to-exceed (NTE) amount of \$42.413 million; and
- (3) **Amendment 1** to Contract 1000031409 with Insight Public Sector, Inc. to increase the contract not to exceed amount of \$20 million by \$33.848 million, for a total not-to-exceed (NTE) amount of \$53.848 million; and
- (4) **Amendment 1** to Contract 1000031412 with Xtech JV (AIXTEK dba Eaton Associates | 21Tech LLC) to increase the contract not to exceed amount of \$20 million by \$65.014 million, for a total not-to-exceed (NTE) amount of \$85.014 million.

OCA’s calculation for this determination is provided below.

**Table 5: Additional Contract Value Needed to Last Until Contract End Date + 15% Contingency.**

Supplier Name	Contract ID	Contract Start Date	Contract End Date	Current Contract NTE	Balance (\$) as of Jan 2025	Contract Expenditures to Date	Avg Monthly Expenditure to Date (12 months)	Amount needed through Contract End Date	15% Contingency	Rounded Value of Amendment Increase	Revised NTE
Computerland	1000033753	1/1/2024	12/31/2028	\$20,000,000	\$8,855,853	\$11,144,146.83	\$908,813	\$43,409,111	\$6,511,366.69	<b>\$41,065,000</b>	<b>\$61,065,000</b>
Cornerstone	1000031408	1/1/2024	12/31/2028	\$20,000,000	\$12,260,045	\$7,739,955.46	\$631,232	\$30,150,546	\$4,522,582.28	<b>\$22,413,000</b>	<b>\$42,413,000</b>
Insight	1000031409	1/1/2024	12/31/2028	\$20,000,000	\$10,043,045	\$9,956,955.00	\$799,051	\$38,166,379	\$5,724,956.92	<b>\$33,848,000</b>	<b>\$53,848,000</b>
Xtech	1000031412	1/1/2024	12/31/2028	\$20,000,000	\$4,387,499	\$15,612,501.00	\$1,263,462	\$60,348,789	\$9,052,318.35	<b>\$65,014,000</b>	<b>\$85,014,000</b>

**Summary**

The Technology Marketplace contracts are critical for meeting City departments’ needs for technology goods and services. Approval of these four Resolutions will ensure each Technology Marketplace contractor can fairly compete for each transaction for the full duration of its contract. It also allows City departments to continue receiving competitive pricing when procuring technology goods and services.

If you have any questions or require additional information, please contact Jonathan Jew on my team at 628-652-1615.

**Enclosures:**

1. Original Agreement - Contract 1000031407 (CCT Technologies, Inc. dba ComputerLand of Silicon Valley)
2. Original Agreement - Contract 1000031408 (Cornerstone Technology Partners II JV)
3. Original Agreement - Contract 1000031409 (Insight Public Sector, Inc.)
4. Original Agreement - Contract 1000031412 (Xtech JV AIXTEK dba Eaton Associates | 21Tech LLC)
5. Novation Agreement - Contract ID 1000033753 (ISSQUARED, Inc. dba ComputerLand of Silicon Valley)





6. Proposed Amendment 1 - Contract 1000033753 (ISSQUARED, Inc. dba ComputerLand of Silicon Valley)
7. Proposed Amendment 1 - Contract 1000031408 (Cornerstone Technology Partners II JV)
8. Proposed Amendment 1 - Contract 1000031409 (Insight Public Sector, Inc.)
9. Proposed Amendment 1 - Contract 1000031412 (Xtech JV AIXTEK dba Eaton Associates | 21Tech LLC)
10. SFETH Form 126(f)4 - Contract 1000033753 (ISSQUARED, Inc. dba ComputerLand of Silicon Valley)
11. SFETH Form 126(f)4 - Contract 1000031408 (Cornerstone Technology Partners II JV)
12. SFETH Form 126(f)4 - Contract 1000031409 (Insight Public Sector, Inc.)
13. SFETH Form 126(f)4 - Contract 1000031412 (Xtech JV AIXTEK dba Eaton Associates | 21Tech LLC)
14. Resolution - Contract 1000033753 (ISSQUARED, Inc. dba ComputerLand of Silicon Valley)
15. Resolution - Contract 1000031408 (Cornerstone Technology Partners II JV)
16. Resolution - Contract 1000031409 (Insight Public Sector, Inc.)
17. Resolution - Contract 1000031412 (Xtech JV AIXTEK dba Eaton Associates | 21Tech LLC)